

**MINUTES OF THE REGULAR MEETING OF THE
OKLAHOMA POLICE PENSION AND RETIREMENT BOARD**

**Board Room
1001 N.W. 63rd Street, Suite 305
Oklahoma City, Oklahoma 73116**

January 19, 2011

The regular meeting of the Oklahoma Police Pension and Retirement Board was called to order by Chairman W. B. Smith at approximately 9:00 a.m. on Wednesday, January 19, 2011, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, John Doak, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, and W. B. Smith.

OTHERS: Steven K. Snyder, Executive Director; Marla Hensley, Administrative Officer; Darcie Gordon, Administrative Assistant; Nan J. Patton, Legal Advisor; Frank Stone, James Mills and Glenn Disher, Oklahoma Insurance Department; George Tarlas, Asset Consulting Group.

MEMBERS ABSENT: Jim McGoodwin.

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APPROVAL OF MINUTES OF BOARD MEETING HELD DECEMBER 15, 2010.

Motion by Charles Kerr and second by Craig Akard to approve the Minutes of the Regular Board Meeting held December 15, 2010. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Randy Scott, Rick Smith, and W.B. Smith. Abstain: John Doak, Susan Knight and Andy McPherson. Absent: Jim McGoodwin. Motion Carried.

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CONSIDERATION AND VOTE, SUBJECT TO BOARD'S EXCEPTION, ON THE FOLLOWING APPLICATIONS:

a. Application for Participation:

<u>Name</u>	<u>City</u>
Derek A. Vassar	Altus
Brian E. Morgan	Atoka
Howard W. Bauck	Durant
Brandon S. Mitchell	Durant
Bradley S. George	Elk City
Christopher L. Wagstaff	Lindsay
Shannon L. Beshirs	Madill
Hank E. Guilfoyle	Skiatook
Cody E. Warren	Tahlequah
Jason C. Brinker	Tecumseh
Clarence A. Kidney, Jr.	Tecumseh
Mark J. LaHue	Tecumseh

Donald R. Lewis, II	Tecumseh
Jesse L. McCord	Tecumseh
Jason A. Lay	Tonkawa
Jarod M. Luetjen	Tonkawa
Logan E. Stanley	Warr Acres

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Derik Franklin	Atoka
David Robbins, Jr.	Bartlesville
Richard J. Stewart	Bixby
Justin Near	Coweta
William L. Conaway	Idabel
Alexander Sherwood	Mannford
Virginia L. Bemo	Muskogee
Diron L. Carter	Oklahoma City
Matthew J. McGuire	Stillwater
Joe A. Ogden	Tulsa

c. Application for Participation in the Oklahoma Police Deferred Option Plan Under the Back Drop Provision:

<u>Name</u>	<u>City</u>	<u>DOP Eff. Date</u>	<u>Service Pension Eff. Date</u>
Norman Stephens	Broken Arrow	02/01/2006	02/01/2011
Sharon D. Smith	McAlester	10/01/2010	01/01/2011
Kathy Bynum-Sioux	Oklahoma City	02/01/2006	02/01/2011
Monica Hardman	Oklahoma City	10/01/2007	02/01/2011
Mary J. Taylor, widow of Milton W. Taylor	Oklahoma City	01/01/2006	01/01/2011
David Williams	Oklahoma City	02/01/2006	02/01/2011
Loyd Romine	Stillwater	02/01/2006	02/01/2011
Karen R. Ford	Tulsa	01/01/2006	01/01/2011

d. Application for Deferred Option Plan:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Kenneth M. King	Shawnee	02/01/2011

e. Terminate Deferred Option Plan to Begin Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Tommy Knight	Muskogee	1/01/2011

f. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
John A. Zeigler	Edmond	02/01/2011

g. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Michael W. McKethan	Oklahoma City	11/13/2024

h. Application for Monies Due the Estate from the System:

<u>Name</u>	<u>City</u>
Donald R. Burnett, Personal Rep. of Douglas J. Burnett	Oklahoma City

i. Death Benefit:

<u>Name</u>	<u>City</u>
Betty R. Huggins, widow of Jerry D. Huggins	Chickasha
Karen S. Peterson, widow of Robert L. Peterson	Norman

Donald R. Burnett, Personal Rep. of Douglas J. Burnett	Oklahoma City
Ruth K. McLaughlin, widow of Clyde S. McLaughlin	Oklahoma City
Paul S. Parker, widower of Jean D. Parker	Oklahoma City
Mary J. Taylor, widow of Milton W. Taylor	Oklahoma City
Darla R. Haese, widow of Joseph W. Haese	Shawnee

j. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Betty R. Huggins, widow of Jerry D. Huggins	Chickasha
Karen S. Peterson, widow of Robert L. Peterson	Norman
Ruth K. McLaughlin, widow of Clyde S. McLaughlin	Oklahoma City
Paul S. Parker, widower of Jean D. Parker	Oklahoma City
Mary J. Taylor, widow of Milton W. Taylor	Oklahoma City
Darla R. Haese, widow of Joseph W. Haese	Shawnee

k. Termination of Benefit:

<u>Name</u>	<u>City</u>
Douglas J. Burnett	Oklahoma City

Motion by Charles Kerr and second by Tony Davenport for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds and Benefits. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, John Doak, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Randy Smith, Rick Smith, and W. B. Smith. Absent: Jim McGoodwin. Motion Carried.

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STANFORD J. RICE, OKLAHOMA CITY – REQUEST TO RESCIND APPLICATION FOR REFUND APPROVED ON 05/16/2001. REQUEST FOR APPROVAL OF APPLICATION FOR VESTED BENEFIT EFFECTIVE 08/16/2016. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Tony Davenport and second by Jeff Cealka for approval of request to rescind application for refund approved on 05/16/2001. Request for approval of application for vested benefit effective 08/16/2016. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, John Doak, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Randy Smith, Rick Smith, and W. B. Smith. Absent: Jim McGoodwin. Motion Carried.

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REVIEW OF BOARD REPORTS

The Account #6000, Fund 20000 (operating expenses), report is attached as Exhibit "A"; the Account #8557A, Fund Expenditures (receipts and disbursements), report for December 2010 is attached as Exhibit "B"; the Broker Commission Report is attached as Exhibit "C"; and the report for the Statement of Total Fund is attached as Exhibit "D."

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ASSET CONSULTING GROUP – FINANCIAL CONSULTANT REPORT FOR MONTH ENDED DECEMBER 31, 2010; AND DISCUSSION ON REBALANCING PORTFOLIO ASSETS AMONG VARIOUS ASSET STRATEGIES AND MANAGERS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Before Mr. Tarlas' report, Mr. Snyder gave a brief accounting of the historical balances of the System's portfolio. October 2007 marked the System's high point, which was \$1.85 billion. The lowest point was approximately \$1.3 billion in February 2009. The System started in 1981 with a balance of approximately \$115 million.

Mr. Tarlas briefly reviewed the ASAP report for the month ended December 31, 2010, a copy of which is attached as Exhibit "E." As of December 31, 2010, the total Fund was approximately \$1,735,042,000.00. The one-year return net of fees for the total Fund is 11.45%.

Mr. Tarlas stated that a review of portfolio re-balancing and new investment opportunities will begin in the next few months.

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BOARD TO RATIFY EXECUTIVE DIRECTOR'S ACTIONS REGARDING AUTHORIZING LABATON SUCHAROW TO SEEK LEAD PLAINTIFF ON BEHALF OF OPPRS IN LITIGATION RELATED TO WILMINGTON TRUST CORP.

Motion by Tony Davenport and second by Jeff Cealka to ratify Executive Director's actions regarding authorizing Labaton Sucharow to seek lead plaintiff on behalf of OPPRS in litigation related to Wilmington Trust Corp. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, John Doak, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Randy Smith, Rick Smith, and W. B. Smith. Absent: Jim McGoodwin. Motion Carried.

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BOARD TO RATIFY EXECUTIVE DIRECTOR'S ACTIONS REGARDING AUTHORIZING GRANT & EISENHOFER TO SEEK LEAD PLAINTIFF ON BEHALF OF OPPRS IN LITIGATION RELATED TO BJ'S WHOLESALE.

Motion by Tony Davenport and second by Jim Keesee to ratify Executive Director's actions regarding authorizing Grant & Eisenhofer to seek lead plaintiff on behalf of OPPRS in litigation related to BJ's Wholesale. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, John Doak, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Randy Smith, Rick Smith, and W. B. Smith. Absent: Jim McGoodwin. Motion Carried.

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REVIEW AND DISCUSS DRAFT OF PROPOSED AMENDMENTS TO THE SYSTEM'S ADMINISTRATIVE RULES. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

No Board action necessary.

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PAUL E. GREEN, DEWEY – REQUEST TO RESCIND APPROVAL OF APPLICATION FOR REFUND OF CONTRIBUTION APPROVED 11/23/2010. REQUEST TO APPROVE APPLICATION FOR VESTED BENEFIT. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Tom Custer and second by Jeff Cealka to request to rescind approval of Application for Refund of Contribution approved 11/23/2010 and to request to approve Application for Vested Benefit. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, John Doak, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Randy Smith, Rick Smith, and W. B. Smith. Absent: Jim McGoodwin. Motion Carried.

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WILLIAM E. SEAY, JR., TULSA – REQUEST TO RESCIND APPROVAL OF APPLICATION FOR VESTED BENEFIT APPROVED 06/18/08 AND REQUEST TO APPROVE APPLICATION FOR REFUND OF CONTRIBUTION. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Jeff Cealka and second by Tom Custer to request to rescind approval of Application for Vested Benefit approved 06/18/2008 and request to approve Application for Refund of Contributions. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, John Doak, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Randy Smith, Rick Smith, and W. B. Smith. Absent: Jim McGoodwin. Motion Carried.

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MICHAEL B. DUDGEON, WEATHERFORD – REQUEST TO AMEND PREVIOUSLY APPROVED APPLICATION FOR PARTICIPATION APPROVED 11/23/2010. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Tony Davenport and second by Jim Keesee to request to amend previously approved Application for Participation approved 11/23/2010. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, John Doak, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Randy Smith, Rick Smith, and W. B. Smith. Absent: Jim McGoodwin. Motion Carried.

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CITY OF RINGLING – RESOLUTION TO AFFILIATE AND JOIN THE OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Tony Davenport and second by Tom Custer to accept the Resolution to affiliate and join the Oklahoma Police Pension and Retirement System submitted by the City of Ringling. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, John Doak, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Randy Smith, Rick Smith, and W. B. Smith. Absent: Jim McGoodwin. Motion Carried.

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LITIGATION REPORT – PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL TO DISCUSS CASE NO. 07-MD-1898 (TCP) IN RE AMERICAN HOME MORTGAGE SECURITIES LITIGATION (UNITED STATES DISTRICT COURT, EASTERN DISTRICT OF NEW YORK); CASE NO. 08-CV-22572-COOKE-BANDSTRA, IN RE BANKUNITED FINANCIAL CORPORATION (UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF FLORIDA); CASE NO. 2:10-CV-02013 OPPRS ET AL VS. BP, PLC (UNITED STATES DISTRICT COURT, EASTERN DISTRICT OF LOUISIANA; CASE NO. 2:10-CV-01061-NBF-RCM, IN RE EDUCATION MANAGEMENT CORPORATION (UNITED STATES DISTRICT COURT, WESTERN DISTRICT OF PENNSYLVANIA) AND TO DISCUSS OTHER POTENTIAL LITIGATION WITH LEGAL COUNSEL PURSUANT TO 25 O.S. § 307(B)(4) IN THAT DISCLOSURE WILL SERIOUSLY IMPAIR THE ABILITY OF THE BODY TO CONDUCT A PENDING PROCEEDING IN THE PUBLIC INTEREST.

Mr. Snyder stated that it would not be necessary for the Board to go into Executive Session on these matters. He then briefly updated the Board on the status of litigation impacting the Oklahoma Police Pension and Retirement System.

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NEW BUSINESS

No new business was discussed.

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BOARD MEMBERS' REPORTS

Mr. Keesee reported that he has received many favorable calls regarding the new Webmember Services available on the OPPRS website.

***Mr. Cealka stated that he has several reports from members of the Tulsa Police Department regarding unpaid health insurance bills. The situation has been remedied.

***Correction: Mr. Cealka stated that he has several reports from retired members of the Tulsa Police Department regarding unpaid health insurance bills. The situation has been remedied.

Mr. Davenport reported that the System should be receiving a letter of appointment from the Oklahoma Municipal League reappointing Mr. Davenport to the Board.

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DISCUSSION OF SEMINARS/CONFERENCES. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

NCPERS Conference will be held in Miami, FL May 22-26, 2011.

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DIRECTOR'S REPORT

Mr. Snyder reported that the Active Member Statements will be mailed the week of January 24 and the 1099-R's will be mailed out by January 31, 2011.

The election process will begin soon for Districts 3 and 6. Members of these districts will be receiving information in the mail regarding the elections.

Mr. Snyder reported that Governor Fallin has not yet made any new appointment to the Board.

Mr. Snyder asked the Board members to remind the System members that they cannot designate their wife (or anyone else) as their beneficiary. In this System, the beneficiary is set by statute and cannot be changed by the member.

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At approximately 10:15 am, Chairman Smith adjourned the meeting.

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Notice of this meeting was filed with the Secretary of State and the agenda for the meeting was posted in compliance with the Open Meeting Act.

RESPECTFULLY SUBMITTED BY MARLA HENSLEY, ADMINISTRATIVE OFFICER.