

MINUTES
APRIL 29, 2009 MEETING
BOARD OF TRUSTEES
TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

The regularly scheduled meeting of the Board of Trustees of the Teachers' Retirement System of Oklahoma was called to order by Cathy Conway, Chairman, at 1:00 P.M., Wednesday, April 29, 2009, in the Administrative Conference Room of the Teachers' Retirement System, Oliver Hodge Building, 2500 North Lincoln Boulevard, Fifth Floor, Oklahoma City, Oklahoma. The agenda/meeting notice was posted in accordance with 25 O.S. 2001 Section 311(9).

TRUSTEES PRESENT:

Cathy Conway, *Chairman*
James Smith, *Vice-Chairman*
Sherrie Barnes

Bruce DeMuth
Richard Gorman
John Kirkpatrick
Darryl Hatcher

Matti Palluconi
Galeard Roper
Michael Simpson

TRUSTEES ABSENT:

Dick Neptune
Michael Clingman
Sandy Garrett

TRS STAFF PRESENT:

James R. Wilbanks, *Executive Secretary*
Joe Ezzell, *Assistant Executive Secretary*
Kim Bold, *Director of Human Resources*
Edward Romero, *Secretary-Treasurer*
Karen Yost, *Assistant to the Executive Secretary and Board of Trustees*

LEGAL COUNSEL PRESENT:

David L. Kinney, *Assistant Attorney General*

INVESTMENT CONSULTANT PRESENT: gregory.w.group

Gregory T. Weaver, *gregory.w.group*
Douglas J. Anderson, *gregory.w.group*

OTHERS PRESENT:

Bryan Smith, *eCapitol News*
Regina Switzer, *Office of the Attorney General*

**Denotes either late arrival or early departure.*

1. BOARD POLL FOR QUORUM

Chairman Conway called the Board meeting to order and asked for a poll to determine if a quorum was present. Trustees responding were as follows: Ms. Barnes; Mr. DeMuth; Mr. Gorman; Mr. Hatcher; Dr. Kirkpatrick; Ms. Palluconi; Mr. Roper; Mr. Simpson; Mr. Smith; and Chairman Conway.

2. MINUTES of the MARCH 25, 2009, BOARD MEETING APPROVED

A motion was made by Mr. DeMuth with a second made by Mr. Hatcher to approve the minutes of the March 25, 2009, meeting. The motion carried by a unanimous vote.

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3. INVESTMENT COMMITTEE ITEMS:

3.A. Presentation by Investment Manager(s):

Sawgrass Asset Management and Chase Investment Counsel were present during the Investment Committee meeting and made their respective presentations to the Committee.

3.B. GREGORY.W.GROUP REPORT:

3.B.1. Market Performance, Asset Allocation Review, February 28th Performance Summary: Gregory Weaver and Douglas Anderson of gregory.w.group, investment consultant to the Board, gave the Board their monthly report.

3.B.2. Manager Status Summary and Possible Action:

3.B.2.c. The Investment Committee made a recommendation to remove Causeway Capital from "On Alert" status and to return them to "In Compliance" status. The recommendation was approved by a unanimous vote.

3.B.2.d. The Investment Committee made a recommendation to extend until July 31, 2009, the "On Notice" status of Goldman Sachs for personnel issues only, removing the performance issue. The recommendation was approved by a unanimous vote.

3.C. Change to Sawgrass Fee Schedule: The Investment Committee made a recommendation to ratify the new Sawgrass fee schedule. The recommendation was approved by a unanimous vote.

3.D. Portfolio Rebalancing Alternatives: No action was taken on this item.

3.E. Exception Request by MacKay Shields: The Investment Committee made a recommendation to grant the exception request from MacKay Shields keeping within their CORE+ portfolio. The recommendation was approved by a unanimous vote.

3.F. Update on Tax-Sheltered Annuity Program RFP: Dr. Wilbanks gave the Board an update on the RFP.

3.G.&H. Comparison of Securities Lending and Short-Term Cash Management Income: There was no action necessary on this item.

3.I. Renewal of Manager Contracts: The Investment Committee recommended approval of the manager contracts and their fee schedules, as presented, for Chase Investment Counsel; Frontier Capital; Loomis, Sayles; and Sawgrass Asset Management. The Investment Committee recommendation was approved by a unanimous vote.

4. AUDIT COMMITTEE RECOMMENDATION:

4.A. Renewal of Contract for External Auditor, Cole & Reed: Mr. Roper, Chairman of the Audit Committee, made a report to the Board stating the Audit Committee is recommending renewal. The Audit Committee recommendation was approved by a unanimous vote.

5. RENEWAL OF CONTRACT FOR LEGAL SERVICES WITH ATTORNEY GENERAL OFFICE: Dr. Wilbanks stated this action would become effective July 1, 2009, stating Regina Switzer, Assistant Attorney General, will take the place of Mr. Kinney at that time. Dr. Wilbanks stated he is recommending the Board renew the Attorney General contract with Ms. Switzer as legal counsel to the Board. A motion was made by Mr. Roper with a second made by Dr. Kirkpatrick for approval. The recommendation carried by a unanimous vote.

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6. LEGAL REPORT: Mr. Kinney made his report to the Board. There was no action necessary on this report.

7.A.POSSIBLE EXECUTIVE SESSION FOR THE PURPOSE OF CONFIDENTIAL COMMUNICATIONS BETWEEN THE TRUSTEES AND ITS COUNSEL CONCERNING PENDING CLAIMS IN THE MATTER OF AMERICAN HOME MORTGAGE SECURITIES LITIGATION.

7.B.VOTE TO CONVENE INTO EXECUTIVE SESSION:

A motion was made by Dr. Kirkpatrick with a second made by Mr. DeMuth to enter into executive session. The motion carried by a unanimous vote.

7.C. VOTE TO RETURN TO OPEN SESSION: A motion was made by Mr. Roper with a second made by Mr. Simpson to return to Open Session. The motion carried by a unanimous vote.

8. ACTION ON MOTIONS RESULTING FROM EXECUTIVE SESSION:

A motion was made by Mr. Roper with a second made by Mr. DeMuth to settle the matter with American Home Mortgage. The motion carried by a unanimous vote.

9. EXECUTIVE SECRETARY REPORT:

9.A.B.C.D.: Client status update; financial reports; legislative update; other items for discussion: Dr. Wilbanks made his report to the Board and stated he would be glad to answer any questions the Board may have. A motion was made by Mr. DeMuth with a second made by Mr. Simpson for approval. The motion carried by a unanimous vote.

10. QUESTIONS AND COMMENTS FROM TRUSTEES

The Board was reminded of the special meeting scheduled in May 13, to include the interviews for a third party administrator of the TRS 403B Plan.

11. NEW BUSINESS

There was no new business before the Board.

12. ADJOURNMENT

There being no further business before the Board, the Chairman declared the meeting adjourned at 2:02 p.m. Trustees present at adjournment were as follows: Ms. Barnes; Mr. DeMuth; Mr. Gorman; Mr. Hatcher; Dr. Kirkpatrick; Ms. Palluconi; Mr. Roper; Mr. Simpson; Mr. Smith; and Chairman Conway.

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The next regularly scheduled meeting of the Board of Trustees of the Teachers' Retirement System of Oklahoma will be:

WEDNESDAY – May 27, 2009

Investment Committee Meeting begins at **9:00 A.M.**
Board Meeting begins at **1:00 P.M.**

Oliver Hodge Education Building
Administrative Conference Room
2500 North Lincoln Boulevard, 5th Floor
Administration Conference Room
Oklahoma City, Oklahoma

BOARD OF TRUSTEES, TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

BY: _____
Chairman, Cathy Conway

ATTEST:

BY: _____
Dick Neptune, Secretary

Certified correct minutes, subject to approval of the Board of Trustees of the Teachers' Retirement System of Oklahoma, will be available at its next regularly scheduled meeting on May 27, 2009.

BY: _____
Karen A. Yost, Assistant to the Executive Secretary and the Board of Trustees