

MINUTES
JUNE 24, 2009 REGULAR MEETING
BOARD OF TRUSTEES
TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

This regularly scheduled meeting of the Board of Trustees of the Teachers' Retirement System of Oklahoma was called to order by Cathy Conway, Chairman, at 1:02 P.M., 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*
Dick Neptune, *Secretary*
Sherrie Barnes

Bruce DeMuth
Richard Gorman
Darryl Hatcher
John Kirkpatrick*

Galeard Roper
Michael Simpson

TRUSTEES ABSENT:

Michael Clingman
Odilia Dank
Sandy Garrett

TRS STAFF PRESENT:

Joe Ezzell, *Assistant Executive Secretary*
Kim Bold, *Director of Human Resources*
Edward Romero, *Secretary-Treasurer*
Marta Coombes, *Investment Accountant*
Nick Pointer, *Investment Associate*
Karen Yost, *Assistant to the Executive Secretary and Board of Trustees*

LEGAL COUNSEL PRESENT:

David L. Kinney, *Assistant Attorney General*
Regina Switzer, *Assistant Attorney General*

INVESTMENT CONSULTANT PRESENT: gregory.w.group

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

OTHERS PRESENT:

Norman Cooper, *Oklahoma Retired Educators' Association*
Tres Savage, *e-Capitol News*

**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; Mr. Neptune; Mr. Roper; Mr. Simpson; Mr. Smith; and Chairman Conway.

2. MINUTES of the May 27, 2009, BOARD MEETING APPROVED

A motion was made by Mr. DeMuth with a second made by Mr. Gorman to approve the minutes of the May 27, 2009, meeting. The motion carried by a unanimous voice vote.

3. SWEARING IN OF NEW BOARD MEMBER:

This item has been postponed until a later date.

4. INVESTMENT COMMITTEE ITEMS:

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

Tocqueville Asset Management and Shapiro Capital Management were present during the Investment Committee meeting and made their respective presentations to the Committee.

4.B. GREGORY.W.GROUP REPORT:

4.B.1. May 31st Performance Summary: Gregory Weaver and Douglas Anderson of gregory.w.group, investment consultant to the Board, gave the Board their monthly report.

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

There was no action taken on the agenda item.

4.B.3. Update on Asset Reallocation: An update on the asset reallocation was given to the Board by Greg Weaver.

4.C. Proposed Amendments to the Investment Policy: After discussion, the Investment Committee recommended approval of the Investment Policy with modifications as presented by gregory.w.group, after approval by the TRS Executive Secretary and Legal Counsel. The recommendation was approved by a unanimous vote of the Board.

The Investment Committee also recommended extending through December 31, 2009, the ability of managers to hold up to 15% cash in their portfolios. The recommendation was approved by a unanimous vote.

4.D. Private Equity Fund of Funds Manager RFP: After discussion, the Investment Committee recommended the RFP be let and to include the legacy portfolio from Aldus Equity with the approval of Dr. Wilbanks, Legal Counsel and gregory.w.group. The recommendation was approved by a unanimous vote from the Board.

4.E. Exception Request Made by Stephens, Inc.: The Investment Committee recommended approval of the request made by Stephens, Inc. to change from 10% to 20% holdings in investment-grade corporate bonds. After discussion, the recommendation was approved by a unanimous vote. *(Dr. Kirkpatrick arrived after the vote.)*

4.F. Comparison of Securities Lending: No action was necessary on this item.

4.G. Comparison of Short-Term Cash Management Income: There was no action necessary on this item.

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

6. DISCUSSION AND POSSIBLE ACTION TO RESOLVE INTO EXECUTIVE SESSION FOR THE PURPOSE OF CONFIDENTIAL COMMUNICATIONS BETWEEN THE TRUSTEES AND ITS COUNSEL CONCERNING PENDING CLAIMS IN THE FOLLOWING MATTER:

A. In Re Connectics Corp. Securities Litigation

Case No. C 07-2940 (SI), United States District Court, District of California

The Executive Session is based on advice of counsel that disclosure in a public meeting would impair the ability of the trustees to resolve the above litigation in the public interest.

B. Vote to Convene into Executive Session (Authorized by 25 O.S., Supp. 2008, Sec.307(B)(4)):

A motion was made by Mr. Roper with a second made by Mr. Smith to enter into Executive Session at 1:38p.m.

C. Vote to Return to Open Session: A motion was made by Mr. Roper with a second made by Mr. Smith to return to Open Session at 1:44p.m.

7. POSSIBLE ACTION ON MOTIONS RESULTING FROM EXECUTIVE SESSION: A motion was made by Mr. Roper with a second made by Mr. Simpson to authorize a settlement in the Connecticut matter.

8. RENEWAL OF CONTRACT WITH ICE MILLER: After discussion, a motion was made by Mr. Simpson with a second made by Mr. DeMuth to renew the contract, for an additional year, with Ice Miller for their services consulting the Retirement System on federal pension law and taxation.

9. PROPOSED OPERATING BUDGET FOR FISCAL YEAR 2010: Mr. Ezzell made a report to the Board. After discussion, a motion was made by Mr. Roper with a second made by Mr. DeMuth to approve the 2010 Operating Budget. The motion carried by a unanimous vote.

10. EXECUTIVE SECRETARY REPORT:

6.A.B.C.: Client Status update; Financial Reports; Legislative update; Other Items for discussion: Dr. Wilbanks was not present due to having surgery and Joe Ezzell made this report to the Board and stated he would be glad to answer any questions the Board may have. A motion was made by Dr. Kirkpatrick with a second made by Mr. Simpson for approval. The motion carried by a unanimous vote.

10. ELECTION OF BOARD OFFICERS: After motions with seconds, being duly made, the new Board officers were nominated and elected by acclamation by unanimous voice votes. Effective July 1, 2009, the new officers will be, James Smith, Chairman; Michael Simpson, Vice-Chairman, and Dick Neptune, Secretary.

11. QUESTIONS AND COMMENTS FROM TRUSTEES

There were no further questions or comments from the Board.

12. NEW BUSINESS:

There was no new business before the Board.

12. ADJOURNMENT:

There being no further business before the Board the Chairman stated the meeting was adjourned at 2:07p.m. Trustees present at adjournment were as follows: Ms. Barnes; Mr. DeMuth; Mr. Gorman; Mr. Hatcher; Dr. Kirkpatrick; Mr. Neptune; Mr. Roper; Mr. Simpson; Mr. Smith; and Chairman Conway.

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

WEDNESDAY – July 22, 2009

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

Post Oak Lodge
5323 West 31st Street North
Tulsa, Oklahoma 74127

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 July 22, 2009.

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