

MINUTES
SEVEN HUNDRED AND EIGHTY-FOURTH MEETING
BOARD OF TRUSTEES
TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

DECEMBER 20, 2006

The regularly scheduled meeting of the Board of Trustees of the Teachers' Retirement System of Oklahoma was called to order by Matti Palluconi, Chairman, at 1:30 P.M., Wednesday, December 20, 2006, in the Administrative Conference Room of the Teachers' Retirement System, 5th Floor, Oliver Hodge Building, 2500 North Lincoln Boulevard, Oklahoma City, Oklahoma. The agenda/meeting notice was posted in accordance with 25 O.S. 2001 Section 311(9).

TRUSTEES PRESENT:

Matti Palluconi, <i>Chairman</i>	John Kirkpatrick
Cathy Conway, <i>Vice-Chairman</i>	Betty Minton*
Dick Neptune, <i>Secretary</i>	Michael Simpson
Sherrie Barnes	James Smith
Bruce DeMuth	
Richard Gorman	

TRUSTEES NOT PRESENT:

Galeard Roper
Sandy Garrett, *State Superintendent of Public Instruction*
Tim Hutchison, *Interim Director, Office of State Finance*

TRS STAFF PRESENT:

Tommy C. Beavers, *Executive Secretary*
Bill Puckett, *Chief Investment Officer*
Joe Ezzell, *Secretary/Treasurer*
Kara Johnson, *Internal Auditor*
Adam Attaoui, *Security*
Edward Romero, *Comptroller*
Becky Yearout, *Cash Management Officer*
Karen Yost, *Assistant to Executive Secretary and Board of Trustees*

INVESTMENT CONSULTANT PRESENT:

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

LEGAL COUNSEL PRESENT:

David Kinney, *Assistant Attorney General*

EXTERNAL AUDITOR PRESENT:

Dan Bledsoe, *Cole & Reed*

OTHERS PRESENT:

Charles Barnes, *Sand Springs Public Schools*
Dwight Bruss, *State Department of Education*
Norman Cooper, *Oklahoma Educators' Association*
Tommy Fulton, *Retired Member*
Mark Schlachtenhau fen, *Capitol Network News*
Katherine B. Gooden, *Lawton Public Schools*
Sharron Lewis, *Lawton Public Schools*

* Indicates late arrival or early departure.

BOARD POLL FOR QUORUM

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

**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA BOARD OF TRUSTEES MEETING
DECEMBER 20, 2006**

MINUTES of OCTOBER 25, 2006, BOARD MEETING APPROVED

The Chairman asked for corrections, additions or a motion to approve the minutes of the October 25, 2006, meeting of the Board of Trustees of the Teachers' Retirement System of Oklahoma. A motion was made by Mr. Roper with a second made by Mr. Simpson for approval of the minutes, as corrected. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Gorman; Mr. Simpson; Mr. Smith; Ms. Conway; Mr. Roper; Ms. Barnes; Dr. Kirkpatrick; Mr. DeMuth; and Chairman Palluconi. (*Ms. Minton arrived after the vote.*)

Due to there being no November Board meeting, the December Board meeting packet includes reports for periods ending October 31st and November 30th. The figures contained in these minutes reflect only that information for the period ending November 30th. The materials that would have been presented at the November meeting, period ending October 31st, are included in the December binder and incorporated as attachments to documents supporting these minutes.

PRESENTATION BY J.P. MORGAN

Mr. Jim Polchow and Mr. Ed Manek with J.P. Morgan, were present and brought the Board up-to-date on the continuing conversion to J.P. Morgan, the Retirement System's new global custodian and securities lending services provider. They presented materials explaining their securities lending and custodial services.

**REPORT FROM THE TWO HUNDRED AND SEVENTEENTH
INVESTMENT COMMITTEE MEETING**

The Investment Committee meeting convened at 10:04 a.m. Wednesday, December 20, 2006, and adjourned at 12:23 p.m. Committee members present were as follows: Chairman Matti Palluconi; Ms. Conway; James Smith and Mr. Neptune. Other trustees present were Mr. Simpson; Mr. Gorman; Ms. Barnes; Mr. DeMuth*; Dr. Kirkpatrick*; and Ms. Minton*.

The Chairman asked gregory.w.group for their report.

**PRESENTATION BY gregory.w.group
Market Performance, Manager Review, Asset Allocation Review,
November 30th Performance Summary and Manager Status**

Greg Weaver and Doug Anderson of gregory.w.group, investment consultant to the Board, gave the Board a brief overview of their monthly report, given in-depth to the Investment Committee earlier in the day.

Jim Polchow and Ed Mollahon were present representing J.P. Morgan's custodial services division and Bob Betz and John Pletrunte were present representing J.P. Morgan's securities lending services division. Each J.P. Morgan division gave the Board an in-depth report concerning the ongoing transition to their organization.

Net of Fee and Market Performance Summary

This report indicates performance of the Fund, for periods ending November 30, 2006, for each portfolio, net of fees, comparing actual returns versus each manager's benchmark. The results for the last quarter for each portfolio manager are as follows:

**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA BOARD OF TRUSTEES MEETING
DECEMBER 20, 2006**

H&W Large-Cap, 8.86% vs. 7.74%; Goldman Sachs, 8.68% vs. 8.47%; Aletheia, 8.07% vs. 8.47%; Chase, 3.57% vs. 8.47%; Sawgrass, 4.91% vs. 8.47%; Advisory, 7.03% vs. 8.22%; EPOCH, 6.42% vs. 8.22%; AJO Partners, 7.67% vs. 9.63%; Wellington, 13.21% vs. 9.63%; Frontier, 5.86% vs. 9.63%; H&W Mid-Cap, 9.55% vs. 9.63%; 5.82% vs. 9.44%; Tocqueville, 8.44% vs. 9.44%; Smith, 7.11% vs. 9.44%; Capital Guardian, 6.26% vs. 7.22%; Causeway Capital, 6.78% vs. 7.22%; Brandes, 9.17% vs. 7.22%; Thornburg, 6.25% vs. 7.22%; Hoisington, 6.32% vs. 2.72%; Loomis Sayles, 3.42% vs. 2.72%; Lord Abbett, 2.78% vs. 2.72%; MacKay Shields, 3.15% vs. 2.72%; PIMCO, 2.71% vs. 2.72%; Standish Mellon, 2.75% vs. 2.72%; Stephens, 2.84% vs. 2.72% and OTRS Cash, 1.33% vs. 1.27%.

Total Fund performance is as follows: Month of November 2006, 2.36% vs. 2.20%; last quarter, 6.55% vs. 6.64%; 1-year, 14.01% vs. 14.63%; 3-years, 12.24% vs. 12.06%; 5-years, 9.85% vs. 9.59%; and since inception, 10.65% vs. 10.95%. *(Returns over one year are annualized.)*

Market Environment Overview

gregory.w.group made a presentation to the Investment Committee on the market's behavior as of November 30, 2006. This report is to give the Board a better understanding of where the Fund's returns come from, which includes index and sector performance.

Manager Status Summary

This report gives the status of each investment manager, i.e. in "Compliance", on "Alert", and on "Notice", which could be caused by performance or organizational issues. Of 24 managers, only four are on "Alert".

Personnel Changes at Goldman Sachs

Mr. Weaver stated that two key individuals have left Goldman Sachs this calendar year, Herb Ellers and Ken Berents, both important to the System's portfolio, and creates some organizational issues with Goldman Sachs.

Chairman Palluconi stated the Investment Committee is recommending that Goldman Sachs be removed from on "Alert" status and changed to on "Notice" due to these personnel issues.

Investment Committee Recommendations Carried

The recommendation carried by Ms. Minton; Mr. Gorman; Mr. Simpson; Mr. Smith; Mr. Neptune; Ms. Conway; Ms. Barnes; Dr. Kirkpatrick; Mr. DeMuth; and Chairman Palluconi responding yes.

Smith Asset Management Performance

Mr. Weaver stated another manager of concern is Smith Capital. He said Smith's performance has been very disappointing since their inception date approximately two years ago. Mr. Weaver reported the most recent quarter has indicated some improvement for Smith Group.

The Chairman stated the Investment Committee is recommending that Smith Group be placed on "Alert" due to performance issues.

Investment Committee Recommendations Carried

The recommendation carried by Mr. DeMuth; Dr. Kirkpatrick; Ms. Barnes; Ms. Conway; Mr. Neptune; Mr. Smith; Mr. Simpson; Mr. Gorman; Ms. Minton; and Chairman Palluconi responding yes.

**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA BOARD OF TRUSTEES MEETING
DECEMBER 20, 2006**

Renewal of Contract with Smith Asset Management

Chairman Palluconi stated this will renew the contract for an additional year and there are no changes to the contract, and asked for a motion from the Board.

Motion to Renew Smith Group Contract Carried

A motion was made by Mr. Neptune with a second being made by Mr. Simpson for renewal. The motion carried by Mr. DeMuth; Dr. Kirkpatrick; Ms. Barnes; Ms. Conway; Mr. Neptune; Mr. Smith; Mr. Simpson; Mr. Gorman; Ms. Minton; and Chairman Palluconi responding yes.

Asset Allocation Review

Mr. Weaver and Mr. Anderson gave the Board materials concerning the reallocation of assets in the System's portfolio and gave the Board a very detailed report.

After considerable discussion, and as recommended by g.w.g, it was determined that the balance of assets in international equity and mid-cap domestic equity portfolios needs to be reduced to the System's asset allocation targets of 17% and 15% of total investments. The Investment Committee's recommendation is to reduce the international equity component \$275 million by reducing the Brandes account by \$150 million and reducing Capital Guardian and Causeway \$62.5 million each. In addition, \$25 million will be moved from each of the four mid-cap managers: Wellington, Frontier, AJO Partners and Hotchkis & Wiley. These assets will be deployed by increases to Chase of \$92 million, Sawgrass, \$87 million, Advisory Research \$48 million and EPOCH \$48 million. Approximately \$100 million will be transferred to the System's cash account to cover future retirement payroll obligations. The resolution included an understanding that the above amounts were estimates and could vary depending on market value of all assets at the time of the transition and provided authority to staff to use the most expedient method to execute the transition. It is expected the transition will begin in late January.

Motion for Reallocation of Assets Carried

The Chairman stated a motion comes from the Investment Committee to follow the above recommendation of g.w.g. for the reallocation of assets, as presented on page 8 of g.w.g's report. The motion carried by Mr. DeMuth; Dr. Kirkpatrick; Ms. Barnes; Ms. Conway; Mr. Neptune; Mr. Smith; Mr. Simpson; Mr. Gorman; Ms. Minton; and Chairman Palluconi responding yes.

The Chairman asked for a motion for approval of the transfer from Mid-Cap into the System's cash account of approximately \$100 million for payment of future benefits.

Motion for Transfer from Mid-Cap into TRS Cash Account

A motion was made by Ms. Conway with a second being made by Mr. DeMuth for the transfer of funds, and amended to include giving staff authorization to use the most expedient means available. The motion carried by Ms. Minton; Mr. Gorman; Mr. Simpson; Mr. Smith; Mr. Neptune; Ms. Conway; Ms. Barnes; Dr. Kirkpatrick; Mr. DeMuth; and Chairman Palluconi responding yes.

**Renewal of Contracts with Goldman Sachs, Hotchkis & Wiley Large-Cap,
Hotchkis & Wiley Mid-Cap, Standish Mellon, and Brandes**

The Chairman stated that even though the Board meeting was not held in November, the Investment Committee did meet. At that meeting the Committee recommended renewal of manager contracts with Goldman Sachs, Hotchkis & Wiley Large and Mid Cap, Standish Mellon and Brandes. There are no changes in these contracts and will become effective January 1, 2007.

**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA BOARD OF TRUSTEES MEETING
DECEMBER 20, 2006**

Investment Committee Recommendations Carried

The recommendation carried by Ms. Minton; Mr. Gorman; Mr. Simpson; Mr. Smith; Mr. Neptune; Ms. Conway; Ms. Barnes; Dr. Kirkpatrick; Mr. DeMuth; and Chairman Palluconi responding yes.

The Chairman asked Mr. Puckett for his reports.

TRS INVESTMENT REPORTS

Mr. Puckett gave the Board a brief report and stated he would be glad to answer any questions the Board might have. The TRS Investment reports are listed as follows:

Portfolio Distribution

The total market value of the portfolio was \$8,916,253,853.48 invested approximately 30% in fixed income, 68% in equities with the balance in accrued income and residual cash positions.

Short-Term Investment Account

The monthly rate of return for Short-Term cash was 0.44 basis points, the three-month return was 1.33%, and the trailing twelve-month return was 5.08%.

Book Value to Market Value Comparison

This lists equity holdings where the market value has fallen at least 20% below cost, along with securities that have been removed from the previous month's report due to appreciation in value or having been sold.

Domestic Equity Commissions Recaptured, Period Ending OCTOBER 2006

Total recaptured commissions for the month was \$49,413, total commissions paid was \$535,237, with a net cost per share of \$0.027 and year-to-date net cost per share of \$0.028. Fiscal year-to-date, recaptured commissions total \$193,034 on \$1,868,938 in paid commissions.

Commissions Paid Report

This report shows commissions paid for the first quarter, July 1, 2006 through September 30, 2006, listing each manager and the brokers used.

Fiscal Year Comparison of Securities Lending

Mr. Puckett stated this report monitors securities lending and how it has performed this year compared to last year's numbers.

Earnings on Securities Lending

This report shows last year's and this year's earnings on securities lent and the lendable balance, including the market value and gross returns.

Merger between Standish Mellon and Bank of New York

Mr. Puckett referred to Board to the letter from the Vice Chairman of Mellon concerning this merger. He stated this will not affect the Fund's portfolio.

EXTERNAL AUDIT REPORT

**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA BOARD OF TRUSTEES MEETING
DECEMBER 20, 2006**

Cole & Reed

Mr. Dan Bledsoe, senior audit manager, with Cole & Reed, was present to give the Board the findings of Cole and Reed's audit of the Teachers' Retirement System. He referred the trustees to the audit report in the Board's binder and the management letter.

Mr. Bledsoe stated Cole & Reed's audit opinion on the Retirement System's financial statements is unqualified, which is the best the System can obtain and is a testament to the quality job performed by management and staff. He reported the audit states that in their opinion all financial statements referred to in the audit are presented fairly in all material respects, the net assets of the System ending June 30, 2005 and 2006, and the change in net assets for the years then ended are in conformity with accounting principles generally accepted in the United States of America. He also reported that no material weaknesses were found as a result of the audit.

Mr. Bledsoe ended his report and stated he would be glad to answer any questions.

Motion to Approve the External Audit Report Carried

The Chairman asked for a motion from the Board. A motion was made by Dr. Kirkpatrick with a second by Mr. DeMuth to approve the audit. The motion carried by Mr. DeMuth; Dr. Kirkpatrick; Ms. Barnes; Ms. Conway; Mr. Smith; Mr. Simpson; Mr. Gorman; Ms. Minton; and Chairman Palluconi responding yes.

**INTERNAL AUDIT REPORT
Summary of Prior Findings**

Kara Johnson, Internal Auditor, gave the Board a report on the findings of former audits, which included the audit on service purchases, re-deposits and buy backs.

Motion to Approve the Internal Audit Report Carried

After further discussion, the Chairman asked for a motion from the Board. A motion was made by Mr. DeMuth with a second being made by Mr. Simpson. The motion carried by Ms. Minton; Mr. Gorman; Mr. Simpson; Mr. Smith; Mr. Neptune; Ms. Conway; Ms. Barnes; Dr. Kirkpatrick; Mr. DeMuth; and Chairman Palluconi responding yes.

Chairman Palluconi asked Mr. Beavers for his reports.

**REPORT OF THE EXECUTIVE SECRETARY
Report of Routine Items and Executive Secretary Report for November 2006**

Mr. Beavers referred the Board to Section Five in their binders and gave them a brief report, stating he would be glad to answer any questions.

**Motion for Approval of Routine Items
and Adoption of the Executive Secretary Report Carried**

The Chairman asked for a motion from the Board. A motion was made by Ms. Conway with a second being made by Mr. DeMuth. The motion carried by a unanimous voice vote. Trustees responding were: Mr. DeMuth; Dr. Kirkpatrick; Ms. Barnes; Ms. Conway; Mr. Neptune; Mr. Smith; Mr. Simpson; Mr. Gorman; Ms. Minton; and Chairman Palluconi. The Reports are as follows:

Monthly Expenditures

**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA BOARD OF TRUSTEES MEETING
DECEMBER 20, 2006**

Monthly Expenditures consists of claims, receipts and claims for authorized expenditures, retirement payroll, tax-deferred annuity withdrawals, payment to beneficiaries of retired and active members, persons withdrawing contributions and total dedicated revenue.

Receipts and Claims for Authorized Expenditures

Receipts and Claims totaled \$3,994,050.00 and may include payments for: Board expenses, TRS staff travel, communications, contingency, maintenance, insurance, rent, etc.; investment expenditures, Social Security, and retirement payments.

Claims

Claims submitted for approval totaled \$5,913.34.

Recommendations for Retirement

There were three (3) disability and 43 regular contracts filed for retirement.

Disability Retirement as Provided by Social Security

There was one (1) disability applicants granted either a continuation of benefits or a new disability retirement, by TRS due to approval of disability retirement through and by the Social Security Administration, as provided by 70 O.S. § 17-105.

Disability Retirement Re-Evaluated

There were two (2) disability retirement accounts recommended for continuation of disability retirement benefits.

Tax-Sheltered Hardship Requests

There were two (2) hardship requests made by members.

Termination of Retirement Benefits

Monthly benefits were terminated for 94 members due to their deaths, and 7 who returned to teaching.

New Members

There were 511 new member applications, and the list of new enrollments may be reviewed in the Executive Secretary's office.

Employees' Salaries

This report indicates employee's salaries and their positions within the Retirement System. Employee salaries totaled \$188,407.67. (Can include longevity and supplemental payroll.)

Financial Statements

This report includes the months of August, September, October and November.

**REPORT OF LEGAL COUNSEL
Litigation and Administrative Matters**

David Kinney, Assistant Attorney General, introduced previously as the Retirement System's new legal counsel, gave his legal report to the Board. **He stated the Patricia Calbert** case has been filed in OK County District Court, and all parties have been served in that matter. A scheduling order has been issued and the next item for this matter will be a pre-trial conference before the judge on July

**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA BOARD OF TRUSTEES MEETING
DECEMBER 20, 2006**

18, 2007. He stated there was nothing new to report on either the Delphi or Raff cases. He reported the next action on the Seymour case will come from the Oklahoma Supreme Court, to either retain the case or assign the case to one of the Court of Civil Appeals Divisions.

BOARD OF TRUSTEES RESOLUTION

Mr. Beavers said Mr. DeMuth, Dr. Kirkpatrick and himself had worked on a resolution, calling attention to the Teachers' Retirement System's funded position and requesting additional contributions from the Legislature. Mr. Beavers stated if the Legislature gives the System an annual amount of \$50 million for 30 years, it would amortize the Fund's in 30 years. Currently the Fund is funded at 49.3%. \$50 million extra each year would raise the finding level to 64% and to 77% in 20 years and by 2036, increase the funded status to 97.9%. He reported if no additional funds are given, the Fund would still be approximately 85% funded after 30 years.

Mr. Beavers stated the Resolution calls attention to the System's unfunded liability. It requests that the Legislature fully fund COLA's given to TRS retired members, and for additional monies given to the Retirement System that could have the System approximately 80% funded in 20 years.

Motion to Adopt Resolution

A motion was made by Mr. DeMuth with a second being made by Dr. Kirkpatrick to adopt the resolution but to change the date to December 20, 2006. The motion carried by Ms. Minton; Mr. Gorman; Mr. Simpson; Mr. Smith; Mr. Neptune; Ms. Conway; Ms. Barnes; Dr. Kirkpatrick; Mr. DeMuth; and Chairman Palluconi responding yes.

2007 LEGISLATIVE RECOMMENDATIONS

Mr. Beavers stated the 2007 Recommendations are basically the same recommendations the Board has acted on in past years, but with updated numbers and also includes the request to the Legislature for an annual contribution of \$50 million.

Motion to Adopt 2007 Legislative Recommendations

A motion was made by Mr. Neptune with a second being made by Ms. Conway to adopt the recommendations. The motion carried by Mr. DeMuth; Dr. Kirkpatrick; Ms. Barnes; Ms. Conway; Mr. Neptune; Mr. Smith; Mr. Simpson; Mr. Gorman; Ms. Minton; and Chairman Palluconi responding yes.

The Chairman asked Mr. Beavers to report on this next item.

**SCHEDULE OF MEETINGS FOR CALENDAR YEAR 2007
Board Meeting Dates and Times
and Manager Presentation Dates**

After some discussion the Chairman stated that the date for Smith Group to appear before the Investment Committee would change from July to February, all other items remain the same. The Chairman asked for a motion from the Board for approval.

Motion for Approval of 2007 Meeting Schedule Carried

**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA BOARD OF TRUSTEES MEETING
DECEMBER 20, 2006**

A motion was made by Mr. Simpson with a second being made by Ms. Conway for approval. The motion carried by a unanimous voice vote. Trustees responding were as follows: Ms. Minton; Mr. Gorman; Mr. Simpson; Mr. Smith; Mr. Neptune; Ms. Conway; Ms. Barnes; Dr. Kirkpatrick; Mr. DeMuth; and Chairman Palluconi responding yes.

INVITATION TO BID FOR MAINFRAME COMPUTER SYSTEM REPLACEMENT

Mr. Beavers stated this is to give authorization to the System to issue an invitation to bid on the transition from the mainframe HP computer to a network based system, which would involve purchasing hardware and also hiring a company to do the translation of our programs to a different language and style so they would run on a PC based type network system. Mr. Beavers said the anticipated cost in time and funds is included in the material in section 9 of the binders.

Motion to Approve the Issuance of an Invitation to Bid

After discussion, a motion was made by Mr. Simpson with a second being made by Ms. Conway to approve. The motion carried by Mr. DeMuth; Dr. Kirkpatrick; Ms. Barnes; Ms. Conway; Mr. Neptune; Mr. Smith; Mr. Simpson; Mr. Gorman; Ms. Minton; and Chairman Palluconi responding yes.

NOTICE OF RULEMAKING INTENT

Mr. Beavers reported that the Board promulgated emergency rules in September, dealing mainly with new legislation affecting the Retirement System. This action today is to begin the process of making the emergency rules into permanent rules. There will be a public hearing for anyone to attend that may have comments on the new rules and then sent to the Governor for his signature one last time.

Motion to Adopt Notice of Rulemaking Intent

A motion was made by Mr. DeMuth with a second being made by Ms. Conway to adopt. The motion carried by Ms. Minton; Mr. Gorman; Mr. Simpson; Mr. Smith; Mr. Neptune; Ms. Conway; Ms. Barnes; Dr. Kirkpatrick; Mr. DeMuth; and Chairman Palluconi responding yes.

**PERSONNEL COMMITTEE
EXECUTIVE SECRETARY EVALUATION**

Ms. Conway referred to the first evaluation performed in June of 2005, with 10 participating trustees and reported this year, 11 trustees participated. Ms. Conway said Mr. Beavers does an excellent job for the System and the Board. It was determined that no action from the Board was necessary.

**FINANCIAL CONDITION & UNFUNDED STATUS OF THE
TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**

The Chairman asked if there was any further discussion on this issue, and there was none.

NEW BUSINESS

The Chairman asked if there was any new business to be brought before the Board, and there was none.

**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA BOARD OF TRUSTEES MEETING
DECEMBER 20, 2006**

ADJOURNMENT

There being no further business before the Board, A motion was made by Dr. Kirkpatrick with a second made by Ms. Conway for adjournment. Chairman Palluconi declared the meeting adjourned at 3:35 p.m. Trustees present at adjournment were as follows: Mr. DeMuth; Dr. Kirkpatrick; Ms. Barnes; Ms. Conway; Mr. Neptune; per; Ms. Barnes; Dr. Kirkpatrick; Mr. DeMuth; and Chairman Palluconi.

(NOTE: An audio recording of this meeting is on file in the Executive Secretary's office.)

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

WEDNESDAY - January 24, 2007

Investment Committee Meeting begins at **10:00 A.M.**

Board Meeting begins at **1:30 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, Matti Palluconi

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 it's next regularly scheduled meeting on January 24, 2007.

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