

MINUTES

The Oklahoma Firefighters Pension and Retirement Board met March 16, 2012 in the Lincoln Plaza Office Building at 4545 N. Lincoln Blvd., Oklahoma City, OK. Written notice was sent to Board members and interested parties, posted 24 hours before the meeting and filed with the Secretary of State in compliance with the Open Meeting Laws.

Chairman David Thompson called the meeting to order.

Members Present: David Thompson, Gerald Garrett, Dana Cramer, Jim Long, Casey Morrison, Bert Norton, Paul Gallahar, Janet Kohls, Anita Breen, Brandy Manek and Frank Stone arriving at 8:40 A.M.

Others: Robert Jones, Executive Director; James Reynolds, Assistant Director; Duane Michael, Assistant Director; Terri Williams, Executive Secretary; Marc Edwards, General Counsel

Visitors: Jason Pulos, Asset Consulting Group; Bill Rechter, Fred Alger; John Boles & Jeremy Conner, Attalus Capital; Sean Conroy & Matt Edwards, Grosvenor Capital Management

Absent: Scott Vanhorn and Doug Jacobson

APPROVAL/MINUTES DATED FEBRUARY 17, 2012:

Motion was made by Mr. Cramer and seconded by Mr. Morrison to approve the minutes dated February 17, 2012 with the amendment in regards to Lehman Brothers legal action. Ayes: Messrs. Thompson, Cramer, Long, Morrison, Kohls, Breen, Garrett, Manek, Gallahar, and Norton. Nays: None. Motion carried.

FRED ALGER/BILL RECHTOR:

Mr. Rechter gave a presentation for Earnest Partners.

	3Months Ending <u>02/29/2012</u>	1 Year Ending <u>02/29/2012</u>	8/1/2010 Ending <u>02/29/2012</u>
Fred Alger	12.82%	6.33%	20.15%
Russell 1000 Growth	10.68%	7.62%	20.61%

ATTALUS CAPITAL/JOHN BOLES & JEREMY CONNER:

Mr. Boles & Mr. Conner gave a presentation for Attalus Capital.

	3 Months Ending <u>02/29/2012</u>	1 Year Ending <u>02/29/2012</u>	3 Years Ending <u>02/29/2012</u>
Attalus Capital	(0.15)%	(5.94)%	1.18%
Wilshire 5000	10.36%	4.39%	22.37%

GROSVENOR CAPITAL MANGEMENT/SEAN CONROY & MATT EDWARDS:

Mr. Conroy & Mr. Edwards gave a presentation for Grosvenor Capital Management.

	3 Months Ending <u>02/29/2012</u>	1 Year Ending <u>02/29/2012</u>	3 Years Ending <u>02/29/2012</u>
Grosvenor Capital Management	4.34%	(0.77)%	5.99%
Wilshire 5000	10.36%	4.39%	26.37%

ASSET CONSULTING GROUP/JASON PULOS:

1. Presenting Manager Review.

Mr. Pulos reviewed the presenting managers to the Board.

2. Review Investment performance.

Mr. Pulos reviewed the monthly investment performance.

	3 Months Ending <u>02/29/2012</u>	1 Year Ending <u>02/29/2012</u>	3 Years Ending <u>02/29/2012</u>
Total Fund	7.00%	3.24%	15.11%
Policy Benchmark	7.47%	5.05%	18.91%

INVESTMENT COMMITTEE/FRANK STONE – CHAIRMAN:

1. Review evaluation of Emerging Market Management search and select finalists.

Mr. Stone and Mr. Pulos reported on the action of the Investment Committee regarding the emerging market search.

It was noted that fifty seven bids were received for the search. Two bids arrived after the deadline.

Motion was made by Mr. Garrett and seconded by Mr. Gallahar not to consider the two late bids. Ayes: Messrs. Thompson, Garrett, Breen, Stone, Cramer, Norton, Long, Morrison, Manek, Gallahar and Kohls. Nays: None. Motion carried.

After reviewing the accepted bids, six managers were selected as finalists and invited to participate in presentations to the Investment Committee on April 4, 2012. The six finalists are Clairvest, DuPont, Lazard, William Blair, Vontobel and Wasatch. Motion was made by Mr. Garrett and seconded by Mr. Gallahar to select the listed finalists for a presentation on April 4, 2012. Ayes: Messrs. Thompson, Garrett, Breen, Stone, Cramer, Norton, Long, Morrison, Manek, Gallahar and Kohls. Nays: None. Motion carried.

Mr. Stone noted that the Investment Committee recommended and made a motion seconded by Ms. Manek that the due diligence trips be discontinued because of expenses and time. Ayes: Cramer, Manek, Breen and Stone. Nays: Thompson, Garrett, Norton, Long, Morrison, Gallahar and Kohls. Motion failed.

2. Discussion of site visits regarding due diligence issues related to above management search.

Site visits will be addressed at a later date in coordination with the international equity search.

RULES COMMITTEE/CASEY MORRISON – CHAIRMAN:

- 1. Review time limitations regarding application for disabilities related to presumptive conditions.**
- 2. Review Board Travel Policy.**

Mr. Morrison reported that there was no meeting due to lack of quorum.

REQUEST APPROVAL/CONSENT AGENDA, A COPY IS ATTACHED:

Motion was made by Mr. Norton and seconded by Mr. Cramer to approve the Consent Agenda dated March 16, 2012. Ayes: Messrs. Thompson, Garrett, Long, Morrison, Cramer, Norton, Gallahar, Stone, Breen, Manek and Kohls. Nays: None. Motion carried.

Brandy Manek left the meeting.

MARC EDWARDS/LEGAL COUNSEL REPORT. DISCUSSION, VOTE, AND ANY OTHER NECESSARY ACTION TO IMPLEMENT DISCUSSION AND VOTE:

1. Hwang vs. Smith & Wesson Holding Corp., et. al, USDC of Massachusetts, Case No. 07-CV-30238.
2. Minneapolis Firefighters Relief Association v. Medtronic, Inc. et el, USDC, Minnesota, Case No. 0:08-CV-06324

Motion was made by Mr. Garrett and seconded by Mr. Norton to enter into Executive Session. Ayes: Messrs. Thompson, Garrett, Long, Morrison, Cramer, Norton, Gallahar, Stone, Breen, and Kohls. Naves: None. Motion carried.

Motion was made by Mr. Garrett and seconded by Mr. Stone to enter into Open Session. Ayes: Messrs. Thompson, Garrett, Long, Morrison, Cramer, Norton, Gallahar, Stone, Breen, and Kohls. Naves: None. Motion carried.

Motion was made by Mr. Stone and seconded by Mr. Garrett to approve the terms of the settlement agreement for the Medtronic case. Ayes: Messrs. Thompson, Garrett, Long, Morrison, Cramer, Norton, Gallahar, Stone, Breen, and Kohls. Naves: None. Motion carried.

3. Strayer Education.
4. Capella Education. (AFT) (Waddell)
5. Finisar Case. (AFT) (Waddell)
6. Miller Energy Resources (Grant & Eisenhoffer representatives)
7. Greg Young vs. Pacific Biosciences of CA, Inc., et al.
8. Oklahoma Firefighters Pension & Retirement System v. Kevin R. Brine, et al and Delphi Financial Group, Inc., et al
9. Discussion of potential federal securities claims that me be asserted against the Student Loan Corporation and authorization to take appropriate action.
10. Hoppaugh v. K12, Inc., 12-cv-00103 CMH/IDD (E.D. Va Jan 30, 2012)

Motion was made by Mr. Stone and seconded by Mr. Garrett to seek lead plaintiff and have the Saxon White law firm represent the System. Ayes: Messrs. Thompson, Garrett, Long, Morrison, Cramer, Norton, Gallahar, Stone, Breen, and Kohls. Naves: None. Motion carried.

11. In re Lehman Brothers Equity/Debt Securities Litigation, 08-cv-5523-LAK – Case No. 09-MD-2017 (LAK)
12. Report on the current status of all other litigation involving the Pension System.

Mr. Edwards said there was nothing else to report.

BILL MITCHELL/SHAWNEE – REQUEST FOR APPROVAL OF ADDITIONAL VOLUNTEER TIME WITH THE CITY OF TECUMSEH:

Motion was made by Mr. Norton and seconded by Mr. Garrett to grant the additional volunteer time with the City of Tecumseh to Mr. Mitchell. Ayes: Messrs. Thompson, Garrett, Long, Morrison, Cramer, Norton, Gallahar, Stone, and Breen. Nays: Kohls. Motion carried.

ADAM A. SMITH/EDMOND – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE MARCH 1, 2012:

Motion was made by Mr. Morrison and seconded by Mr. Garrett to modify the Application for “Disability in the Line of Duty”, to “Service”, effective March 1, 2012. Ayes: Messrs. Thompson, Garrett, Long, Morrison, Kohls, Stone, Cramer, Norton, Breen and Gallahar. Nays: None. Motion carried.

JULIA K. MATLOCK/HAWLEY - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE FEBRUARY 22, 2012:

Motion was made by Mr. Garrett and seconded by Mr. Morrison to approve the Application for “Disability in the Line of Duty”, effective February 22, 2012. Ayes: Messrs. Thompson, Garrett, Long, Morrison, Kohls, Stone, Cramer, Norton, Breen, and Gallahar. Nays: None. Motion carried.

DON R. THERKELSON/MIDWEST CITY – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE MARCH 1, 2012:

Motion was made by Mr. Garrett and seconded by Ms. Kohls to modify the Application for “Disability in the Line of Duty” to “Service”, effective March 1, 2012. Ayes: Messrs. Thompson, Garrett, Long, Morrison, Kohls, Stone, Cramer, Norton, Breen, and Gallahar. Nays: None. Motion carried.

RICKY WILSON/OKLAHOMA CITY – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE MARCH 1, 2012:

Motion was made by Mr. Garrett and seconded by Mr. Long to approve the Application for “Disability in the Line of Duty”, effective March 1, 2012. Ayes: Messrs. Thompson, Garrett, Long, Morrison, Kohls, Stone, Cramer, Norton, Breen and Gallahar. Nays: None. Motion carried.

BRYAN K. TAYLOR/OWASSO – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE JANUARY 26, 2008:

Motion was made by Mr. Long and seconded by Mr. Garrett to send Mr. Taylor to Dr. Ardis for further review. Ayes: Messrs. Thompson, Garrett, Long, Morrison, Kohls, Stone, Cramer, Norton, Breen and Gallahar. Naves: None. Motion carried.

BILLY J. MITCHELL/SHAWNEE - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY, EFFECTIVE MARCH 1, 2012:

Motion was made by Mr. Garrett and seconded by Mr. Norton Vanhorn to modify the Application for “Disability in the Line of Duty” to “Service” effective March 1, 2012. Messrs. Thompson, Garrett, Stone, Long, Morrison, Manek, Cramer, Norton, Gallahar, Breen, and Kohls. Naves: None. Motion carried.

KELLY J. FRIEDL/TULSA – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY, EFFECTIVE MARCH 1, 2012:

Motion was made by Mr. Garrett and seconded by Mr. Norton to modify the Application for “Disability in the Line of Duty” to “Service”, effective March 1, 2012. Ayes: Messrs. Thompson, Garrett, Long, Morrison, Manek, Cramer, Norton, Gallahar, Breen, and Kohls. Naves: Stone. Motion carried.

EDDIE W. KEPHART/TULSA – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY”, EFFECTIVE MARCH 1, 2012:

Motion was made by Mr. Garrett and seconded by Mr. Norton to modify the Application for “Disability in the Line of Duty” to “Service”, effective March 1, 2012. Ayes: Messrs. Thompson, Garrett, Stone, Long, Morrison, Manek, Cramer, Norton, Gallahar, Breen, and Kohls. Naves: None. Motion carried.

MIKE P. CAMPBELL/KONOWA – APPLICATION FOR “DISABILITY NOT IN THE LINE OF DUTY”, EFFECTIVE FEBRUARY 23, 2009:

Motion was made by Mr. Norton and seconded by Mr. Cramer to approve the Application for “Disability Not in the Line of Duty”, effective February 23, 2012. Ayes: Messrs. Thompson, Garrett, Stone, Long, Morrison, Manek, Cramer, Norton, Gallahar, Breen, and Kohls. Naves: None. Motion carried.

JAMES LOFGREN/EDMOND – REQUEST TO CHANGE PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:

This item was withdrawn from the agenda.

AARON J. HAYNES/TULSA JAMES LOFGREN/EDMOND – REQUEST TO CHANGE PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:

Motion was made by Mr. Morrison and seconded by Mr. Long to approve pending another doctor statement. Ayes: Messrs. Thompson, Garrett, Stone, Long, Morrison, Manek, Cramer, Norton, Gallahar, Breen, and Kohls. Naves: None. Motion carried

TOMMY MITTUS/TULSA – REQUEST TO CHANGE PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:

Motion was made by Mr. Morrison and seconded by Mr. Long to approve the request of Mr. Mitts to change his pension from “Service” to “Disability in the Line of Duty”. Ayes: Messrs. Thompson, Garrett, Stone, Long, Morrison, Manek, Cramer, Norton, Gallahar, Breen, and Kohls. Naves: None. Motion carried

RECEIVE & FILE:

1. Insurance Premium Tax - \$22,046.76 – February 2012
2. Realty Associates Advisors - \$134,015.00 – February 2012
3. Capital Institutional Services - \$272.25 – February 2012

Motion was made by Mr. Norton and seconded by Mr. Long to approve the above listed receive and file. Ayes: Messrs. Thompson, Garrett, Long, Morrison, Kohls, Stone, Cramer, Norton, and Breen, Gallahar. Naves: None. Motion carried.

BROKEN ARROW FIRE DEPARTMENT- APPROVAL OF CPAT TEST:

Motion was made by Mr. Norton and seconded by Mr. Morrison to approve the CPAT Test for Broken Arrow as presented. Ayes: Messrs. Thompson, Garrett, Long, Morrison, Kohls, Stone, Cramer, Norton, and Breen, Gallahar. Naves: None. Motion carried.

EXECUTIVE ORDER 2012-01 REGARDING SMOKE FREE WORKING ENVIRONMENT – DUANE MICHAEL:

Mr. Michael presented to the Board the Executive Order regarding a smoke free working environment.

ROBERT JONES/EXECUTIVE DIRECTOR REPORT:

Mr. Jones said he had nothing to report.

DISCUSSION ON TRAVEL REIMBURSED BY THE SYSTEM. BOARD TO TAKE APPROPRIATE ACTION.

Motion was made by Mr. Garrett and seconded by Mr. Morrison to approve travel for Mr. Allen to attend the NCPERS Conference in New York City. Ayes: Messrs. Thompson, Garrett, Stone, Long, Morrison, Manek, Cramer, Norton, Gallahar, Breen, and Kohls. Nays: None. Motion carried.

QUESTIONS & COMMENTS FROM BOARD MEMBERS & AUDIENCE:

NEW BUSINESS:

Mr. Long ask if an item could be put on the Rules Committee in regards for the tax attorney to give an explanation on the difference between disability Plan B disbursements as relates to tax withholding and taxability.

NEXT MEETING DATE:

The Oklahoma Firefighters Pension and Retirement Board will meet April 20, 2012 at 8:30 A.M. at the Lincoln Plaza Office Building at 4545 N. Lincoln Blvd., Oklahoma City, OK.

ADJOURNMENT:

Mr. Thompson adjourned the Board meeting at 12:22 P.M.

Submitted by Terri L. Williams, Executive Secretary.