

MINUTES

The Oklahoma Firefighters Pension and Retirement Board met November 15, 2013 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 Casey Morrison called the meeting to order.

Members Present: Casey Morrison, Scott Vanhorn, Raanon Adams, Dana Cramer, Craig Freeman, Gerald Garrett, Jim Long, Mike Duncan, Jackie Carner, Janet Kohls, Frank Stone arriving at 9:00 A.M. and Brandy Manek arriving at 9:05 A.M.

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

Visitors: Troy Brown and Tim Nash, Bogden Group; Dana Dean, Eric Edmond and Charles Wilson, Thornburg Investment Management; John Lynch, Amanda Prentiss and Brian Beither, Chautauqua Capital Management; Stephen Hamilton, Delaware Investments

Absent: Doug Jacobson

APPROVAL/MINUTES DATED OCTOBER 18, 2013:

Motion was made by Mr. Long seconded by Mr. Vanhorn to approve the minutes dated October 18, 2013. Ayes: Messrs. Garrett, Morrison, Vanhorn, Freeman, Cramer, Adams, Long, Kohls, Duncan, and Carner. Nays: None. Motion carried.

REQUEST APPROVAL/CONSENT AGENDA, A COPY IS ATTACHED:

Motion was made by Mr. Long and seconded by Mr. Vanhorn to approve the Consent Agenda dated October 18, 2013. Ayes: Messrs. Morrison, Adams, Garrett, Carner, Vanhorn, Freeman, Cramer, Kohls, Duncan, and Long. Nays: None. Motion carried.

**THORNBURG INVESTMENT MANAGEMENT/DANA DEAN, ERIC EDMOND,
& CHARLES WILSON:**

Ms. Dean, Mr. Edmond and Mr. Wilson gave a presentation for Thornburg Investment Management.

	3 Months Ending <u>10/31/2013</u>	1 Year Ending <u>10/31/2013</u>	3 Years Ending <u>10/31/2013</u>
Thornburg Investment Management	5.97%	18.16%	6.22%
MSCI EAFE (Net)	9.54%	26.88%	8.38%

**CHAUTAUQUA CAPITAL MANAGEMENT/JOHN LYNCH & BRIAN
BEITHER:**

Mr. Lynch, Amanda Prentiss and Mr. Beither gave a presentation for Chautauqua Capital Management.

	3 Months Ending <u>10/31/2013</u>	1 Year Ending <u>10/31/2013</u>
Chautauqua Capital Management	8.16%	20.24%
MSCI EAFE (Net)	9.54%	26.88%

DELAWARE INVESTMENTS/STEPHEN HAMILTON:

Mr. Hamilton gave a presentation for Delaware Investments.

	3 Months Ending <u>10/31/2013</u>	1 Year Ending <u>10/31/2013</u>	2 Years Ending <u>10/31/2013</u>
Delaware Investments	8.77%	36.15%	20.00%
Russell 2500 Growth	6.64%	37.60%	23.08%

BOGDAHNS GROUP/ TROY BROWN & TIM NASH:

1. Presenting Manager Review.

Mr. Brown and Mr. Nash reviewed the presenting managers to the Board.

INVESTMENT COMMITTEE/GERALD GARRETT – CHAIRMAN:

1. Review Performance.

Mr. Garrett reported that the Investment Committee had been discussing how investment manager fees would be affecting portfolio performance if performance fees were implemented.

Mr. Brown and Mr. Nash reviewed the monthly investment performance.

	3 Months Ending <u>10/31/2013</u>	1 Year Ending <u>10/31/2013</u>	3 Years Ending <u>10/31/2013</u>
Total Fund	4.77%	19.57%	11.03%
Policy Benchmark	4.31%	18.25%	11.72%

2. Due diligence trip discussion and decision on commitments.

Motion was made by Mr. Garrett and seconded by Mr. Long to fund Mesirow \$25 million for FR F2 Fund. Ayes: Messrs. Morrison, Vanhorn, Adams, Stone, Garrett, Long, Cramer, Kohls, Duncan, Manek and Carner. Naves: None. Motion carried.

Motion was made by Mr. Garrett and seconded by Mr. Vanhorn to fund Angelo Gordon \$25 million ASAP. Ayes: Messrs. Morrison, Vanhorn, Adams, Stone, Garrett, Long, Cramer, Kohls, Duncan, Manek and Carner. Naves: None. Motion carried.

3. Manager addendum to investment policy review and finalization.

Motion was made by Mr. Garrett and seconded by Mr. Cramer to approve the addendum as presented subject to final approval of contract attorney. Ayes: Messrs. Morrison, Vanhorn, Adams, Stone, Garrett, Long, Cramer, Kohls, Duncan, Manek and Carner. Naves: None. Motion carried.

4. Transaction Cost Analysis report discussion.

Motion was made by Mr. Garrett and seconded by Mr. Long to authorize consultant to finalize performance base fee exhibit and distribute exhibit to managers for review. Ayes: Messrs. Morrison, Vanhorn, Adams, Stone, Garrett, Long, Cramer, Kohls, Duncan, Manek and Carner. Naves: None. Motion carried.

5. Historical impact on performance based fees (PBF) and finalization of PBF contract addendum.

Motion was made by Mr. Garrett and seconded by Mr. Long to redeem 100% from Private Advisors. Ayes: Messrs. Morrison, Vanhorn, Adams, Stone, Garrett, Long, Cramer, Kohls, Duncan, Manek and Carner. Naves: None. Motion carried.

6. Real Estate secondary's update.

Mr. Garrett reported that the Investment Committee had discussed this matter, but no action was taken.

7. Road map update.

Motion was made by Mr. Garrett and seconded by Mr. Long to accept reduced fees from Private Advisors. Ayes: Messrs. Morrison, Vanhorn, Adams, Stone, Garrett, Long, Cramer, Kohls, Duncan, Manek and Carner. Naves: None. Motion carried.

DISCUSSION AND POSSIBLE VOTE TO APPROVE NOTICE OF PROPOSED RULEMAKING FOR PERMANENT AMENDMENTS TO CERTAIN RULES FOUND IN OAC TITLE 270, CHAP 10 – MARC EDWARDS

Motion was made by Mr. Long and seconded by Mr. Cramer to approve the proposed rulemaking for permanent amendments to certain rules found in OAC Title 270, Chap 10. Ayes: Messrs. Morrison, Vanhorn, Adams, Stone, Garrett, Long, Cramer, Kohls, Duncan, Manek and Carner. Naves: None. Motion carried.

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

1. In re: Finisar Corp. Sec. Litig., 11-cv-1252-EJD (AFT) (Waddell)
2. In re: Miller Energy Resources Securities Litigation 11-cv-375 (E.D. Tenn.) (Grant)
3. Greg Young vs. Pacific Biosciences of CA, Inc., et al. CIV 509210 Cal Superior Court, San Mateo Div. (Robbins)
4. In re: Lehman Brothers Equity/Debt Securities Litigation, 08-cv-5523-LAK (S.D.N.Y.) Saxena White)
5. City of Henryetta v. Oklahoma Firefighters Pension and Retirement System and Raymond Eldridge, Oklahoma County District Court, Case No. CV-2012-772 (PM)

6. Oklahoma Firefighters Pension v. Jefferies Group et al, Chancery Court of Delaware, Case No.
7. Reinschmidt v. Zillow, Inc. et al, Securities Litigation, Western District of Washington, Case No. 2:12-cv-02084
8. Report on the current status of all other litigation involving the Pension System.

Mr. Edwards reported on the Lang v. Tower Group International Litigation, Manabat v. Velti PLC, and McCracken v. Edwards LifeSciences Corp. cases.

GARY D. SMITH/CLAREMORE/CLAREMORE - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE NOVEMBER 1, 2013:

Motion was made by Mr. Garrett and seconded by Mr. Cramer to approve the Application for “Disability in the Line of Duty, effective November 1, 2013. Ayes: Messrs. Morrison, Vanhorn, Adams, Freeman, Kohls, Stone, Garrett, Long, Cramer, Duncan, Manek and Carner. Naves: None. Motion carried.

TIMOTHY VERNON/EDMOND – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE MAY 1, 2013:

Motion was made by Mr. Garrett and seconded by Mr. Long to approve the Application for “Disability in the Line of Duty”, effective May 1, 2013. Ayes: Messrs. Morrison, Garrett, Vanhorn, Long, Garrett, Freeman, Kohls, Stone, Duncan, Adams, Manek, and Carner. Naves: None. Motion carried.

BRIAN W. ILEY/MIDWEST CITY - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE OCTOBER 23, 2013:

Motion was made by Mr. Cramer and seconded by Mr. Vanhorn to approve the Application for “Disability in the Line of Duty”, October 23, 2013. Ayes: Messrs. Morrison, Adams, Long, Cramer, Duncan, Kohls, Stone Vanhorn, Garrett, Duncan, Manek and Carner. Naves: None. Motion carried.

DARRON R. BARNES/NORMAN APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE FEBRUARY 22, 2013:

Motion was made by Mr. Vanhorn and seconded by Mr., Long to approve the Application for “Disability in the Line of Duty”, effective February 22, 2013. Ayes: Messrs. Morrison, Garrett, Vanhorn, Manek, Kohls, Freeman, Stone, Adams, Duncan, Long, Cramer, and Carner. Naves: None. Motion carried.

IVORY O. BRENT/OKLAHOMA CITY – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY”, EFFECTIVE NOVEMBER 1, 2013:

Motion was made by Mr. Vanhorn and seconded by Mr. Garrett to modify the Application for Disability in the Line of Duty” to “Service”, effective November 1, 2013. Ayes: Messrs. Morrison, Garrett, Vanhorn, Manek, Adams, Freeman, Kohls, Stone, Duncan, Cramer, Long, and Carner. Nays: None. Motion carried.

RICKY L. HARRIS/OKLAHOMA CITY - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY”, EFFECTIVE NOVEMBER 1, 2013:

Motion was made by Mr. Vanhorn and seconded by Mr. Long to modify Application for “Disability in the Line of Duty” to “Service”, effective November 1, 201. Ayes: Messrs. Vanhorn, Manek, Adams, Duncan, Freeman, Kohls, Stone, Cramer, Long, and Carner. Nays: None. Abstain: Morrison and Garrett. Motion carried.

JAMES E. PRITCHARD/TULSA – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY”, EFFECTIVE NOVEMBER 1, 2013:

Motion was made by Mr. Garrett and seconded by Mr. Long to approve the Application for “Disability in the Line of Duty” upon receipt of injury report. Ayes: Messrs. Morrison, Garrett, Vanhorn, Manek, Freeman, Kohls, Adams, Duncan, Cramer, Long, and Carner. Nays: Stone. Motion carried.

GORDON L. THOMPSON/TULSA – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY”, EFFECTIVE NOVEMBER 1, 2013:

Motion was made by Mr. Garrett and seconded by Mr. Long to modify the Application for “Disability in the Line of Duty” to “Service, effective November 1, 2013. Ayes: Messrs. Morrison, Garrett, Vanhorn, Manek, Freeman, Stone, Kohls, Adams, Duncan, Cramer, Long, and Carner. Nays: None. Motion carried.

ADRIAN R. WOODMANSEE/WOODWARD – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY”, EFFECTIVE OCTOBER 17, 2013:

Motion was made by Mr. Garrett and seconded by Mr. Carner to modify the Application for “Disability in the Line of Duty” to “Service, effective October 17, 2013. Ayes: Messrs. Morrison, Garrett, Vanhorn, Manek, Freeman, Stone, Kohls, Adams, Duncan, Cramer, Long, and Carner. Nays: None. Motion carried.

RICHARD L. KING/YUKON – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY”, EFFECTIVE NOVEMBER 1, 2013:

Motion was made by Mr. Garrett and seconded by Mr. Long to modify the Application for “Disability in the Line of Duty” to “Service, effective November 1, 2013. Ayes: Messrs. Morrison, Garrett, Vanhorn, Manek, Freeman, Stone, Kohls, Adams, Duncan, Cramer, Long, and Carner. Nays: None. Motion carried.

NEIL M. FORGIONE/MACOMB – APPLICATION FOR “DISABILITY NOT IN THE LINE OF DUTY”, EFFECTIVE FEBRUARY 1, 2012:

Motion was made by Mr. Garrett and seconded by Mr. Vanhorn to approve the Application for “Disability Not in the Line of Duty”, effective February 1, 2012. Ayes: Messrs. Morrison, Garrett, Vanhorn, Manek, Freeman, Stone, Kohls, Adams, Duncan, Cramer, Long, and Carner. Nays: None. Motion carried.

MICHAEL J. SPLAIN/TULSA - REQUEST TO CHANGE PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:

Motion was made by Mr. Garrett and seconded by Mr. Long to send Mr. Splain’s medical information to the State Doctor for further review. Ayes: Messrs. Morrison, Garrett, Vanhorn, Manek, Freeman, Stone, Kohls, Adams, Duncan, Cramer, Long, and Carner. Nays: None. Motion carried.

GREGORY W. HOYLE/OKLAHOMA CITY – REQUEST TO CHANGE PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:

Motion was made by Mr. Garrett and seconded by Mr. Long to send Mr. Hoyle’s medical information to the State Doctor for further review. Ayes: Messrs. Morrison, Garrett, Vanhorn, Manek, Freeman, Stone, Kohls, Adams, Duncan, Cramer, Long, and Carner. Nays: None. Motion carried.

TO DECLARE AS A “DEATH IN THE LINE OF DUTY” FOR WALTER J. WERHUN III/EDMOND – FOR PURPOSES OF TUITION WAIVER PURSUANT TO 70 O.S. SECTION 3218:7:

Motion was made by Mr. Garrett and seconded by Mr. Long to declare Death in the Line of Duty for Mr. Walter J. Werhun III, City of Edmond. Ayes: Messrs. Morrison, Garrett, Vanhorn, Manek, Freeman, Stone, Kohls, Adams, Duncan, Cramer, Long, and Carner. Nays: None. Motion carried.

RECEIVE & FILE:

1. AT & T – Securities Litigation - \$82.06 – October 2013
2. Russell Investment – Commission Recapture - \$39,350.10 – October 2013
3. TXU Corporation – Securities Litigation - \$37.54 – October 2013
4. Insurance Premium Tax - \$287,678.49 – November 2013

Motion was made by Mr. Vanhorn and seconded by Mr. Cramer to approve the above listed receive and file. Ayes: Messrs. Garrett, Vanhorn, Morrison, Long, Duncan, Adams, Manek, Kohls, Freeman, Stone, Cramer and Carner. Nays: None. Motion carried.

ROBERT JONES/EXECUTIVE DIRECTOR REPORT:

Mr. Jones discussed the Pension consolidation.

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

Motion was made by Mr. Garrett and seconded by Mr. Cramer to approve travel for James Reynolds to attend Alternative Investing December 8, 2013, California. Ayes: Messrs. Vanhorn, Morrison, Long, Kohls, Freeman, Stone, Duncan, Adams, Cramer and Carner. Nays: Garrett. Motion carried.

QUESTIONS & COMMENTS FROM BOARD MEMBERS & AUDIENCE:

OLD BUSINESS:

NEW BUSINESS:

NEXT MEETING DATE:

The Oklahoma Firefighters Pension and Retirement Board will meet December 20, 2013 at 8:30 A.M. at the Lincoln Plaza Office Building at 4545 N. Lincoln Blvd., Oklahoma City, OK.

ADJOURNMENT:

Motion was made by Mr. Long and seconded by Mr. Vanhorn to adjourn the Board meeting at 11:25 A.M. Ayes: Messrs. Garrett, Vanhorn, Morrison, Long, Duncan, Adams, Cramer, Stone, Kohls, Freeman, and Carner. Nays: None. Motion carried.

Submitted by Terri L. Williams, Executive Secretary.

