

## MINUTES

The Oklahoma Firefighters Pension and Retirement Board met September 15, 2017, in the Salvation Army Building at 6601 Broadway Ext., Suite 100, 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 Matt Lay called the meeting to order.

Members Present: Matt Lay, Herb Bradshaw, Mike Kelley, Dana Cramer, Dereck Cassady, Michel Duncan, Scott Vanhorn, Eric Harlow, Craig Freeman, Janet Kohls, with Brandy Manek arriving at 8:35 A.M. and Frank Stone at 9:00 A.M.

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

Visitors: Troy Brown and Tim Nash, Andco Consulting; Chris Taube, Medley; Cia Buckley and Julie Brenton, Dune Real Estate; Sonali Wilson and Christian Stracke, Pimco; Vivian Flynn and Patrick Madaus, Pomona Capital; Jim Marshall, Insurance Commissioner's Office

Absent: Jim Long

### **APPROVAL/MINUTES DATED AUGUST 18, 2017:**

Motion was made by Mr. Kelley and seconded by Mr. Bradshaw to approve the minutes dated August 18, 2017. Ayes: Messrs. Duncan, Bradshaw, Kelley, Vanhorn, Lay, Cassady, Harlow, Kohls, Freeman, and Cramer. Nays: None. Motion carried.

### **REQUEST APPROVAL/CONSENT AGENDA, A COPY IS ATTACHED:**

Motion was made by Mr. Duncan and seconded by Mr. Harlow to approve the Consent Agenda dated August 18, 2017. Ayes: Messrs. Duncan, Bradshaw, Kelley, Vanhorn, Lay, Cassady, Harlow, Kohls, Freeman, and Cramer. Nays: None. Motion carried.

**DUNE REAL ESTATE PARTNERS/CIA BUCKLEY AND JULIE BRENTON:**

Ms. Buckley and Julie Brenton gave a presentation for Dune Real Estate Partners.

	3 Months Ending <u>08/31/2017</u>	1 Year Ending <u>08/31/2017</u>	3 Years Ending <u>08/31/2017</u>
Dune Real Estate Partners Fund III	4.24%	13.91%	13.70%
Ncreif ODCE EW Net	1.51%	7.23%	10.67%

**PIMCO/SONALI WILSON AND CHRISTIAN STRACKE:**

Ms. Wilson and Ms. Stracke gave a presentation for Pimco.

	3 Months Ending <u>08/31/2017</u>	01/01/2017 Ending <u>08/31/2017</u>
Pimco Corp. OPP Fund II	4.39%	11.60%
BBG Barc US Corp. HY	1.20%	6.05%

**POMONA CAPITAL/VIVIAN FLYNN AND PATRICK MADAUS:**

Ms. Flynn and Mr. Madaus gave a presentation for Pomona Capital.

	3 Months Ending <u>8/31/2017</u>	1 Year Ending <u>8/31/2017</u>	3 Years Ending <u>8/31/2017</u>
Pomona Capital Fund VIII	6.91%	16.76%	12.39%
Cambridge Priv Eqty I Qtr. Lag	3.89%	17.32%	10.16%

**ANDCO CONSULTING/TROY BROWN AND TIM NASH:**

**1. Presenting Manager Review.**

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

**INVESTMENT COMMITTEE/DEREK CASSDAY - CHAIRMAN:**

1. Pimco Bravo III Presentation.

Motion was made by Mr. Cassady and seconded by Mr. Vanhorn to invest \$50 million in the Bravo III. Ayes: Vanhorn, Kelley, Lay, Cassady, Harlow, Freeman, Stone, Cramer, Duncan, Manek, Kohls, and Bradshaw. Nays: None. Motion carried.

2. Review Investment Performance.

	3 Months Ending <u>08/31/2017</u>	1 Year Ending <u>08/31/2017</u>	3 Years Ending <u>08/31/2017</u>
Total Fund	3.13%	13.21%	7.31%
Policy	2.39%	11.23%	6.87%

3. Individual Retirement Plan A Automatic Rollover RFP Review and Approval.

Motion was made by Mr. Cassady and seconded by Ms. Kohls to approve the Individual Retirement Plan A Automatic Rollover RFP. Ayes: Vanhorn, Kelley, Lay, Cassady, Harlow, Freeman, Stone, Cramer, Duncan, Manek, Kohls, and Bradshaw. Nays: None. Motion carried.

4. Securities litigation against Lexmark International, Inc. et al. Recommendation from Labaton to seek lead plaintiff.

Motion was made by Mr. Cassady and seconded by Mr. Kelley to seek lead plaintiff against Lexmark International Inc. et al. with Labaton. Ayes: Vanhorn, Kelley, Lay, Cassady, Harlow, Freeman, Stone, Cramer, Duncan, Manek, Kohls, and Bradshaw. Nays: None. Motion carried.

5. Securities litigation against Advisory Board Company. Recommendation from Grant & Eisenhofer to seek lead plaintiff.

No action was taken on this item.

6. Derivative against J. Alexander restaurant group regarding restricting of company and acquisition of another restaurant group. 99 Restaurants LLC, through issuance of new stock class.

Motion was made by Mr. Cassady and seconded by Mr. Cassady and seconded by Mr. Kelley to file a derivative action against J. Alexander Restaurant Group. Ayes: Vanhorn, Kelley, Lay, Cassady, Harlow, Freeman, Stone, Cramer, Duncan, Manek, Kohls, and Bradshaw. Nays: None. Motion carried.

7. Securities litigation against Acacia Communications Inc. Recommendation from Robbins Gellar to seek lead plaintiff.

No action was taken on this item.

**RULES COMMITTEE/MIKE KELLEY – CHAIRMAN:**

1. Discussion and approval of rule amendment related to Paragraph 2 of Subsection C of 11 O.S. 49-138.

Motion was made by Mr. Kelley and seconded by Mr. Duncan to approve rule amendment related to Paragraph 2 of Subsection C of 11 O.S. 49-138. Ayes: Vanhorn, Kelley, Lay, Cassady, Harlow, Freeman, Stone, Cramer, Duncan, Manek, Kohls, and Bradshaw. Nays: None. Motion carried.

**AD HOC COMMITTEE – EXECUTIVE DIRECTOR SEARCH – MATT LAY/CHAIRMAN:**

1. Executive Session if deemed necessary by Legal Counsel pursuant to 25 O.S. Section 307 B (1).
2. Vote to Enter into Executive Session.

Motion was made by Mr. Cassady and seconded by Mr. Cramer to enter into Executive Session. Ayes: Vanhorn, Kelley, Lay, Cassady, Harlow, Freeman, Stone, Cramer, Duncan, Manek, Kohls, and Bradshaw. Motion carried.

3. Discussion of the process for hiring the next Executive Director of the System.
4. Vote to Enter into Open Session.

Motion was made by Vanhorn and seconded by Mr. Duncan to enter into Open Session. Ayes: Vanhorn, Kelley, Lay, Cassady, Harlow, Freeman, Stone, Cramer, Duncan, Manek, Kohls, and Bradshaw. Nays: None. Motion carried.

Motion was made by Mr. Vanhorn and seconded by Mr. Cramer to approve the time line for Executive Director as the following: State Board approves solicitation of applications September 15, 2017, solicitation of applications posted September 22, 2017, response deadline November 3, 2017, recommend finalists selected by the search committee to the State Board on or after December 15, 2017, and the selection by the State Board to be on or after January 19, 2018. Ayes: Vanhorn, Kelley, Lay, Cassady, Harlow, Freeman, Stone, Cramer, Duncan, Manek, Kohls, and Bradshaw. None. Motion

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

1. In re: FX Litigation, Case No. 13-cv-07789 (SDNY) (Scott & Scott)

Motion was made by Mr. Harlow and seconded by Mr. Cassady to enter into Executive Session. Ayes: Vanhorn, Kelley, Lay, Cassady, Harlow, Freeman, Stone, Cramer, Duncan, Manek, Kohls, and Bradshaw. Nays: None. Motion carried.

Motion was made by Mr. Vanhorn and seconded by Mr. Kelley to enter into Open Session. Ayes: Vanhorn, Kelley, Lay, Cassady, Harlow, Freeman, Stone, Cramer, Duncan, Manek, Kohls, and Bradshaw. Nays: None. Motion carried.

Motion was made by Mr. Cassady and seconded by Mr. Kelley to approve recommendation from Scott & Scott to accept settlement offer from Deutsche Bank as discussed in Executive Session. Ayes: Vanhorn, Kelley, Lay, Cassady, Harlow, Freeman, Stone, Cramer, Duncan, Manek, Kohls, and Bradshaw. Nays: None. Motion carried.

2. Avila, et al. v Lifelock, Inc. et al.: Case No. 15-cv-01398-DKD (USDC District of Arizona)
3. OFP et a; v. Corbat et al and Citigroup, Inc., Case No. 12151-VCG< (Chancery Court of State of Delaware) (Grant)
4. Murphy v. Precision Castparts Corp. et al.: Case No. 16-cv-00521-SB, (District of Oregon, Portland) (3) (Labaton)
5. In re: Finisar Corporation Securities Litigation; Case No. 5:11-CV-01252-EJD, (USDC ND Calif) (AFT)
6. Lehigh County Employees Retirement System v. Novo Nordisk A/S, Case No. 17-CV-00209 (USDC, N.J. (BLBG)
7. Hall v. Rent-A-Center et al.; Case No. 4:16-cv-00978; (USDC ED of Texas) (Labaton)
8. Oklahoma Firefighters Pension and Retirement System, derivatively on behalf of Yahoo! Inc., v Eric Brandt, et al.: (Court of Chancery State of Delaware) (BLBG)
9. Baggs v. Baggs, Case No. FD-2011-375, (Canadian County District Court)

10. Ruther v. OFP; Case No. CV-2017-50, (Garfield County District Court)

Mr. Edwards reported that Mr. Ruther filed an appeal with the Oklahoma Supreme Court.

11. United Health Group, Inc. – Recommendation for Derivative Action (Cohen Milstein)
12. Report on the current status of all other litigation involving the Pension System.

**WESLEY BLAIR/DEL CITY - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE SEPTEMBER 1, 2017:**

Motion was made by Mr. Vanhorn and seconded by Mr. Bradshaw to approve the Application for “Disability in the Line of Duty”, effective September 1, 2017. Ayes: Vanhorn, Kelley, Lay, Cassady, Harlow, Freeman, Stone, Cramer, Duncan, Manek, Kohls, and Bradshaw. Nays: None. Motion carried.

**DOUGLAS P. DAVIS/OKLAHOMA CITY – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE SEPTEMBER 1, 2017:**

Motion was made by Mr. Cramer and seconded by Mr. Vanhorn to modify the Application for “Disability in the Line of Duty” to “Service”, effective September 1, 2017. Messrs. Ayes: Lay, Cassady, Harlow, Freeman, Manek, Cramer, Duncan, Kohls, Vanhorn, Kelley, Stone and Bradshaw. Nays: None. Motion carried.

**KEITH HARRIS/OKLAHOMA CITY - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE SEPTEMBER 1, 2017:**

Motion was made by Mr. Cramer and seconded by Mr. Vanhorn to modify the Application for “Disability in the Line of Duty”, to “Service” effective September 1, 2017. Messrs. Vanhorn, Kelley and Bradshaw. Messrs. Ayes: Lay, Cassady, Harlow, Freeman, Cramer, Duncan, Kohls, Vanhorn, Kelley, Stone, and Bradshaw. Nays: None. Motion carried.

**TREY A. MACK/OKLAHOMA CITY - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE SEPTEMBER 1, 2017:**

Motion was made by Mr. Vanhorn and seconded by Mr. Kelley to approve the Application for “Disability in the Line of Duty”, effective September 1, 2017. Ayes: Messrs. Lay, Cassady, Harlow, Freeman, Stone, Cramer, Duncan, Kohls, Vanhorn, Kelley, Manek and Bradshaw. Nays: None. Motion carried.

**SCOTT M. STROTHER/OKLAHOMA CITY - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE SEPTEMBER 1, 2017:**

Motion was made by Mr. Kelley and seconded by Mr. Harlow to approve the Application for “Disability in the Line of Duty”, effective September 1, 2017. Ayes: Messrs. Lay, Cassady, Harlow, Freeman, Stone, Cramer, Duncan, Kohls, Vanhorn, Kelley, Manek and Bradshaw. Nays: None. Motion carried.

**THOMAS F. SAWNSON/OKLAHOMA CITY - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE SEPTEMBER 1, 2017:**

Motion was made by Mr. Vanhorn and seconded by Mr. Harlow to approve the Application for “Disability in the Line of Duty”, effective September 1, 2017. Ayes: Messrs. Lay, Cassady, Harlow, Freeman, Stone, Cramer, Duncan, Kohls, Vanhorn, Kelley, Manek and Bradshaw. Nays: None. Motion carried.

**ERIK WETZEL/OKMULGEE - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE SEPTEMBER 1, 2017:**

Motion was made by Mr. Kelley and seconded by Mr. Harlow to approve the Application for “Disability in the Line of Duty”, effective September 1, 2017. Ayes: Messrs. Lay, Cassady, Harlow, Freeman, Stone, Cramer, Duncan, Kohls, Vanhorn, Kelley, Manek and Bradshaw. Nays: None. Motion carried.

**DANNY R. CALL/SAND SPRINGS - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE SEPTEMBER 1, 2017:**

Motion was made by Mr. Harlow and seconded by Mr. Duncan to approve the Application for “Disability in the Line of Duty”, effective September 1, 2017. Ayes: Messrs. Lay, Cassady, Harlow, Freeman, Stone, Duncan, Kohls, Vanhorn, Kelley, and Manek. Nays: Bradshaw and Cramer. Motion carried.

**ERICK A. RAWDING/TULSA - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE SEPTEMBER 1, 2017:**

Motion was made by Mr. Cassady and seconded by Mr. Duncan to modify the Application for “Disability in the Line of Duty”, to “Service”, effective September 1, 2017. Ayes: Messrs. Lay, Cassady, Harlow, Freeman, Stone, Cramer, Duncan, Kohls, Vanhorn, Kelley, Manek and Bradshaw. Nays: None. Motion carried.

Motion was made by Mr. Harlow and seconded Mr. Kelley to reconsider the first motion. Ayes: Messrs. Lay, Cassady, Harlow, Freeman, Stone, Cramer, Duncan, Kohls, Vanhorn, Kelley, Manek and Bradshaw. Nays: None. Motion carried.

Motion was made by Mr. Harlow and seconded by Mr. Freeman to send Mr. Rawding to the State Doctor for future examination. Ayes: Messrs. Lay, Cassady, Harlow, Freeman, Stone, Cramer, Duncan, Kohls, Vanhorn, Kelley, Manek and Bradshaw. Nays: None. Motion carried.

**THOMAS A. PEPPER/CHANDLER - APPLICATION FOR “DISABILITY NOT IN THE LINE OF DUTY” PENSION, EFFECTIVE MARCH 11, 2017:**

Motion was made by Mr. Kelley and seconded by Mr. Duncan to approve the Application for “Disability Not in the Line of Duty”, effective March 11, 2017. Ayes: Messrs. Lay, Cassady, Harlow, Freeman, Stone, Cramer, Duncan, Kohls, Vanhorn, Kelley, Manek and Bradshaw. Nays: None. Motion carried.

**STEVE BARTLEY/ENID – REQUEST TO MODIFY PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:**

Motion was made by Mr. Cassady and seconded by Mr. Vanhorn to approve the request of Mr. Bartley to modify the Application from “Service” to “Disability in the Line of Duty” based on the medical information submitted. Ayes: Messrs. Lay, Cassady, Harlow, Freeman, Manek, Cramer, Duncan, Kohls, Vanhorn, Stone, Kelley and Bradshaw. Nays: None. Motion carried.

**STEVE M. HANSEN/OKLAHOMA CITY - REQUEST TO MODIFY PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:**

Motion was made by Mr. Kelley and seconded by Mr. Harlow to approve the request of Mr. Bartley to modify the Application from “Service” to “Disability in the Line of Duty” based on the medical information submitted. Ayes: Messrs. Lay, Cassady, Harlow, Freeman, Manek, Cramer, Duncan, Kohls, Vanhorn, Stone, Kelley and Bradshaw. Nays: None. Motion carried.

**PHILLIP RAY/OKLAHOMA CITY - REQUEST TO MODIFY PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:**

Motion was made by Mr. Kelley and seconded by Mr. Harlow to approve the request of Mr. Bartley to modify the Application from “Service” to “Disability in the Line of Duty” based on the medical information submitted. Ayes: Messrs. Lay, Cassady, Harlow, Freeman, Manek, Cramer, Duncan, Kohls, Vanhorn, Stone, Kelley and Bradshaw. Nays: None. Motion carried.

**W.J. MORGAN/TUTTLE - REQUEST TO MODIFY PENSION  
FROM "SERVICE" TO "DISABILITY IN THE LINE OF DUTY":**

Motion was made by Mr. Cassady and seconded by Mr. Vanhorn to approve the request of Mr. Bartley to modify the Application from "Service" to "Disability in the Line of Duty" based on the medical information submitted. Ayes: Messrs. Lay, Cassady, Harlow, Freeman, Manek, Cramer, Duncan, Kohls, Vanhorn, Stone, and Bradshaw. Nays: Kelley. Motion carried.

**ROBERT JONES/EXECUTIVE DIRECTOR REPORT:**

Mr. Jones said he had nothing to report.

**QUESTIONS & COMMENTS FROM BOARD MEMBERS & AUDIENCE:**

**OLD BUSINESS:**

**NEW BUSINESS:**

**NEXT MEETING DATE:**

The Oklahoma Firefighters Pension and Retirement Board will meet October 20, 2017 at 8:30 A.M. at the Salvation Army Building, 6601 Broadway Extension, Ste. 100, Oklahoma City, OK.

**ADJOURNMENT:**

Mr. Lay adjourned the Board meeting at 10:47 A.M.

Submitted by Terri L. Williams, Executive Secretary.