

**MINUTES OF THE REGULAR MEETING OF THE  
OKLAHOMA POLICE PENSION AND RETIREMENT BOARD**

**Board Room  
1001 N.W. 63<sup>rd</sup> Street, Suite 305  
Oklahoma City, Oklahoma 73116**

**NOVEMBER 16, 2016**

The regular meeting of the Oklahoma Police Pension and Retirement Board was called to order by Chairman W.B. Smith at approximately 10:00 a.m. on Wednesday, November 16, 2016, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Craig Akard, Tom Custer, Tony Davenport, Rick Smith, W.B. Smith, Jeff Pierce, and Tim Foley.

OTHERS: Steven K. Snyder, Executive Director; Darcie Gordon, Administrative Officer; Lauren Holmes, Administrative Assistant; Deric Berousek, Chief Financial Officer; Sean Ruark, Pension Administration Officer; Ann Burrows, Comptroller; Kim Heaton, Attorney General's Office; and Jason Pulos and Joe Nugent, Asset Consulting Group.

MEMBERS ABSENT: Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, and Frank Stone.

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**APPROVAL OF MINUTES OF REGULAR BOARD MEETING HELD OCTOBER 19, 2016**

Motion by Tony Davenport and second by Tom Custer to approve the Minutes of the Regular Board Meeting held October 19, 2016. Ayes: Craig Akard, Tom Custer, Tony Davenport, Rick Smith, W.B. Smith, Jeff Pierce, and Tim Foley. Absent: Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, and Frank Stone. Motion Carried.

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**CONSIDERATION AND VOTE, SUBJECT TO BOARD'S EXCEPTION, ON THE FOLLOWING APPLICATIONS**

a. Application for Participation:

<u>Name</u>	<u>City</u>
Jeffrey Dirickson	Altus
Warren A. Towers	Bartlesville
Gianna R. Wood	Bixby
James W. Palmer	Blanchard
Ian C. Black	Coweta
Brandon N. Payton	El Reno
Stephen R. Jacobi	Enid
Thomas A. Kirkhart	Enid
Garron D. Nixon	Enid
Randall L. Peters	Enid
Aaron R. Pitts	Enid
Jonathan C. Stadler	Enid
Jose A. Torres	Enid
Chanda L. Wagner-McWhorter	Enid

Dustin S. Dozier	Eufaula
Colby T. Scott	Eufaula
Anthony A. Wind	Glenpool
Kyle T. Bradley	Hominy
Jeremy S. Flowers	Idabel
Kevin S. Nunnelee	Jenks
Sean E. Scott	Jenks
Robbie R. Blackford	Jones
Juan C. Nazario	Muskogee
Matt A. Perryman	Muskogee
Zachary J. Jared	Okeene
Henry C. Perryman	Oologah
Travis W. Harris	Owasso
Robert L. Rulo, III	Pawhuska
Mallory J. Speaks	Tahlequah
Robert R. Reynolds	Wagoner
Ryan C. Deane	Warr Acres
Colt D. Smith	Warr Acres

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Riley N. Love	Ardmore
Terry A. Ayers	Bristow
Kyle D. Springer	Duncan
Michael Pruitt	El Reno
James L. Julian, III	Lawton
Aaron Aprill	Lindsay
Jeremy D. Kennon	Midwest City
Matthew L. Vassar	Perry
Nicholas S. Dobbs	Pryor
Michael T. Hobbs	Seminole
Chet Skimbo	Stillwater
William L. Hixon	Tahlequah
Ashlyn B. Truelove	Tuttle
Kaylee Taylor	Warr Acres

c. Application for Participation in the Oklahoma Police Deferred Option Plan Under the Back Drop Provision:

<u>Name</u>	<u>City</u>	<u>DOP Eff. Date</u>	<u>Service Pension Eff. Date</u>
Thomas A. Nichols	Enid	01/01/2012	01/01/2017

d. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Jeff E. Mitchell	Pryor	05/21/2018
Charles A. Murphy	Stillwater	09/24/2028

e. Death Benefit:

<u>Name</u>	<u>City</u>
Debra S. Banister, widow of Gary C. Banister	Altus
Lynnette Peters, widow of William Peters	Enid

Virginia A. Masters, widow of Frank J. Masters	Midwest City
Clementine Blythers-McMullen, widow of Henry McMullen, Jr.	Oklahoma City
Chris A. Brannon, Personal Rep. of Larry E. Brannon	Tulsa

f. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Debra S. Banister, widow of Gary C. Banister	Altus
Lynnette Peters, widow of William Peters	Enid
Virginia A. Masters, widow of Frank J. Masters	Midwest City
Clementine Blythers-McMullen, widow of Henry McMullen, Jr.	Oklahoma City

g. Application for Monies Due the Estate from the System:

<u>Name</u>	<u>City</u>
Ronald R. Hopkins, Personal Rep. of Violet G. Hopkins	Oklahoma City
Chris A. Brannon, Personal Rep. of Larry E. Brannon	Tulsa

h. Termination of Benefit:

<u>Name</u>	<u>City</u>
Violet G. Hopkins	Oklahoma City
Larry E. Brannon	Tulsa

Motion by Rick Smith and second by Jeff Pierce for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds and Benefits. Ayes: Craig Akard, Tom Custer, Tony Davenport, Rick Smith, W.B. Smith, Jeff Pierce, and Tim Foley. Absent: Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, and Frank Stone. Motion Carried.

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**ROBERT W. GROSECLOSE, MUSTANG – REQUEST TO RESCIND APPLICATION FOR VESTED BENEFIT APPROVED 2/17/2016 AND REQUEST TO APPROVE APPLICATION FOR PARTICIPATION. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Motion by Rick Smith and second by Tom Custer to approve request to rescind Application for Vested Benefit approved 2/17/2016 and request to approve Application for Participation for Robert W. Groseclose, Mustang. Ayes: Craig Akard, Tom Custer, Tony Davenport, Rick Smith, W.B. Smith, Jeff Pierce, and Tim Foley. Absent: Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, and Frank Stone. Motion Carried.

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**REVIEW OF BOARD REPORTS**

The Account #6000, Fund 20000 (operating expenses), report is attached as Exhibit "A"; the Account #8557A, Fund Expenditures (receipts and disbursements), report for October 2016 is attached as Exhibit "B"; the Broker Commission Report is attached as Exhibit "C"; and the report for the Statement of Total Fund is attached as Exhibit "D".

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**ASSET CONSULTING GROUP – FINANCIAL CONSULTANT REPORT FOR MONTH ENDED OCTOBER 31, 2016, QUARTERLY REPORT FOR QUARTER ENDED SEPTEMBER 30, 2016, AND DISCUSSION ON REBALANCING PORTFOLIO ASSETS AMONG VARIOUS ASSET STRATEGIES AND MANAGERS; BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. Jason Pulos reviewed the ASAP report for the month ended October 31, 2016, a copy of which is attached as Exhibit "E". As of October 31, 2016, the total Fund was approximately \$2,186,444,000.00. The one-year return net of fees for the total Fund is 2.83%.

Mr. Jason Pulos reviewed the Quarterly Report for quarter ended September 30, 2016, a copy of which is attached as Exhibit "F".

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**ASSET CONSULTING GROUP – PRIVATE MARKETS REVIEW AND RECOMMENDATION ON NEW COMMITMENTS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. Joe Nugent reviewed the Oklahoma Police Pension and Retirement System Private Markets Review and Recommendations, a copy of which is attached as Exhibit "G". The following recommendations were made; \$10,000,000.00 to EnCap Energy Fund XI, \$10,000,000.00 to Weathergage Venture Capital Fund IV, \$10,000,000.00 to Apollo European Principal Finance Fund III and \$20,000,000.00 to Newstone Capital Partners III.

Motion by Craig Akard and second by Tony Davenport to invest \$10,000,000.00 in EnCap Energy Fund XI, \$10,000,000.00 in Weathergage Venture Capital Fund IV, and \$10,000,000.00 to Apollo European Principal Finance Fund III. Ayes: Craig Akard, Tom Custer, Tony Davenport, Rick Smith, W.B. Smith, Jeff Pierce, and Tim Foley. Absent: Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, and Frank Stone. Motion Carried.

Motion by Tony Davenport and second by Craig Akard to invest \$20,000,000.00 in Newstone Capital Partners III. Ayes: Craig Akard, Tom Custer, Tony Davenport, Rick Smith, W.B. Smith, Jeff Pierce, and Tim Foley. Absent: Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, and Frank Stone. Motion Carried.

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**CONSIDERATION CONCERNING SETTING THE BOARD MEETING DATES FOR CALENDAR YEAR 2017. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. Steven Snyder presented to the board the proposed board meeting dates for 2017, a copy of which is attached as Exhibit "H".

Motion by Craig Akard and second by Jeff Pierce to approve the 2017 board meeting dates. Ayes: Craig Akard, Tom Custer, Tony Davenport, Rick Smith, W.B. Smith, Jeff Pierce, and Tim Foley. Absent: Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, and Frank Stone. Motion Carried.

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**DISCUSSION AND POSSIBLE VOTE TO AUTHORIZE PROPOSED LEGISLATION BY THE OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM RELATING TO IRS TECHNICAL CLEANUP OF STATUTORY LANGUAGE. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. Steven Snyder presented the proposed IRS Technical cleanup language, a copy of which is attached as Exhibit “I”.

Motion by Tony Davenport and second by Rick Smith to approve the proposed IRS technical cleanup language. Ayes: Craig Akard, Tom Custer, Tony Davenport, Rick Smith, W.B. Smith, Jeff Pierce, and Tim Foley. Absent: Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, and Frank Stone. Motion Carried.

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**TRUSTEE EDUCATION SESSION – PRESENTATION, FOR INFORMATIONAL PURPOSES ONLY, REGARDING SYSTEM BENEFITS, STRUCTURE, AND FINANCIAL STATISTICS.**

Mr. Snyder briefly discussed the system benefits, structure and financial statistics of the system, a copy of which is attached as Exhibit “J”.

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**DISCUSSION AND POSSIBLE VOTE ON WHETHER TO RETAIN SAXENA WHITE AS SECURITIES LITIGATION MONITORING FIRM. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Ms. Maya Saxena, Ms. Stefanie Leverette, and Mr. Chuck Jeroloman visited briefly with the board about the firm, their practices, and previous cases they were involved in.

Motion by Tom Custer and second by Craig Akard to retain Saxena White. Ayes: Craig Akard, Tom Custer, Tony Davenport, Rick Smith, W.B. Smith, Jeff Pierce, and Tim Foley. Absent: Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, and Frank Stone. Motion Carried.

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**LITIGATION REPORT – PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL TO DISCUSS CASE NO. CIV536013, IN RE SIENRA, INC. (SUPERIOR COURT OF THE STATE OF CALIFORNIA, COUNTY OF SAN MATEO); CASE NO. 15-CV-07759-LAK IN RE FIFTH STREET FINANCE CORP. (UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK); CASE NO. 2:15-CV-01398-SRB, IN RE LIFELOCK, INC. (UNITED STATES DISTRICT COURT, DISTRICT OF ARIZONA); CASE NO. 3:15-CV-01797, IN RE MAGNACHIP SEMICONDUCTOR CORP. (UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF CALIFORNIA); CASE NO. 1:15-CV-00679, IN RE BOULDER BRANDS, INC. (UNITED STATES DISTRICT COURT, DISTRICT OF COLORADO); CASE NO. 1:14-CV-10136-GBD, IN RE RCS CAPITAL CORP. (UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK); CASE NO. 1:14-CV-01997-LAK, IN RE WEIGHT WATCHERS INTERNATIONAL, INC. (UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK); CASE NO. 5:12-CV-00195-KKC, IN RE LAYDON VS. MIZUHO BANK, LTD. ET AL. (TIBOR LITIGATION) (UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK); CASE NO. 1:15-CV-08149, OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM VS. BANK OF NOVA SCOTIA ET.AL (UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK); CASE NO. 4:16-CV-838, IN RE TAILORED BRANDS, INC. (UNITED STATES DISTRICT COURT , SOUTHERN DISTRICT OF TEXAS); CASE NO. 12584-VCG, IN RE STARZ STOCKHOLDER LITIGATION. (COURT OF CHANCERY OF THE STATE OF DELAWARE); CASE NO. 1:16-CV-05203, IN RE BANK OF AMERICA CORP. (UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK); AND TO**

**DISCUSS OTHER POTENTIAL LITIGATION WITH LEGAL COUNSEL PURSUANT TO 25 O.S. § 307(B)(4) IN THAT DISCLOSURE WILL SERIOUSLY IMPAIR THE ABILITY OF THE BODY TO CONDUCT A PENDING PROCEEDING IN THE PUBLIC INTEREST**

Mr. Snyder advised the board that all cases were status quo.

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**NEW BUSINESS**

Mr. Steven Snyder advised that an issue had come up with the reports that OPPRS had been obtaining from CLEET and that CLEET was no longer willing to provide those lists stating a “confidentiality clause”. He stated that the Attorney General’s office would talk to their General Counsel to see if something could be worked out in the form of an Interagency Agreement, but advised that might not be possible. Otherwise, it would take a statutory change to get CLEET to release the list.

Motion by Tony Davenport and second by Tom Custer to allow the Executive Director to have statutory language drafted and filed if necessary. Ayes: Craig Akard, Tom Custer, Tony Davenport, Rick Smith, W.B. Smith, Jeff Pierce, and Tim Foley. Absent: Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, and Frank Stone. Motion Carried.

Mr. Steven Snyder notified the board that he had been contacted by Grant & Eisenhofer about a securities litigation case against IAC. OPPRS would be lead plaintiff in the case.

Motion by Tony Davenport and second by Craig Akard to allow the Executive Director to seek lead plaintiff against IAC. Ayes: Craig Akard, Tom Custer, Tony Davenport, Rick Smith, W.B. Smith, Jeff Pierce, and Tim Foley. Absent: Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, and Frank Stone. Motion Carried.

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**BOARD MEMBERS' REPORTS**

Mr. W.B. Smith stated the Due Diligence trip to St. Louis was good. Mr. Craig Akard questioned about upcoming seminars for 2017. Mr. Sean Ruark stated the seminars would continue for 2017. Mr. Tony Davenport ask about the status of the new computer devices. Mr. Snyder advised we had purchased a test model and would be putting it through some tests to see if it was sufficient for the board’s needs.

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**DISCUSSION OF SEMINARS/CONFERENCES. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. Steven Snyder advised the board of the following conferences:

- o NAPO’s Annual Pension & Benefits Seminar
  - o February 26-28, 2017 – Orlando, FL
- o NCPERS Annual Conference & Exhibition with TEDS and Accredited Fiduciary Program
  - o May 20-24, 2017 – Hollywood, FL

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**DIRECTOR'S REPORT**

Mr. Snyder stated the Annual Report was completed and posted to the website. He also stated that the Judy Cong Retirement Party would be December 20<sup>th</sup> at Hefner Grill and the Christmas Breakfast would be before the December board meeting. He also introduced the newest OPPRS employee Ann Burrows, Comptroller.

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The meeting was adjourned at approximately 11:45am.

Notice of this meeting was filed with the Secretary of State and the agenda for the meeting was posted in compliance with the Open Meeting Act.

RESPECTFULLY SUBMITTED BY DARCIE GORDON, ADMINISTRATIVE OFFICER.