

**NORTH DAKOTA STATE INVESTMENT BOARD
SECURITIES LITIGATION SUBCOMMITTEE
MINUTES OF THE AUGUST 23, 2018, MEETING**

BOARD MEMBERS PRESENT: Troy Seibel, Chair
Treasurer Kelly Schmidt, Vice Chair
Connie Flanagan, Fiscal/Investment Opr Mgr
David Hunter, ED/CIO
Anders Odegaard, Attorney General's Office

STAFF PRESENT: Missy Kopp, Retirement Assistant
Sara Sauter, Audit Svs Suprv
Darren Schulz, Dep. CIO

GUESTS: Eric Belfi, Labaton Sucharow
Donald Hall, Kaplan Fox
Serena Hallowell, Labaton Sucharow
Olav Haazen, Grant & Eisenhofer (TLCF)
Francis McConville, Labaton Sucharow
Mark McNair, Kaplan Fox
Marc Weinberg, Grant & Eisenhofer (TLCF)

CALL TO ORDER:

Mr. Seibel, Chair, called the State Investment Board (SIB) Securities Litigation Committee meeting to order at 3:02 p.m. on Thursday, August 23, 2018, at the Retirement and Investment Office, 3442 E Century Ave, Bismarck, ND.

AGENDA:

IT WAS MOVED BY MR. HUNTER AND SECONDED BY TREASURER SCHMIDT AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA FOR THE AUGUST 23, 2018, MEETING.

AYES: TREASURER SCHMIDT, MR. SEIBEL, MR. HUNTER, MS. FLANAGAN, MR. ODEGAARD

NAYS: NONE

MOTION CARRIED

MINUTES:

IT WAS MOVED BY MS. FLANAGAN AND SECONDED BY MR. HUNTER AND CARRIED BY A VOICE VOTE TO ACCEPT THE MINUTES OF THE MAY 10, 2018, MEETING AS DISTRIBUTED.

AYES: MS. FLANAGAN, MR. ODEGAARD, TREASURER SCHMIDT, MR. SEIBEL, AND MR. HUNTER

NAYS: NONE

MOTION CARRIED

NORTHERN TRUST | FINANCIAL RECOVERY TECHNOLOGIES:

Ms. Flanagan reviewed the securities litigation claims filing reports for the fiscal year ended June 30, 2018. The service was transitioned from the Northern Trust to Financial Recovery Technologies (FRT) on March 1, 2018. Northern Trust will continue to report on claims filing activity which took place prior to March 1, 2018.

Ms. Flanagan reported that \$189,000 was collected for previously filed class action claims in the fiscal year ended June 30, 2018. Since 2011, annual cash recoveries have varied significantly ranging from a low of \$153,480 in fiscal year 2014 to a high of \$692,958 in fiscal year 2012. The annual recoveries are often materially impacted by the occurrence (or absence) of one or two major cases in any given fiscal year.

IT WAS MOVED BY TREASURER SCHMIDT AND SECONDED BY MR. ODEGAARD AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE NORTHERN TRUST AND FRT CLAIMS FILING REPORT FOR THE FISCAL YEAR ENDING JUNE 30, 2018.

**AYES: MR. ODEGAARD, MR. HUNTER, MS. FLANAGAN, MR. SEIBEL, AND TREASURER SCHMIDT
NAYS: NONE
MOTION CARRIED**

SECURITIES LITIGATION EDUCATION:

Mr. Hunter reviewed the formation of the SIB Securities Litigation Committee which was established on January 26, 2018. He also reviewed the SIB's revised Securities Litigation policy which was adopted by the SIB on April 27, 2018.

Labaton Sucharow - Representatives, Mr. Belfi, Ms. Hallowell, and Mr. McConville, provided an overview of the firm's portfolio monitoring and securities litigation services.

Kaplan Fox - Representatives, Mr. Hall and Mr. McNair, provided an overview of the firm, US securities class action processes, guidelines for evaluating cases, topics of interest to institutional investors, and the firm's approach to securities litigation.

LITIGATION:

The Securities Litigation Committee discussed entering into Executive Session to receive updates regarding ongoing litigation cases pertaining to General Motors, Tribune, and Volkswagen.

IT WAS MOVED BY TREASURER SCHMIDT AND SECONDED BY MR. HUNTER AND CARRIED BY A ROLL CALL VOTE TO ENTER INTO EXECUTIVE SESSION FOR ATTORNEY CONSULTATION PURSUANT TO NDCC 44-04-19.1(9).

**AYES: MR. HUNTER, MS. FLANAGAN, MR. SEIBEL, TREASURER SCHMIDT, AND MR. ODEGAARD
NAYS: NONE
MOTION CARRIED**

The Securities Litigation Committee exited the open portion of the meeting at 4:40 p.m. and entered into Executive Session at 4:41 p.m.

Mr. Hunter, Ms. Flanagan, Mr. Seibel, Treasurer Schmidt, Mr. Odegaard, Mr. Schulz, Ms. Sauter, Ms. Kopp, and Mr. Weinberg (TLCF) were in attendance.

The Securities Litigation Committee exited Executive Session at 5:01 p.m. and entered into the open portion of the meeting at 5:02 p.m.

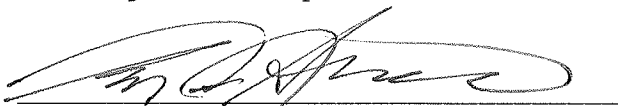
The Securities Litigation Committee took no further action on Litigation.

OTHER:

The next Securities Litigation meeting is scheduled for November 5, 2018, at the Retirement and Investment Office, 3442 East Century Avenue, Bismarck, ND.

ADJOURNMENT:

With no further business to come before the Committee, Mr. Seibel adjourned the meeting at 5:05 p.m.



Mr. Seibel, Chair



Bonnie Heit

Assistant to the Committee