

**NORTH DAKOTA STATE INVESTMENT BOARD  
SECURITIES LITIGATION SUBCOMMITTEE  
MINUTES OF THE NOVEMBER 5, 2018, MEETING**

**BOARD MEMBERS PRESENT:** Troy Seibel, Chair  
Treasurer Kelly Schmidt, Vice Chair (TLCF)  
Connie Flanagan, Chief Financial Officer  
David Hunter, ED/CIO  
Anders Odegaard, Attorney General's Office

**STAFF PRESENT:** Bonnie Heit, Admin Svs Suprv  
Sara Sauter, Audit Svs Suprv

**GUESTS:** Marc Weinberg, Grant & Eisenhofer  
Kyle McGee, Grant & Eisenhofer

**CALL TO ORDER:**

Mr. Seibel, Chair, called the State Investment Board (SIB) Securities Litigation Committee meeting to order at 3:02 p.m. on Monday, November 5, 2018, at the Retirement and Investment Office, 3442 E Century Ave, Bismarck, ND.

**AGENDA:**

IT WAS MOVED BY MR. ODEGAARD AND SECONDED BY MS. FLANAGAN AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA FOR THE NOVEMBER 5, 2018, MEETING.

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

**MINUTES:**

IT WAS MOVED BY TREASURER SCHMIDT AND SECONDED BY MR. HUNTER AND CARRIED BY A VOICE VOTE TO ACCEPT THE MINUTES OF THE AUGUST 23, 2018, MEETING AS DISTRIBUTED.

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

**CONTINGENT DISCLOSURES:**

Mr. Hunter updated the Securities Litigation Committee on the Tribune and General Motors bankruptcy proceedings in which the SIB has been named as a defendant relating to securities that were purchased by external investment managers in one or more portfolios held by the SIB on behalf of its clients. K & L Gates has been retained for legal representation in the Tribune case and Kasowitz Benson Torres has been retained for legal representation in the General Motors case, as appointed by the ND Office of the Attorney General. As of June 30, 2018, no liability has been recorded for the General Motors bankruptcy proceedings as it is too early in the litigation process to reasonably determine whether any payments will be required, but mediation efforts remain on-going. The claim against the SIB in the Tribune bankruptcy litigation has been dismissed, but a final order has not been entered into because the court has yet to decide the remaining claims in the case against unrelated defendants; however, the US District court has stayed the trustee's request to amend the complaint to add a constructive fraudulent transfer claim pending the Second Circuit's disposition of the unrelated defendant's claims in light of the US Supreme Court's decision in merit management. Any final judgment (including the claim against the SIB) is subject to appeal. Accordingly, no liability has been recorded at this time.

**EDUCATION:**

Grant & Eisenhofer representatives Mr. Marc Weinberg and Mr. Kyle McGee provided an overview of their firm and reviewed a number of their firms international securities litigation cases.

**SECURITIES LITIGATION FIRMS:**

Mr. Hunter updated the Securities Litigation Committee on firms the SIB has retained to represent the SIB in securities litigation cases. Kasowitz Benson Torres was retained for the General Motors case, K & L Gates for the Tribune case, and Grant & Eisenhofer for the Volkswagen case. The SIB also engaged Financial Recovery Technologies (FRT) to enhance the SIB's ability to recover investment losses in the US and international securities litigation cases.

In 2018, the Securities Litigation Committee met with the following law firms widely considered to be leading experts in the securities litigation field - Bernstein Litowitz Berger & Grossman, Robbins Geller Rodman & Dowd, Labaton Sucharow, Kaplan Fox, and Grant & Eisenhofer.

Discussion followed on the firms and the process the SIB would utilize if future legal representation would be needed. The Securities Litigation Committee felt it important to identify at least three firms for future consideration. After discussion,

**IT WAS MOVED BY TREASURER SCHMIDT AND SECONDED BY MR. HUNTER AND CARRIED BY A ROLL CALL VOTE TO IDENTIFY BERNSTEIN LITOWITZ BERGER & GROSSMAN, LABATON SUCHAROW, AND GRANT & EISENHOWER AS THE SECURITIES LITIGATION FIRM'S THE SIB WILL CONSIDER IF LEGAL REPRESENTATION IS NEEDED IN THE FUTURE.**

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

**MEETING SCHEDULE:**

Mr. Hunter presented a draft meeting schedule for 2019 for the Securities Litigation Committee's consideration.

**IT WAS MOVED BY MR. ODEGAARD AND SECONDED BY MS. FLANAGAN AND CARRIED BY A VOICE VOTE TO ACCEPT THE 2019 MEETING SCHEDULE.**

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

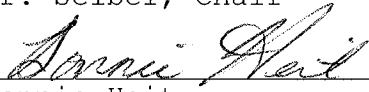
**OTHER:**

The next Securities Litigation Committee meeting is scheduled for February 14, 2019, 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 3:57 p.m.

  
\_\_\_\_\_  
Mr. Seibel, Chair

  
\_\_\_\_\_  
Bonnie Heit  
Recording Secretary