

**NORTH DAKOTA STATE INVESTMENT BOARD
SECURITIES LITIGATION COMMITTEE
MINUTES OF THE SEPTEMBER 20, 2019, MEETING**

BOARD MEMBERS PRESENT: Troy Seibel, Chair
Jodi Smith, Vice Chair
Connie Flanagan, Chief Financial Officer
David Hunter, Executive Director/CIO
Anders Odegaard, Attorney General's Office

STAFF PRESENT: Bonnie Heit, Admin Svs Suprv

GUESTS: Craig D'Alessio, Financial Recovery Technologies (TLCF)
Olav Haazen, Grant & Eisenhofer (TLCF)
Mike Lang, Financial Recovery Technologies (TLCF)
Marc Weinberger, Grant & Eisenhofer (TLCF)

CALL TO ORDER:

Mr. Seibel, Chair, called the State Investment Board (SIB) Securities Litigation Committee meeting to order at 2:36 p.m. on Friday, September 20, 2019, at the Retirement and Investment Office, 3442 E Century Ave, Bismarck, ND.

AGENDA:

IT WAS MOVED BY COMMISSIONER SMITH AND SECONDED BY MS. FLANAGAN AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA FOR THE SEPTEMBER 20, 2019, MEETING.

AYES: COMMISSIONER SMITH, MR. SEIBEL, MR. HUNTER, MS. FLANAGAN, AND MR. ODEGAARD

NAYS: NONE

MOTION CARRIED

MINUTES:

IT WAS MOVED BY MR. HUNTER AND SECONDED BY MR. ODEGAARD AND CARRIED BY A VOICE VOTE TO ACCEPT THE MINUTES OF THE MAY 20, 2019, MEETING AS DISTRIBUTED.

AYES: MS. FLANAGAN, MR. ODEGAARD, COMMISSIONER SMITH, MR. SEIBEL, AND MR. HUNTER

NAYS: NONE

MOTION CARRIED

SECURITIES LITIGATION REVIEW:

Mr. Hunter reviewed the history and make-up of the Securities Litigation Committee, their Charter, and the SIB Securities Litigation policy's thresholds for pursuing securities litigation.

Election of Officers:

IT WAS MOVED BY COMMISSIONER SMITH AND SECONDED BY MR. HUNTER AND CARRIED BY A ROLL CALL VOTE TO NOMINATE MR. SEIBEL AS CHAIR OF THE SIB SECURITIES LITIGATION COMMITTEE FOR THE PERIOD OF JULY 1, 2019 - JUNE 30, 2020.

AYES: MR. ODEGAARD, MR. HUNTER, MS. FLANAGAN, MR. SEIBEL, AND COMMISSIONER SMITH
NAYS: NONE
MOTION CARRIED

IT WAS MOVED BY MR. ODEGAARD AND SECONDED BY MR. SEIBEL AND CARRIED BY A ROLL CALL VOTE TO NOMINATE COMMISSIONER SMITH AS VICE CHAIR OF THE SIB SECURITIES LITIGATION COMMITTEE FOR THE PERIOD OF JULY 1, 2019 - JUNE 30, 2020.

AYES: MR. HUNTER, MS. FLANAGAN, MR. SEIBEL, COMMISSIONER SMITH, AND MR. ODEGAARD
NAYS: NONE
MOTION CARRIED

IT WAS MOVED BY MS. FLANAGAN AND SECONDED BY MR. ODEGAARD AND CARRIED BY A ROLL CALL VOTE THAT THE SIB SECURITIES LITIGATION COMMITTEE CHAIR, AS LIAISON TO THE SIB, WILL PROVIDE A REPORT TO THE SIB AT LEAST ON A BIENNIAL BASIS.

AYES: COMMISSIONER SMITH, MR. SEIBEL, MR. HUNTER, MS. FLANAGAN, AND MR. ODEGAARD
NAYS: NONE
MOTION CARRIED

Securities Litigation Firms - Mr. Hunter reviewed pre-approved law firms the Securities Litigation Committee has identified that will be utilized on a case by case basis to provide expert advice when new securities litigation related cases are raised for further consideration by the Securities Litigation Committee. The following firms were preapproved - Bernstein Litowitz Berger & Grossman; Grant & Eisenhofer; and Labaton Sucharow.

The SIB has engaged Grant & Eisenhofer to recover investment losses in the Volkswagen and Danske Bank international securities litigation cases.

Financial Recovery Technologies (FRT) has been retained since 2018 to oversee the recovery of investment losses in the U.S. and international securities litigation cases.

Biennial Agenda - The Securities Litigation Committee reviewed their biennial agenda. No adjustments were made to the agenda.

Securities Litigation Report - Ms. Flanagan reviewed the securities litigation activity report for the fiscal year ending June 30, 2019. There were 60 cases of which \$344,684 was recovered by FRT and The Northern Trust.

Securities Litigation Case Updates - The Securities Litigation Committee entertained a motion to enter into Executive Session to receive an update from Grant & Eisenhofer on the Volkswagen and Danske Bank cases.

IT WAS MOVED BY MR. HUNTER AND SECONDED BY MS. FLANAGAN AND CARRIED BY A ROLL CALL VOTE TO ENTER INTO EXECUTIVE SESSION FOR ATTORNEY CONSULTATION PURSUANT TO NDCC §44-04-18.4(1), §44-04-19.1(9), & §44-04-19.2.

AYES: MS. FLANAGAN, MR. ODEGAARD, COMMISSIONER SMITH, MR. SEIBEL, AND MR. HUNTER
NAYS: NONE
MOTION CARRIED

The Securities Litigation Committee entered into Executive Session at 2:59 p.m. Mr. Seibel, Commissioner Smith, Mr. Hunter, Ms. Flanagan, Mr. Odegaard, Ms. Heit, Mr. Weinstein and Mr. Haazen were present.

After the review, the Securities Litigation Committee entered into Open Session at 3:14 p.m.

The Securities Litigation Committee took no action.

Mr. Weinstein also updated the Securities Litigation Committee on the 3M Company case.

Discussion followed.

The Securities Litigation Committee also received FRT's insight on the 3M Company case by Mr. Lang and Mr. D'Alessio.

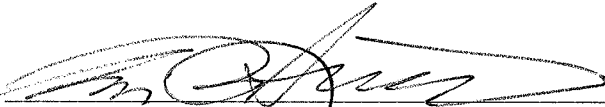
Discussion followed on options for the State of ND. The Dept. of Trust Lands and the SIB will both review their own estimated losses and consider the total dollar amount when considering potential actions in the future. The deadline to file the necessary paperwork is September 27, 2019. The Securities Litigation Committee took no action noting the current estimated amount of losses is below the SIB's approved policy threshold, given time constraints, and the amount of time it would take to analyze the data and prepare the paperwork. Mr. Hunter will provide a brief update to the SIB at their September 27, 2019, meeting.

OTHER:

The next Securities Litigation meeting is scheduled for Thursday, November 7, 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 3:50 p.m.


Mr. Seibel, Chair


Bonnie Heit
Recorder

