

NORTH DAKOTA STATE INVESTMENT BOARD
SECURITIES LITIGATION COMMITTEE
MINUTES OF THE NOVEMBER 7, 2019, MEETING

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

MEMBERS ABSENT: Jodi Smith, Vice Chair

STAFF PRESENT: Amy Carlson, Investment Accountant
Bonnie Heit, Admin Svs Suprv

GUESTS: Eric Belfi, Labaton Sucharow
Francis McConville, Labaton Sucharow

CALL TO ORDER:

Mr. Seibel, Chair, called the State Investment Board (SIB) Securities Litigation Committee meeting to order at 3:00 p.m. on Thursday, November 7, 2019, at the Retirement and Investment Office, 3442 E Century Ave, Bismarck, ND.

AGENDA:

IT WAS MOVED BY MS. FLANAGAN AND SECONDED BY MR. HUNTER AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA FOR THE NOVEMBER 7, 2019, MEETING.

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

NAYS: NONE

MOTION CARRIED

ABSENT: COMMISSIONER SMITH

MINUTES:

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

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

NAYS: NONE

MOTION CARRIED

ABSENT: COMMISSIONER SMITH

MEETING SCHEDULE:

The Securities Litigation Committee reviewed a draft of 2019-20 meeting dates and times.

IT WAS MOVED BY MR. HUNTER AND SECONDED BY MS. FLANAGAN TO APPROVE THE SECURITIES LITIGATION COMMITTEE'S MEETING SCHEDULE FOR 2019-20.

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

NAYS: NONE

MOTION CARRIED

ABSENT: COMMISSIONER SMITH

SECURITIES LITIGATION:

Lead Plaintiff - Labaton Sucharow representatives reviewed "lead plaintiff" process, benefits, and responsibilities with the Securities Litigation Committee.

The Securities Litigation Committee felt the SIB's Securities Litigation policy authorized the Securities Litigation Committee to take a "lead plaintiff" position if a case would warrant those actions whereby the Securities Litigation Committee would need to act quickly. Mr. Seibel will review and confirm with the SIB at their November 22, 2019, meeting.

Proxy Voting - Mr. Hunter reviewed the current SIB proxy voting policy. Proxy voting for the SIB's portfolios are delegated to the investment managers. Labaton Sucharow representatives shared how other entities manage their proxy voting. Mr. Hunter will be following-up with the SIB and working with Dept. of Trust Lands to ensure both entities are managing their proxy voting in the best interests of the State of North Dakota.

FOOTNOTE DISCLOSURE OF CONTINGENCIES:

Mr. Hunter updated the Securities Litigation Committee on the Tribune and General Motors bankruptcy cases. Outside counsel has been retained for both cases with additional assistance from the ND Office of Attorney General.

The SIB became a party to a Settlement Agreement as a term lender in the General Motors bankruptcy proceeding. This liability will be borne by other parties, so no liability was accrued by the SIB.

Tribune proceeding - the Litigation Trustee filed a Notice of Appeal to the Second Circuit appealing the various judgements of the US District Court that dismissed the claims against defendants in the action and denying leave to amend the complaint to add a constructive fraudulent conveyance claim. Briefing of the legal issues before the Second Circuit will occur late 2019 or early 2020. No liability has been recorded at this time.

OTHER:

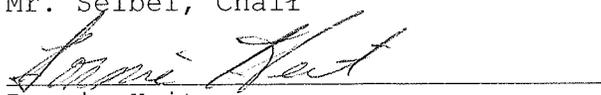
The next Securities Litigation meeting is scheduled for Tuesday, February 4, 2020, at the Retirement and Investment Office, 3442 East Century Avenue, Bismarck, ND.

ADJOURNMENT:

With no further business to come before the Committee, Mr. Seibel adjourned the meeting at 4:15 p.m.



Mr. Seibel, Chair



Bonnie Heit
Recorder