

NORTH DAKOTA STATE INVESTMENT BOARD  
SECURITIES LITIGATION COMMITTEE  
MINUTES OF THE APRIL 30, 2020, MEETING

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

**STAFF PRESENT:** Bonnie Heit, Admin Svs Suprv

**GUESTS:** Craig D'Allessio, Financial Recoveries Technologies  
Michael Lange, Financial Recoveries Technologies

**CALL TO ORDER:**

Mr. Seibel, Chair, called the State Investment Board (SIB) Securities Litigation Committee (SLC) special meeting (virtual) to order at 8:00 a.m. on Thursday, April 30, 2020, at the Retirement and Investment Office (RIO), 3442 E Century Ave, Bismarck, ND.

**AGENDA:**

IT WAS MOVED BY COMMISSIONER SMITH AND SECONDED BY MR. HUNTER AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA FOR THE APRIL 30, 2020, MEETING.

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

**MINUTES:**

IT WAS MOVED BY COMMISSIONER SMITH AND SECONDED BY MR. DEPOUNTIS AND CARRIED BY A VOICE VOTE TO ACCEPT THE MINUTES OF THE NOVEMBER 7, 2019, MEETING AS DISTRIBUTED.

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

**SECURITIES LITIGATION:**

SLC Member - Mr. Hunter welcomed Mr. Dean DePountis to the SLC. Mr. DePountis is RIO's legal counsel effective April 1, 2020.

Pending Securities Litigation - Mr. Hunter and Financial Recoveries Technologies (FRT) representatives briefed the SLC on the international securities litigation case against Nissan Motor Co. Ltd (Nissan). The proposed action alleges that investors in Nissan suffered damages as a result of financial misconduct.

The merits of the case were reviewed: 1) estimated damages are approximately \$780,000; 2) the legal jurisdiction is Japan; and 3) the SIB approved litigation threshold for Japan is \$1 million.

FRT, for registration purposes, estimated a 25% recovery which is a gross loss recovery of \$300,000 or an estimated \$225,000 net loss recovery after up to a 25% contingent fee arrangement. The contingent fee arrangement may require the approval of the ND Emergency Commission.

RIO requested the SLC to consider having FRT engage Kessler, Topaz, Meltzer, Check LLP to Opt-In into international group securities litigation to recover an estimated \$117,000 - \$150,000 in net loss recoveries from an alleged fraud committed by Nissan.

The recommendation is consistent with the SIB approved SLC Charter and Policy noting the jurisdictional threshold for Japan is \$1 million and is classified as Low Risk for Costs and Discovery by FRT.

The participation deadline is May 1, 2020.

IT WAS MOVED BY COMMISSIONER SMITH AND SECONDED BY MS. FLANAGAN AND CARRIED BY A ROLL CALL VOTE TO ACCEPT STAFF RECOMMENDATION.

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

NAYS: NONE


MOTION CARRIED

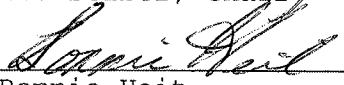
OTHER:

The next Securities Litigation meeting is scheduled for Tuesday, May 19, 2020, at 1:00 p.m. at the Retirement and Investment Office, 3442 East Century Avenue, Bismarck, ND.

ADJOURNMENT:

With no further business to come before the SLC, Mr. Seibel adjourned the meeting at 8:16 a.m.

  
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Mr. Seibel, Chair

  
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Bonnie Heit  
Recorder