

**NORTH DAKOTA STATE INVESTMENT BOARD
SECURITIES LITIGATION COMMITTEE
MINUTES OF THE JUNE 14, 2023, MEETING**

MEMBERS PRESENT: Joseph Heringer, Commissioner of Univ. & School Lands, Chair
Art Thompson, Director of WSI

STAFF PRESENT: Scott Anderson, CIO
Jan Murtha, Executive Director
Madalynn Nelson, Accounting Intern
Emmalee Riegler, Contracts/Records Admin.
Ryan Skor, CFO/COO
Lindsey Trotter, Legal Intern

GUESTS: Dean DePountis, Attorney General's Office

CALL TO ORDER:

Commissioner Heringer called the State Investment Board (SIB) Securities Litigation Committee (SLC) special meeting to order at 10:01 a.m. on Wednesday, June 14, 2023. The meeting was held virtually.

AGENDA:

IT WAS MOVED BY MR. THOMPSON AND SECONDED BY COMMISSIONER HERINGER AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA FOR THE JUNE 14, 2023, MEETING.

**AYES: MR. THOMPSON AND COMMISSIONER HERINGER
NAYS: NONE
MOTION CARRIED**

MINUTES:

IT WAS MOVED BY MR. THOMPSON AND SECONDED BY COMMISSIONER HERINGER AND CARRIED BY A VOICE VOTE TO ACCEPT THE MINUTES OF THE MARCH 21, 2023, AND APRIL 10, 2023, MEETINGS AS DISTRIBUTED.

**AYES: MR. THOMPSON AND COMMISSIONER HERINGER
NAYS: NONE
MOTION CARRIED**

SECURITIES LITIGATION CASE UPDATE:

Philips Action:

Staff will provide an update now that we have registered as a participant with the organizer VEB.

IT WAS MOVED BY MR. THOMPSON AND SECONDED BY COMMISSIONER HERINGER AND CARRIED BY A ROLL CALL VOTE TO ENTER INTO EXECUTIVE SESSION FOR CONFIDENTIAL AND PRIVILEGED ATTORNEY CLIENT CONSULTATION PURSUANT TO NDCC 44-04-17.1(4), NDCC 44-04-19.1, AND NDCC 44-04-19.2.

AYES: MR. THOMPSON AND COMMISSIONER HERINGER
NAYS: NONE
MOTION CARRIED

The executive session started at 10:04 a.m. and ended at 10:13 a.m. and was attended by Committee members, Mr. Anderson, Mr. DePountis, Ms. Murtha, Ms. Riegler, and Mr. Skor.

GOVERNANCE:

Special AAG Appointment Process:

Ms. Murtha provided an overview of RIO's past and current policy and process related to attorney selection and participation in securities litigation. Both in the past and currently, there is not a formal attorney selection process in place, rather attorney selection is handled on a case-by-case basis.

Mr. DePountis provided an overview of his research related to the practices of other pension funds. The first practice is to issue a request for proposals (RFP) and select a single litigation firm that would also provide monitoring services, typically at no additional cost. The second practice is to issue an RFP and select multiple litigation firms that would all provide monitoring services, typically at no additional cost. This could result in added objectivity due to multiple perspectives, and possible cost savings due to competing bidders. Advantages to both the first and second practices include cost savings related to free monitoring services and the convenience of built in representation. The third practice is to have a separate, arguably objective, monitoring service firm, and establish a roster of litigation firms from which we can request bids as cases arise. The fourth and final practice is our current practice: have a separate monitoring service firm, and as cases arise reach out to litigation firms, we either have a relationship with or as recommended by the monitoring service firm.

Staff recommends a more defined process and revisiting the procurement process for the monitoring services firm. Additionally, staff would be comfortable issuing an RFP to establish a roster of litigation firms but would like committee feedback related to utilizing a separate monitoring service firm. Committee discussion followed.

Staff will bring forward a draft RFP for consideration at the next regular committee meeting to establish a roster of litigation firms. During the RFP selection process, staff will also schedule presentations from Northern Trust, custodian bank, and FRT, monitoring services firm, to provide additional information to the committee.

Securities Litigation Monitoring Report:

Mr. Skor reviewed the most recent status report from the monitoring firm FRT. The Committee was provided with a Status Report for the period from May 1, 2023, through May 31, 2023. The report summarizes security litigation activities including newly filed claims, status of previously filed claims, and a summary of the total net recoveries for the period. Committee discussion followed.

UPCOMING MEETINGS:

The meeting currently scheduled for September 12, 2023, will be rescheduled to Tuesday, September 19, 2023, at 1:00 p.m. due to a committee member conflict.

ADJOURNMENT:

With no further business to come before the SLC, Commissioner Heringer adjourned the meeting at 10:55 a.m.

Prepared by,

Emmalee Riegler
Assistant to the Board