

# PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

## FUND MANAGER MEETING

January 27, 2010

### MINUTES

*Members Present:* Mr. Mike Galloway, Chair  
Mr. Tim Dunne, Member  
Ms. Lori Roediger, Member  
Mr. Brian Tobin, Member  
Mr. Gregory Ferguson, Member

*Others Present:* Mr. Jim Hacking, Administrator  
Ms. Tracey Peterson, Assistant Administrator, COO  
Mr. Ryan Parham, Assistant Administrator, CIO  
Mr. Marty Anderson, Chief Equities Analyst  
Mr. Paul Corens, Investment Analyst  
Mr. Mark Selfridge, Investment Analyst  
Mr. Mark Steed, Investment Analyst  
Mr. Shan Chen, Investment Analyst  
Ms. Michele Weigand, Investment Contracts Paralegal  
Ms. Gail Nova, Administrator Manager  
Ms. Bridget Feeley, Internal Audit and Compliance Officer  
Mr. Allen Martin, NEPC  
Mr. Jay Rose, StepStone Group  
Mr. Marc Lieberman, Kutak Rock  
Ms. Cathy Magli, Kutak Rock  
Judge R. Carter Olson  
Mr. Brian Delfs

#### 1. Call to Order

The meeting was called to order by Chairman Galloway at 1:03 p.m.

2. **Consent Agenda** (Documentation concerning the matters on the consent agenda may be reviewed at the PSPRS office). Any matter on the Consent Agenda will be removed from the Consent Agenda and discussed as a regular agenda item, and **Action** taken, upon the request of any Fund Manager member or advisor. The Fund Manager may approve, modify or reject approval of any of the following items:

- a. Approval of the Minutes of the Fund Manager Meeting on December 16, 2009.
- b. Acceptance of Transfer Between State Retirement Systems of Shawn Maag.
- c. Acceptance of Transfer Between State Retirement Systems of Samuel Hamill.
- d. Acceptance of Transfer Between State Retirement Systems of Mark Hafkey.
- e. Acceptance of Transfer Between State Retirement Systems of Michael Shrauner.
- f. Acceptance of Transfer Between State Retirement Systems of Julian Garcia.
- g. Acceptance of Transfer Between State Retirement Systems of Nancy O'Brien.
- h. Acceptance of Transfer Between State Retirement Systems of Kathleen Kennedy.
- i. Acceptance of Transfer Between State Retirement Systems of Sheena Broek.
- j. Acceptance of Transfer Between State Retirement Systems of Stephen Rubin.
- k. Acceptance of Transfer Between State Retirement Systems of Steven Haynes.
- l. Acceptance of Transfer Between State Retirement Systems of Dwain Pickens.

- m. Acceptance of Transfer Between State Retirement Systems of Robert Settembre.
- n. Acceptance of Transfer Between State Retirement Systems of Tanarit Plabprasit.
- o. Acceptance of Transfer Between State Retirement Systems of Angelita Flores.
- p. Acceptance of Transfer Between State Retirement Systems of Rex Marsalla.
- q. Acceptance of Transfer Between State Retirement Systems of Frederic Roberts.
- r. Acceptance of Transfer Between State Retirement Systems of Carolyn Holliday.
- s. Acceptance of Transfer Between State Retirement Systems of Stephen Faulstich.
- t. Acceptance of Transfer Between State Retirement Systems of Salvatore Salese.
- u. Acceptance of Transfer Between State Retirement Systems of Joseph Buckley.
- v. Acceptance of Transfer Between State Retirement Systems of Robert Lemons.
- w. Acceptance of Elected Officials' Retirement Plan of termination of benefit of Shirley Novkov.
- x. Acceptance of Elected Officials' Retirement Plan of normal benefit of Katherine Blaylock.
- y. Acceptance of Elected Officials' Retirement Plan of normal benefit of Beverly Frame.
- z. Acceptance of Elected Officials' Retirement Plan of normal benefit of John Kelly.
- aa. Acceptance of Elected Officials' Retirement Plan of normal benefit of Steven Leal.
- bb. Acceptance of Elected Officials' Retirement Plan of normal benefit of Juanita Mann.
- cc. Acceptance of Elected Officials' Retirement Plan of normal benefit of Lawrence Nelson.
- dd. Acceptance of Elected Officials' Retirement Plan of normal benefit of Ema Shoop.
- ee. Acceptance of EORP disability of Judge Cathy Holt.
- ff. Adoption of the investment plan for Credit Opportunities (which was presented to the Fund Manager on May 21, 2009) into the PSPRS Amended and Restated Statement of Investment Policies.
- gg. Adoption of the investment plan for Private Equity (which was presented to the Fund Manager on September 23, 2009) into the PSPRS Amended and Restated Statement of Investment Policies.
- hh. Adoption of the investment plan for Real Assets (which was presented to the Fund Manager on September 23, 2009) into the PSPRS Amended and Restated Statement of Investment Policies.
- ii. Adoption of the investment plan for Equities (which was presented to the Fund Manager on December 16, 2009) into the PSPRS Amended and Restated Statement of Investment Policies.
- jj. Approval of the BNY Mellon settlement agreement.
- kk. Approval of First Amendment to Arizona Sudan Act Compliance Policy and First Amendment to Arizona Iran Act Compliance Policy.

<b>MOTION 1-61-10</b>	At 1:04 p.m.
<b>Motion:</b>	Motion to approve the Consent Agenda.
<b>Moved by:</b>	Lori Roediger
<b>Seconded by:</b>	Tim Dunne
<b>Discussion:</b>	None
<b>In Favor:</b>	Unanimous
<b>Motion Passes:</b>	Passes

### 3. Investments - Stocks, Bonds and Others

- a. Report by the Chair of the Investment Subcommittee, Mike Galloway, regarding the discussions that were held and the recommendations that were made in the Investment Subcommittee meeting that was held on Wednesday, January 27, 2010 at 10:00 a.m., with discussion, and possible **Action** by the Fund Manager to approve, disapprove, or suggest modification regarding the following items:
  1. Presentation by Staff, StepStone Group and representatives of Sterling Group Capital and discussion regarding a possible investment of up to \$35 million in Sterling Group Partners III or any appropriate feeder, blocker or parallel fund of same.
  - 2.

Mr. Steed gave a brief overview of the investment strategy and introduced Jay Rose, StepStone Group. Mr. Rose gave a brief overview of the findings of StepStones' due diligence on Sterling.

Gary Rosenthal and Kevin Garland, both of Sterling Capital Group presented an overview of their firm and their disciplined value creation strategy. They acquire underperforming businesses where they can improve the cash flows through their intensive, hands-on approach to company improvement and their aggressive management of and involvement in sales processes to increase the likelihood of success and ultimate value.

Ms. Roediger reported that the Investment Subcommittees recommends this investment.

<b>MOTION 1-62-10</b>	At 1:13 p.m.
<b>Motion:</b>	Motion to approve the investment of up to \$35 million in Sterling Group subject to all legal and compliance review.
<b>Moved by:</b>	Lori Roediger
<b>Seconded by:</b>	Gregory Ferguson
<b>Discussion:</b>	None
<b>In Favor:</b>	Unanimous
<b>Motion Passes:</b>	Passes

3. Presentation by Staff, ORG Real Property and representatives of Alcion Capital Master Fund GP II, LLC and discussion regarding a possible investment of up to \$25 million in Alcion Real Estate Partners Master Fund II, L.P or any appropriate feeder, blocker or parallel fund of same.

Mr. Anderson gave a brief overview of the firm and their risk focused approach. Ed Schwartz, ORG Real Property reviewed the investment. This investment provides opportunities to simultaneously capture exposure to unique sectors within Real Estate in the U.S. and Canada, including condominium projects in Canada and creative office space in Los Angeles. The Fund represents a viable opportunity to invest with a seasoned management team with a significant track record in development and redevelopment of distressed properties

Mark Potter and Martin Zieff both of Alcion Capital presented an overview of their firm and discussed their investment philosophy were they believe they are a fiduciary and that the key to that philosophy is do not loss money. Their mission is to be a thoughtful, professional fiduciary and investor while executing an investment strategy that targets a 20% net return to investors.

<b>MOTION 1-63-10</b>	At 1:24 p.m.
<b>Motion:</b>	Motion for investment of up to \$25 million in Alcion Real Estate Partners Master Fund II subject to the completion of contract negotiation, legal and due diligence.
<b>Moved by:</b>	Lori Roediger
<b>Seconded by:</b>	Tim Dunne
<b>Discussion:</b>	None
<b>In Favor:</b>	Unanimous
<b>Motion Passes:</b>	Passes

4. Presentation by New England Pension Consultants ("NEPC") and discussion regarding Global Tactical Asset Allocation investments ("GTAA").

Mr. Martin reported that he gave a brief educational presentation on Global Tactical Asset Allocation to the Investment Subcommittee. He referred to the presentation included in the meeting material on this subject.

5. Presentation by Staff, NEPC and representatives of DB Advisors and/or Deutsche Asset Management and/or their affiliates (“Advisors”) and discussion regarding a possible investment of up to \$120,000,000 in separate accounts or commingled funds (or appropriate feeders, blockers or parallel funds) managed by Advisors and employing a GTAA strategy called the “integrated global alpha platform strategy.”

This item was not discussed.

6. Presentation by Staff, NEPC and representatives of Bridgewater and/or its affiliates (“Bridgewater”) and discussion regarding a possible investment of up to \$120,000,000 in separate accounts or commingled funds (or appropriate feeders, blockers or parallel funds) managed by Bridgewater and employing a GTAA strategy called the “pure alpha strategy.”

Joel Whittam and Patrick Demmick, both of Bridgewater, distributed a flipbook to the Fund Managers. Mr. Whittam discussed their Firm and its investment team. Bridgewater’s business is focused on managing money for large and sophisticated institutional investors and creating the best GTAA strategy with consistent return that is better than equities at comparable or lower levels of risk. Their business model is to have a small number of clients and serve as a strategic partner. Mr. Demmick discussed their pure alpha strategy. Key elements of their philosophy are fundamental understanding, systematic approach and diversification.

Mr. Martin reported that Bridgewater has a number of research people that study the market in order to succeed and they are willing to share those ideas directly with clients. Not only does NEPC believe they will earn the kind of return that we want but they will provide ideas to Staff to help us get a better sense of market movements and strategies.

Ms. Roediger reported that the Investment Subcommittee approved a recommendation for an investment of up to \$120 million.

<b>MOTION 1-64-10</b>	At 1:47 p.m.
<b>Motion:</b>	Motion to approve the investment of up to \$120,000,000 for Bridgewater’s “pure alpha strategy” subject to all legal requirements and contract negotiations.
<b>Moved by:</b>	Tim Dunne
<b>Seconded by:</b>	Lori Roediger
<b>Discussion:</b>	None
<b>In Favor:</b>	Unanimous
<b>Motion Passes:</b>	Passes

7. Presentation by Staff, NEPC and representatives of BlackRock/Barclays Global Investors Global Markets Strategy Group and their affiliates (“BlackRock”) and discussion regarding a possible investment of up to \$120,000,000 in separate accounts or commingled funds (or appropriate feeders, blockers or parallel funds) managed by BlackRock and employing GTAA strategies. Such investment may be made in Global Ascent Ltd. (and or its subsidiaries, affiliates, or parallel funds).

This item tabled.

8. Presentation by Staff and discussion regarding investing an additional \$50 million in capital in DTR1, LLC to enable that company to address and pay down immediate lender and line of credit demands by its various lenders, including Wachovia/Wells Fargo.

Ms. Roediger reported that for Desert Troon and the DTR1, LLC the Investment Subcommittee discussed and recommends converting \$50 million in debt to equity exposure to address pay downs to Wachovia/Wells Fargo.

<b>MOTION 1-65-10</b>	At 1:57 p.m.
<b>Motion:</b>	Motion to add up to \$50 million in capital as called to DTR1, LLC to convert our debt to equity.
<b>Moved by:</b>	Lori Roediger
<b>Seconded by:</b>	Tim Dunne
<b>Discussion:</b>	None
<b>In Favor:</b>	Unanimous
<b>Motion Passes:</b>	Passes

9. Presentation by Staff and/or legal counsel and discussion regarding compliance with Arizona Sudan Act, Arizona Iran Act and Terrorism Country Divestment Act, and presentation of proposed First Amendment to Arizona Sudan Act Compliance Policy and First Amendment to Arizona Iran Act Compliance Policy (see Consent Agenda Item 2(ee)).

Ms. Roediger reported that this item was taken care off under the Consent Agenda.

10. Report by Staff and discussion regarding the Month Ended and Fiscal Year-to-Date performance/portfolio update.

Ms. Roediger reported that Staff had included the month ended and fiscal year-to-date performance/portfolio update in the meeting materials and a summary was distributed to Fund Manager. Mr. Galloway reported that fiscal year to date we are up 16.31% and finished the calendar year at 19.02%. Mr. Galloway announced that we have been nominated Mid-Sized Public Plan of the Year and congratulated Staff and consultants.

11. Report by Compliance Auditor and discussion regarding investment compliance, holdings and transactions as of December 31, 2009

Ms. Roediger report that Ms. Feeley requested clarification in regard to buying secondaries of a Fund that we already have a primary holding in that we can not exceed the amount that the Fund Managers had approved.

12. Update by Staff and discussion on new, proposed or possible investment data and analytic resources.

This item was not discussed.

13. Report by Staff and/or legal counsel and discussion regarding recent developments and legal issues (including settlement discussions) involving the Trust's custodians, lenders, securities lending agents, vendors, investments or investment managers or partners (as well as any investments managed by the Trust's investment managers or partners). The Fund Manager may vote to discuss this matter in Executive Session pursuant to A.R.S. §§ 38-431.03(A)(3),(4) and (7), as set forth in item 5(a) and (b).

Mr. Lieberman advised the Fund Manager that Francis Najaf had received a threatening letter from a third party with whom he had invested and we had invested in a particular Colorado asset and he will keep the Fund Manager advised as developments arise.

#### 4. Other Business

- a. Report by the Chair of the Operations, Governance Policy and Audit Committee, Brian Tobin, regarding discussions that were held and the recommendations that were made in the Operations, Governance Policy and Audit Committee meeting that was held on Wednesday, January 27, 2010 at 11:00 a.m., with discussion, and possible **Action** by the Fund Manager to approve, disapprove or suggest modification regarding the following items:

1. Status report by Tracey Peterson and discussion regarding preparation for the System's proposed in-house Fiduciary and General Counsel and efforts to bring Marc Lieberman (and a paralegal) on staff to fill that position followed by possible **Recommendations**.

It was reported by Mr. Tobin that the committee recommended a financial analysis be done regarding this agenda item for the next committee meeting. A summary of the prior McLagan study and an analysis of this study are to be reviewed at the next Fund Manager meeting.

2. Discussion of an action plan developed by Tracey Peterson to analyze the Cancer Insurance Plan, including costs associated with the analysis of the Plan, and use of the System's actuary, Gabriel Roeder Smith & Company ("GRS"), for same and possible **Recommendations**.

<b>MOTION 1-66-10</b>	At 3:17 p.m.
<b>Motion:</b>	To approve an actuarial analysis and legal work recommended by the Operations, Governance Policy and Audit Committee with cost to be taken out of the Cancer Insurance Fund which limits expenses to 10% of revenues.
<b>Moved by:</b>	Brian Tobin
<b>Seconded by:</b>	Tim Dunne
<b>Discussion:</b>	None
<b>In Favor:</b>	Unanimous
<b>Motion Passes:</b>	Passes

3. Report and discussion regarding the status of the search process to select an Executive Search firm to conduct a national search for a new Administrator and possible **Recommendations**.

Advertising for the RFP was placed in Pensions & Investments on January 25, 2010 which states that the responses are due by February 15, 2010. A direct mailing of the RFP was sent to six firms and the RFP was placed on the PSPRS website. The operations committee is to narrow down the responses to three finalists by the next Fund Manager meeting.

4. Presentation by Karen Lewis and discussion of the Quarterly 2010 fiscal year-to-date report of the System's budget and possible **Recommendations**.

Tracey Peterson (since Ms. Lewis could not attend) reported that six months into the fiscal year we are about \$418,000 under budget and the IT Network will be about \$81,000 over budget due to the necessity of hiring an outside consultant to expedite establishing off site back-up capabilities. During the next Operations Committee meeting discussion will be held regarding moving money from other departments to IT Network based on projections to the end of the fiscal year. The IT Network department is to determine an exit strategy in order to phase out the consultant as soon as possible. It was reported that PSPRS wants to replace two twenty year old air conditioning units. The Fund Manager stated should this be done, this must be done within the current budget.

5. Quarterly Operations update by Tracey Peterson and discussion followed by possible **Recommendations**.

There was nothing from the committee meeting to report to the board.

6. Review and discussion of the January 2010 bill for legal services performed in December 2009 and **Recommendations**.

<b>MOTION 1-67-10</b>	At 3:33 p.m.
<b>Motion:</b>	To approve payment of the bill for legal services.
<b>Moved by:</b>	Brian Tobin
<b>Seconded by:</b>	Tim Dunne
<b>Discussion:</b>	None
<b>In Favor:</b>	Unanimous
<b>Motion Passes:</b>	Passes

7. Update by Bridget Feeley and discussion regarding compliance and internal audit with possible **Recommendations**.

There was no discussion since it was covered in item 4 a 4.

- b. Presentation by the System lobbyists (Representatives of P3 and HighGround) with respect to status of the System's FY 2010 legislative initiatives with discussion and possible **Action** to approve, disapprove or modify same by the Board.

Mr. Doug Cole of HighGround presented the Fund Manager with a legislative update. House Bill 2067 passed out of Public Employees, Retirement & Entitlement Reform Committee yesterday; HB 2068 unanimously passed out of the same committee a week ago and will continue on to the Caucus and Rules Committees. In the Senate, SB 1006, regarding the Fund Manager name change, passed and will go to the Caucus and Rules Committees. SB 1005 was "held" on January 28, 2010. HB 2388, the PSPRS Fund Manager membership bill, will be heard on February 2 in the Public Employees, Retirement & Entitlement Reform Committee.

Discussion was held regarding legislative changes and possible amendments. Mr. Galloway designated the PSPRS Operations, Governance Policy and Audit Committee serve as the Legislative Action Committee and this will be ratified at the February Fund Manager Meeting. During the next thirty days, due the speed of the moves by legislature, the Administrator is to call chair of the operations committee regarding legislative updates; then the chair of the committee can either call an emergency meeting if advancements in the legislative session are substantial, the chair can decide wait to next FM meeting in order to inform the board on the progress, or the chair can make a minor decision without consultation. Any changes that are other than minor have to be communicated to legal counsel.

Brian Livingston, Executive Director of Arizona Police Association spoke to the board regarding their concerns and interests about proposed legislation.

- c. Discussion and possible **Action** to approve disapprove or modify the Assumed Earnings Rate for the fiscal year beginning July 1, 2009, including consideration of the letter from GSR regarding same.

A request was made to table this discussion and to have GRS present at the next Fund Manager meeting in order to review stochastic modeling and the 2007 Milliman Actuarial Audit Report.

- d. Discussion and possible **Action** regarding the formation of a third committee or any other committees.

Mr. Galloway recruited volunteers to help on the Investment and Operations Committees. Mr. Ferguson volunteered for the Operations Committee and Mr. Dunne will be on the Investments Committee which will be noticed as a Fund Manager meeting. Ratification of the appointments to the committees will be held during the next Fund Manager meeting.

During the February meeting, Mr. Galloway will appoint and possibly ratify a committee to select a short list of candidates for Administrator.

- e. Discussion regarding Fund Manager requests to participate in training, educational and due diligence opportunities with possible **Action** to approve, disapprove, or suggest alternative training and education seminars and/or due diligence opportunities.

A request was made and not acted upon.

- f. Discussion and possible **Action** to approve, disapprove or modify the proposed extensions of the Trust's securities class representation agreements with Barrack, Rodos & Bacine, Berman Devalerio, Entwistle & Cappucci, LLP, and Grant & Eisenhoffer P.A.

<b>MOTION 1-68-10</b>	At 4:14 p.m.
<b>Motion:</b>	To approve extensions of the contracts.
<b>Moved by:</b>	Tim Dunne
<b>Seconded by:</b>	Lori Roediger
<b>Discussion:</b>	None
<b>In Favor:</b>	Unanimous
<b>Motion Passes:</b>	Passes

- g. Discussion and possible **Action** regarding questions raised by Mr. Ferguson regarding access to executive session minutes and approval of minutes, and legal counsel's recommendation that the executive session minutes be tape recorded.

Mr. Lieberman stated that a Fund Manager or an Adviser who did not participate in an Executive Session can go back to review executive session minutes.

<b>MOTION 1-69-10</b>	At 4:19 p.m.
<b>Motion:</b>	To record the executive sessions.
<b>Moved by:</b>	Brian Tobin
<b>Seconded by:</b>	Tim Dunne
<b>Discussion:</b>	Mr. Olson clarified that staff, legal counsel can give a briefing regarding executive sessions with the admonition that the information stays with the board members.
<b>In Favor:</b>	Unanimous
<b>Motion Passes:</b>	Passes

- h. Discussion and possible **Action** after consultation with legal counsel for legal advice regarding the status of IRS determination letters for PSPRS, CORP and EORP. The Fund Manager may vote to discuss this matter in Executive Session pursuant to A.R.S. § 38-431.01(A) (3), as set forth in item 5(c).

<b>MOTION 1-70-10</b>	At 4:21 p.m.
<b>Motion:</b>	To go into Executive Session for items 4 h, l, j; 5 c, d. Mr. Olson, Mr. Delfs, and Ms. Peterson were asked to attend the session regarding status of the IRS determination letters; pending aspects and the need for additional participation in certain IRS programs regarding the Systems' defined contributions plans.
<b>Moved by:</b>	Greg Ferguson
<b>Seconded by:</b>	Lori Roediger
<b>Discussion:</b>	None
<b>In Favor:</b>	Unanimous
<b>Motion Passes:</b>	Passes

<b>MOTION 1-71-10</b>	At 5:03 p.m.
<b>Motion:</b>	To adjourn Executive Session and resume Open Session.
<b>Moved by:</b>	Tim Dunne
<b>Discussion:</b>	Lori Roediger
<b>In Favor:</b>	Unanimous
<b>Motion Passes:</b>	Passes

<b>MOTION 1-72-10</b>	At 5:05 P.M.
<b>Motion:</b>	To adjourn the meeting.
<b>Moved by:</b>	Tim Dunne
<b>Seconded by:</b>	Brian Tobin
<b>Discussion:</b>	None
<b>In Favor:</b>	Unanimous
<b>Motion Passes:</b>	Passes

- i. Discussion and possible **Action** after consultation with legal counsel for legal advice regarding legal counsel's proposal to file updated IRS determination letters for the System's two Defined Contribution Plans. The Fund Manager may vote to discuss this matter in Executive Session pursuant to A.R.S. § 38-431.01(A)(3), as set forth in item 5(d).
- j. Discussion with the Fund Manager and instruction to legal counsel regarding ongoing or threatened legal action involving the Arizona PSPRS Trust, the System, or the System's sister plans (EORP or CORP), including Kilcline, Campbell, Martone, AOC Opt Out, Swink, Hosea, Miller, Cross, ApexCapital, Staeck, Apex/Sossaman, BNY Mellon, Pivotal Group, Desert Troon, Wachovia/Wells Fargo, Biltmore Bank, National Bank of Arizona, Loftus, and JP Morgan Chase matters and possible **Action** regarding same. The Fund Manager may vote to discuss these matters in Executive Session pursuant to A.R.S. §§ 38-431.03(A)(1), (2), (3), (4), and (7), as set forth in items 5(a) and (b).

**5. Executive Session for Legal Matters in Accordance with A.R.S. §§ 38-431.03(A)(1), (2), (3), (4), & (7).** The Fund Manager may vote to go into Executive Session to discuss matters pursuant to A.R.S. §§ 38-431.03(A)(1), (2), (3), (4), and (7) including to obtain legal advice from the Board's attorney on any matter listed on the agenda, including:

- a. Discussion and consultation with legal counsel regarding legal issues, and settlement discussions, if any, arising in connection with the Arizona PSPRS Trust's real estate, private equity, hedge and other investments, including those managed by the Pivotal Group, ApexCapital Management, and Desert Troon Limited, pursuant to A.R.S. §§ 38-431.03(A)(3), (4) and (7).

- b. Discussion and consultation with legal counsel and Staff regarding ongoing or threatened legal action involving the Arizona PSPRS Trust, the System or the System's sister plans (EORP or CORP), including contemplated internal investigation and interview guidelines, investment related matters, EEOC charges, and cases, including Kilcline, Campbell, Martone, AOC Opt Out, Swink, Hosea, Miller, Cross, Staeck, ApexCapital, Apex/Sossaman, BNY Mellon, Pivotal Group, Desert Troon, Wachovia/Wells Fargo, Biltmore Bank, National Bank of Arizona, Loftus, and JP Morgan Chase matters, pursuant to A.R.S. §§ 38-431.03(A)(1), (3), (4), and (7).
- c. Discussion and consultation with legal counsel for legal advice regarding status of IRS determination letters for PSPRS, CORP and EORP, pursuant to A.R.S. § 38-431.03(A)(3).
- d. Discussion and consultation with legal counsel for legal advice regarding IRS determination letters for the System's various Defined Contribution Plans, pursuant to A.R.S. § 38-431.01(A)(3).

**6. Call to the Public:**

See item 4 b. Mr. Brian Livingston of the Arizona Police Association spoke to the Fund Manager.

**7. Set next meeting date**

The next meeting will be held on February 24, 2010.

**8. Adjourn**

The meeting was adjourned at 5:05 P.M.

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**Mike Galloway, Chairman**

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**Brian Tobin, Vice Chairman**

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**Gregory Ferguson, Member**

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**Tim Dunne, Member**

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**Lori Roediger, Member**