

**ARKANSAS TEACHER RETIREMENT SYSTEM
BOARD OF TRUSTEE MEETING – CALLED MEETING**

Tuesday, August 16, 2022

4:15 p.m.

**1400 West Third Street
Little Rock, AR 72201**

ATTENDEES

Board Members Present

Danny Knight, Chair
Anita Bell*
Anita Bell*
Kelly Davis*
Shawn Higginbotham*
Michael Johnson*
Kathy Clayton*
Amanda Webb*
Kelly Davis*
Susannah Marshall, Bank Commissioner*
Susan Ford*
Dr. Mike Hernandez*
Shawn Higginbotham*
Michael Johnson*
Hon. Andrea Lea, State Auditor*
Jason Brady, designee for Hon. Dennis Milligan*

Chip Martin*

Jeff Stubblefield*
John Ahlen, designee for Susannah Marshall*
Johnny Key, Education Secretary*
Hon. Andrea Lea*
Jason Brady, designee for Hon. Dennis Milligan*

ATRS Staff Present

Clint Rhoden, Executive Director
Rod Graves, Deputy Director
Tammy Porter, Ex. Asst/Board Secretary
Vicky Fowler, Manager, Human Resources
Willie Kincade, Director of Operations
Martha Miller, General Counsel*
Tammy Porter, Board Secretary
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Martha Miller, General Counsel*
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Guest Present

Chae Hong, AON Investment Consultants*
Sam Walls*
Gar Chung/Fin-News*
Rush Deacon*

Board Members Absent

Bobby Lester

* *via ZOOM*

I. **Call to Order/Roll Call.** Mr. Danny Knight, called the Board of Trustees meeting to order at 4:15 p.m. Roll call was taken. Mr. Lester was absent.

II. **Adoption of Agenda.**

Ms. Davis moved for adoption of the Agenda. Ms. Ford seconded the motion, and the Committee unanimously approved the motion.

III. **Executive Summary.** Executive Director Rhoden provided to the Board.

IV. **Set the Interest Rate after Actuarial Assumed Rate of Return Changed.** Director Rhoden gave the Board staff's recommendation Set the Interest Rate after Actuarial Assumed Rate of Return Changed.

A. **Resolution 2022-35**

Mr. Martin moved to adopt Resolution 2022-35, to set the plain interest rate beginning August 1, 2022, at seven and a quarter percent (7 ¼%) to be used to compute interest on purchase of service credit or to repay a refund, or repayment of benefits. Mr. Higginbotham seconded the motion and the Board unanimously approved the Motion.

V. **Unreported Service: Contributions Due.**

A. **In Re: ATRS ID 124842**

Staff recommended that the Board authorize the staff to continue to monitor securities litigation filed in the Northern District of California against Unity Software and to engage in the pending litigation as lead

plaintiff or co-lead plaintiff before September 6, 2022, if staff concludes that it would be in the best interests of ATRS to do so. It is the staff recommendation to retain Labaton Sucharow should litigation be pursued

1. Resolution 2022-36.

Ms. Davis *moved to adopt* Resolution 2022-36, authorize staff to continue to monitor securities litigation filed in the Northern District of California against Unity Software and to engage in the pending litigation as lead plaintiff or co-lead plaintiff before September 6, 2022, if staff concludes that it would be in the best interests of ATRS, and to retain Labaton Sucharow should litigation be pursued. Ms. Bell *seconded the motion* and the Board *unanimously approved* the Motion.

B, In Re: ATRS ID 481834

Staff recommended that the Board authorize the staff to continue to monitor securities litigation in multiple U.S. jurisdictions against Amazon and to engage in one or more of the pending cases as lead plaintiff or co-lead plaintiff before September 6, 2022, if staff concludes that it would be a wise use of staff time and would be in the best interests of ATRS to do so. Several of the ATRS security monitoring firms have recommended that ATRS pursue such status, and staff is authorized to select the services of the securities monitoring firm(s) that staff determines is best suited for pursuing such action.

1. Resolution 2022-37.

Mr. Martin *moved to adopt* Resolution 2022-37, to authorize the staff to continue to monitor securities litigation in multiple U.S. jurisdictions against Amazon and to engage in one or more of the pending cases as lead plaintiff or co-lead plaintiff before September 6, 2022, if staff concludes that it would be a wise use of staff time and would be in the best interests of ATRS to do so, and authorize staff to select the services of the securities monitoring firm(s) that staff determines is best suited for pursuing such action. Mr. Key *seconded the motion* and the Board *unanimously approved* the Motion.

VI. Investment Committee Report. *Chip Martin, Chair*

- A. Recommendation to approve for Board adoption Resolution 2022-38, authorizing an investment of up to \$75 Million Dollars in LaSalle Value Partners US IX, LP.**

1. Resolution 2022-38.

Mr. Martin *moved to adopt* Resolution 2022-38, authorizing an investment of up to \$75 Million Dollars in LaSalle Value Partners US IX, LP.

VII. Litigation Update. Ms. Martha Miller gave the Board a report on two potential lawsuits.

- A. Unity Software:** ATRS currently has an estimated loss of 2.5 million dollars in a lawsuit against Unity Software. Staff recommended the Board give authority to staff to monitor the Unity Software lawsuit and to work with ATRS' securities monitoring counsel, Labaton Sucharow, to pursue lead plaintiff or co-plaintiff status if deemed necessary to participate.

Mr. Stubblefield moved to authorize staff to monitor the Unity Software lawsuit and to work with ATRS securities monitoring counsel to pursue lead plaintiff or co-plaintiff status, if deemed necessary. Mr. Higginbotham *seconded the motion* and the Board unanimously *approved the motion*.

- B. Amazon.** ATRS currently has an estimated loss of \$20-\$30 million in a lawsuit against Amazon. Staff recommended the Board give authority to staff to monitor the various Amazon lawsuits and to work with securities monitoring counsel to pursue participation if deemed necessary

Mr. Stubblefield moved to authorize staff to monitor the Amazon lawsuits and to work with securities monitoring counsel to pursue participation if deemed necessary. Ms. Davis *seconded the motion* and the Board unanimously *approved the motion*.

VIII. ATRS Contract Status. Mr. Rod Graves gave the Board a report on the current contract status of two contracts

- A. Arkansas Capital Corporation** applied for the direct investment consultant role. Staff recommended the Board authorize staff to accept the Arkansas Capital Corporation contract offer.

Mr. Brady moved to authorize staff to accept the Arkansas Capital Corporation contract offer. Ms. Clayton *seconded the motion* and the Board unanimously *approved the motion*.

- B. Kutak Rock is one of ATRS' outside legal counsel. Staff recommended the Board approve amending the current contract to increase an additional \$250,000 for a 2 year period and update the associated rate sheet as needed after staff review.

Mr. Higginbotham moved to approve the staff recommendation to amend the current contract Ms. Clayton *seconded the motion* and the Board unanimously *approved the motion*.

VIII. Other Business. None

IX. Adjourn.

Dr. Hernandez *moved to adjourn* the Board meeting. Mr. Martin *seconded the motion* and the Board *unanimously approved the motion*.

Meeting adjourned at 5:08 p.m.

Clint Rhoden
Executive Director

Mr. Danny Knight Chair
Board of Trustees

Tammy Porter,
Board Secretary

Date Approved