

**Louisiana School Employees' Retirement System
Special Board Meeting**

**Monday, June 12, 2006
Held Upon Adjournment of Investment Committee Meeting**

The Board of Trustees of the Louisiana School Employees' Retirement System convened in the Board Room (Room 100) of the Louisiana School Employees' Retirement System's Building located at 8660 United Plaza Blvd., Baton Rouge, Louisiana. Mr. Larry Wilmer - Chairman of the Board, called the meeting to order at 11:22 a.m. Roll was called by Ms. Champagne.

Members Present: Mr. Larry Wilmer – Chairman, Ms. Betty Jacobs, Ms. Betty Crain, Ms. Sylvia Myers, Mr. Earl Richard, Jr., Ms. Judith McKee, Mr. Jeffrey Faulk, Sr., Ms. Lori Pierce, designee for Mr. John Kennedy – State Treasurer, Ms. Stacy Sharpe, designee for Mr. Al Ater – Secretary of State

Members Absent: Representative Pete Schneider, Senator D.A. “Butch” Gautreaux

Staff Present: Mr. Charles P. Bujol – Executive Director, Ms. Debra Dudley – Assistant Director, Ms. Julia LeBlanc – Chief Investment Officer, Mr. Warren Ponder – Executive Counsel, Ms. Judy Wright – Public Informations Director 1, Ms. Jennifer Champagne – Administrative Assistant 5

Also Present: Mr. Richard Ranallo – Segal Advisors, Inc., Ms. Ruby Jolissaint

ANNOUNCEMENTS

Mr. Bujol made the following announcements:

Individual reports of “Trustee Educational Requirements” were provided to each Board member for review of accuracy and notification of any discrepancies to Ms. Champagne.

Completed certification forms on the educational presentation on “The Hiring and Firing of Investment Managers” are to be turned in to Ms. Champagne for documentation of education received.

The 2006 LAPERS Conference will be held at the Marriott Hotel in New Orleans, Louisiana on September 24-27, 2006. Board members were asked to submit the preliminary survey on attendance to Ms. Champagne as soon as possible so that “Request for Official Travel” forms could be forwarded to the Chairman of the Board for approval.

A revised 2006 LSERS Meeting Schedule, which included Special Board meetings called by the Chairman of the Board, was provided to each Board member.

ELECTIONS

ANNOUNCEMENT OF 2005 ELECTION RESULTS

ACTIVE MEMBER DISTRICT 4 SEAT

Mr. Bujol announced that the District 4 Seat ballots were being counted and results of that election would be provided when received.

RETIREE REPRESENTATIVE DIVISION 2 SEAT

Mr. Bujol announced that counting of the ballots for the Retiree Representative Division 2 Seat was complete. Mr. Jeffrey Faulk, Sr. was elected to serve on the Board of Trustees for the term January 1, 2006 through December 31, 2009. Mr. Faulk received 1,333 votes and Ms. Jacobs received 1,078 votes.

Mr. Faulk was congratulated on his reelection and both Mr. Faulk and Ms. Jacobs expressed their gratitude to the members of the Board and to those members who voted in the election.

Mr. Wilmer called for a Special Board meeting to be held on September 18, 2006, upon adjournment of the Investment Committee Meeting, for approval of the Investment Committee’s recommendations for an International Equity Manager.

Mr. Wilmer called for a Special Board meeting to be held on October 9, 2006, upon adjournment of the Investment Committee Meeting, for presentation, discussion, and approval of LSERS’ 2007-2008 budget.

STATUS REPORT ON 2006 ELECTIONS

Mr. Eugene Rester, Jr., was the only individual who qualified for the Active Member District 2 seat. With no opposition and by acclamation Mr. Rester will take office on January 1, 2007.

Ms. Betty Crain, incumbent, Mr. Earl Richard, Jr., and Mr. Zeke Zitzmann qualified for the Retiree Representative Division 1 election. Biographies and photographs are to be submitted to Ms. Judy Wright by June 23, 2006. The election will be announced in the August Newsletter and ballots mailed to retired members on October 16, 2006.

ON MOTION BY MR. FAULK, SECONDED BY MR. RICHARD AND CARRIED, the Board accepted the Status Report on 2006 Elections.

ADMINISTERING OATH OF OFFICE TO ELECTED BOARD MEMBERS

Mr. Wilmer announced that ballots for the Active Member District 4 seat were still being counted.

ON MOTION BY MR. FAULK, SECONDED BY MR. RICHARD AND CARRIED, the Board moved this item to the end of the agenda.

Mr. Wilmer noted that the Current Case Review under Legal Update, which was not provided during the Investment Committee meeting due to Mr. Ponder's required attendance at the Senate Retirement Committee meeting, would be presented prior to continuing with the agenda.

LEGAL UPDATE

CURRENT CASE REVIEW

Mr. Ponder provided a brief review of current securities litigation. He also reviewed a new case in which two institutional investors larger than LSERS are involved in derivative action against COMVERSE Technologies. It was noted that Municipal Police Employees' Retirement System (MPERS) is already involved in the case and has filed federal action. Two law firms, one that currently represents LSERS, would like to file a suit in Delaware state court, continue pursuing federal action, and work in connection with the two cases going forward.

Administration was asking the Board's position on this matter, as this was a derivative action by the corporation against the executive officers to put money back into the corporation to enhance the stock value.

Discussion was held on the advantages of becoming lead plaintiff in this case, what was involved, benefits to the System, and costs.

ON MOTION BY MR. RICHARD, SECONDED BY MS. MCKEE AND CARRIED, the Board approved LSERS taking the role as lead plaintiff in this litigation. Ms. Jacobs voted nay on the motion.

2006 REGULAR LEGISLATIVE SESSION

Mr. Ponder briefly reviewed all of the bills that were either sponsored by the Board or would have an impact on LSERS and its members. The current status on each bill was provided and discussion held as each bill was reviewed.

Mr. Ponder provided an update on the lawsuit "East Baton Rouge Parish School Board et al versus the Louisiana School Employees' Retirement System".

ON MOTION BY MR. FAULK, SECONDED BY MR. RICHARD AND CARRIED, the Board accepted the 2006 Regular Legislative Session Report.

CONSIDERATION OF SELECTION PROCESS FOR CHIEF INVESTMENT OFFICER

Mr. Bujol reviewed items proposed to the Board of Trustees in preparation for the search for the Chief Investment Officer, which included a timeline, approval of qualifications for position, approval of advertisement, where and for what length of time to advertise, and the role of the director, administration, and Board in the selection process. Discussion was held as each item was reviewed.

ON MOTION BY MR. FAULK, SECONDED BY MS. MCKEE AND CARRIED, the Board approved the timeline for the Chief Investment Officer Search.

ON MOTION BY MS. MCKEE, SECONDED BY MR. RICHARD AND CARRIED, the Board approved the qualifications for the Chief Investment Officer position.

ON MOTION BY MR. FAULK, SECONDED BY MS. CRAIN AND CARRIED, the Board approved a salary range of \$80,000 to \$91,500.

ON MOTION BY MS. JACOBS, SECONDED BY MS. CRAIN AND CARRIED, the Board approved, with changes in wording, the advertisement for the Chief Investment Officer position.

ON MOTION BY MR. FAULK, SECONDED BY MR. RICHARD AND CARRIED, the Board approved advertising a display ad in the Sunday edition of The Times Picayune in New Orleans and The Advocate in Baton Rouge.

ON MOTION BY MR. FAULK, SECONDED BY MS. CRAIN AND CARRIED, the Board approved administrative staff conducting initial interviews and providing a list of finalists for approval by the Board.

ELECTIONS

ANNOUNCEMENT OF 2005 ELECTION RESULTS

ACTIVE MEMBER DISTRICT 4 SEAT

Mr. Bujol announced that the ballots for the Active Member District 4 Seat were counted and Ms. Kathy Landry was elected to serve on the Board of Trustees for the term January 1, 2006 through December 31, 2009. Ms. Landry received 408 votes and Mr. Babineaux received 259 votes.

Ms. Landry was congratulated on her election and welcomed by the Board of Trustees. She expressed her gratitude to those members who voted in the election and that she was looking forward to serving on the Board.

ADMINISTERING OATH OF OFFICE TO ELECTED BOARD MEMBERS

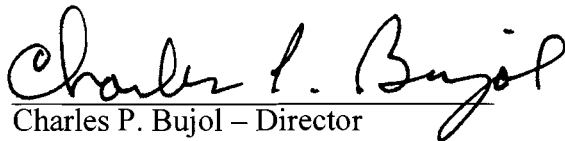
Mr. Warren Ponder administered the Oath of Office to Ms. Kathy Landry and Mr. Jeffrey Faulk, Sr. for the Active Member District 4 and Retiree Representative Division 2 seats respectively.

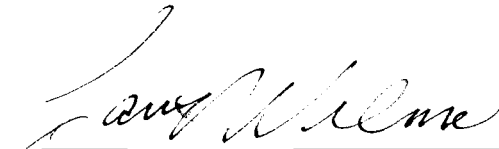
OTHER BUSINESS

Mr. Bujol brought up for discussion an e-mail that was submitted by Ms. Lois Burdon Pendergrass, Investment Management Consultant for Equitas Capital Advisors, LLC, to Mr. Richard Ranallo of Segal Advisors, Inc. Administration was asking for direction from the Board on how to proceed with the matter. A copy of the e-mail was provided to members of the Board, legal counsel consulted, and further discussion held. It was noted that education on hedge funds could be obtained from the System's consultant.

ON MOTION BY MR. RICHARD, SECONDED BY MS. MCKEE AND CARRIED, the Board tabled further discussion until Mr. Ranallo was available.

ON MOTION BY MR. RICHARD, SECONDED BY MS. CRAIN AND CARRIED, the Board adjourned at 1:22 p.m.


Charles P. Bujol – Director


Larry Wilmer - Chairman