

Q & A for RFP for Securities Fraud Litigation and Monitoring

Attached are answers to the questions the System received prior to the August 9 deadline as spelled out in the RFP for securities fraud litigation and monitoring services. These questions and answers will also be posted on the System's website at <http://stlouis-mo.gov/government/departments/employee-retirement/Publications-and-Documents.cfm>

Q1. Regarding the recently issued RFP for securities litigation and monitoring services, is your fund looking for a single firm to provide both litigation AND monitoring or are you creating separate pools of firms for each service?

A1. The System is keeping its options open regarding the engagement of separate firms to provide monitoring and securities litigation services. Currently, the System's sole securities fraud law firm provides both monitoring and securities litigation services.

Q2. Also can you tell me how many firms the fund is considering hiring and what firm it is currently using?

A2. The System currently utilizes Berman DeValerio. The System intends to augment Berman DeValerio's services by adding one or more firms to perform securities litigation and monitoring services. However, the Board may decide not to engage any additional firms for securities litigation or monitoring services.

Q3. Does the RFP permit joint submissions from more than one law firm?

A3. Yes.

Q4. Section III.P of the RFP states that "all fee arrangements would be subject to final approval by the Board," after asking applicants to "[d]escribe proposed fee arrangements base[d] on the size of projected damages." It was unclear to us whether, once a fee matrix was agreed upon, the Board would retain the right to retrospectively adjust that fee matrix in any given case. Please clarify whether that is the Board's stated intention.

A4. While it is the Board's intent to retain the right to retrospectively adjust the fee matrix in any given case, it is subject to negotiation.

Q5. Section X.c.iv. of the RFP asks applicants to disclose "any business or financial relationships between [applicant's firm] and . . .[a]ny law firm in the State of Missouri that your firm has a relationship with or a potential relationship with, if your firm is retained in connection with representing the System in securities litigation matters." It was unclear to us what you mean by "any business or financial relationship[s]" in this context. More specifically, if we served as co-counsel with a St. Louis law firm (or the St. Louis office of a national law firm, for that matter) in a prior (or current case), does that fall into the "any business or financial relationship" category that requires disclosure?

A5. The System is trying to avoid conflicts of interest, the appearance of conflicts of interest and firms that have taken positions which would be adverse to the System or other public pension plans. Please disclose any past or current co-counsel relationship with a Missouri law firm and the office where the majority of the Missouri work was done.