



NYS DEFERRED COMPENSATION BOARD

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DIANA JONES RITTER

EDWARD M. CUPOLI

July 8, 2009

Memorandum To: Files

Minutes of the July 8, 2009
Public Meeting of the
New York State Deferred Compensation Board

A public meeting of the New York State Deferred Compensation Board (the “**Board**”) was held on Wednesday, July 8, 2009, in the third floor conference room at 44 Holland Avenue, Albany, NY 12229. The meeting began at approximately 9:50 a.m. and adjourned at approximately 11:05 a.m. A separate memorandum to the files, also dated July 8, 2009, lists the materials prepared for and referred to during the meeting, a copy of which is included as an attachment hereto.

In attendance:

Board Members: Diana Jones Ritter, Edward M. Cupoli

Staff Members: Edward Lilly, David Fischer, Sharon DiMura, Craig Dickinson

Shearman & Sterling LLP¹: Elizabeth Roseman, Veronica Wissel

Evaluation Associates LLC¹: Linda Schlissel

There were no members of the public in attendance.

Diana Jones Ritter served as Chair and Sharon DiMura acted as Secretary of the meeting. Ms. Ritter called the meeting to order and Edward Lilly presented a brief overview of the agenda.

I. Review of Tradewinds Global Investors

Linda Schlissel gave a brief history of the change in portfolio managers at Tradewinds Global Investors LLC (“**Tradewinds**”). Ms. Schlissel indicated she received a call from Dave Iben, CIO of Tradewinds, on June 17, 2009 informing her that Paul Hechmer, the lead

¹ Shearman & Sterling LLP and Evaluation Associates LLC attended the meeting via teleconference.

portfolio manager for the Tradewinds International Value portfolio, had left the firm. The New York State Deferred Compensation Plan (the “*Plan*”) has a contract with Tradewinds to manage a portion of the Plan’s actively managed international portfolio through the International Value portfolio. Due to the abrupt nature of his departure, the Board and counsel felt it necessary to interview the CIO and others at Tradewinds to discuss this issue in more detail. The questions developed by Board Staff and Evaluation Associates LLC (“*EAI*”) were distributed to Board Members for use during the interview.

Edward Cupoli inquired as to the length of time between when Mr. Hechmer left the firm and when EAI was notified and if this has happened with any of the other international fund managers. Ms. Schlissel responded she was notified the same day and that this was the first occurrence of a lead portfolio manager leaving one of our international fund managers since inception of the Custom International Active Portfolio (June 2007).

Ms. Schlissel indicated that Peter Boardman and Alberto Crispo are the new co-portfolio managers for the fund. Peter had worked with Mr. Hechmer for the past 6 ½ years on the portfolio.

II. Executive Session

At approximately 10:11 a.m., Mr. Lilly suggested that the Board enter into executive session (“*Executive Session*”) to interview the representatives from Tradewinds because the interview would deal with issues that related to the contractual services of Tradewinds with the Plan. Ms. Ritter made a motion to enter into an Executive Session, Mr. Cupoli seconded and the motion was approved. The Board then conducted its business in Executive Session, whereupon Ms. Ritter moved to adjourn the Executive Session, which was seconded by Mr. Cupoli, and the Board returned to public session at approximately 10:57 a.m.

Ms. Ritter indicated that she found the discussion with Tradewinds very informative.

III. Adjournment

There being no further matters for discussion, Ms. Ritter moved to conclude the public meeting. Mr. Cupoli seconded the motion. The Board meeting was then adjourned at approximately 11:05 a.m.

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Sharon DiMura
Secretary of the Meeting