

GOVERNMENT OF GUAM  
**RETIREMENT FUND**  
 STABILITY · SECURITY · REWARDS  
**BOARD OF TRUSTEES**

**Felix P. Camacho**  
 Governor

**Michael W. Cruz, M.D.**  
 Lieutenant Governor

**Paula M. Blas**  
 Director

**Regular Meeting**  
 Friday, November 20, 2009, 12:00 p.m.  
 Retirement Fund Conference Room

*Trustees:*

**Joe T. San Agustin**  
 Chairman

**Wilfred P. Leon Guerrero, Ed.D.**  
 Vice-Chairman  
 Investment Committee, Chairman

**Antolina S. Leon Guerrero**  
 Secretary

**Gerard A. Cruz**  
 Treasurer  
 Audit & Operations Committee,  
 Chairman

**George A. Santos**  
 Members' & Benefits Committee,  
 Chairman

**Katherine T.E. Taitano**  
 Trustee

**Wilfred G. Aflague**  
 Trustee

MINUTES

**DEFINED BENEFITS**

**I. ATTENDANCE, QUORUM, AND CALL TO ORDER**

After determining a quorum was present, the Retirement Fund Board of Trustees Regular Meeting for the Defined Benefits Plan was called to order at 12:05 p.m. Friday, November 20, 2009, in the Retirement Fund Conference Room. Chairman Joe T. San Agustin officiated.

**Board of Trustees Present:**

- Joe T. San Agustin, Chairman
- Wilfred P. Leon Guerrero, Vice-Chairman
- Antolina S. Leon Guerrero, Secretary
- Gerard A. Cruz, Treasurer
- Wilfred G. Aflague, Trustee
- George A. Santos, Trustee
- Katherine T.E. Taitano, Trustee

**Staff Present:**

- Paula Blas, Director
- Diana Bernardo, Controller
- Rosalia Bordallo, General Accounting Supervisor
- Jackie Blas, Recording Secretary
- Dr. John C. Steele, Retirement Fund Medical Consultant (1:30 p.m.)
- Lena Sanchez, Benefit Specialist II (1:30 p.m.)
- Jackie Sablan, Benefit Specialist II (1:30 p.m.)

**Public Present:**

- Janjerra Hail, KUAM
- Former Senator Ted Nelson
- Alfred Duenas, Senator Ben Pangelinan's Office
- Frances Castro

## **II. REVIEW AND APPROVAL OF BOARD MINUTES**

### **A. October 30, 2009 Regular Meeting**

Chairman San Agustin pointed out a statement in the October 30, 2009 minutes quoting Controller Diana Bernardo as saying that the letter sent out by the Department of Administration (DOA) may be incorrect. Controller Bernardo stated that she informed Director Paula Blas that she can not say if the figures are correct because the Retirement Fund did not compute the figures. Director Blas stated that Controller Bernardo did say that the figures maybe incorrect, but that she will verify the files. Secretary Antolina Leon Guerrero stated that what Controller Bernardo meant to say is that she is not comfortable confirming the amount of interest reported without verifying the computations.

Chairman San Agustin also pointed out the statement that the certificates are illegal. Director Blas stated that, according to the Attorney General, the certificates are illegal.

**On motion of Secretary Antolina Leon Guerrero, seconded by Trustee George Santos, and without objection, the Minutes of October 30, 2009 Regular Meeting were approved, subject to corrections. Motion passed.**

## **III. CORRESPONDENCE**

None

## **IV. INFORMATIONAL ITEMS**

### **A. *Moody's U.S. Public Finance* – Employee Pension Costs Pressure State and Local Governments**

Chairman San Agustin stated that the article on “Employee Pension Costs Pressure State and Local Governments” is provided for informational purposes.

## **V. DIRECTOR’S REPORT - EXECUTIVE SUMMARY**

**1. *Candelaria Rios, et al. vs. Joseph Ada et al. (Special Proceeding Case No. SP206-93)*** – Director Blas stated that the Retirement Fund continues to release checks for gross COLA Award balances less 10% for the attorney fee and any applicable taxes. Director Blas stated that taxes, child support, and other government levies were assessed for amounts due to settle the levies.

Director Blas further stated that Public Law 29-18 authorized DOA to issue COLA Class Certificates of Claim for COLA Awards and interest calculated at a rate of 7% from date of settlement. Director Blas stated that on August 14, 2009, DOA issued a Statement of Account to each COLA recipient indicating the interest amount due and payable by the General Fund. Director Blas stated that the Retirement Fund is verifying the figures calculated by DOA. Director Blas mentioned that the bond proceeds will first be applied to interest then to principal. Chairman San Agustin asked whether it is still DOA’s determination. Director Blas replied, “Yes, because the bond proceeds came from DOA.”

**2. *Global Custody Services*** – Director Blas stated that at the last Board meeting, the Board continued to suspend participation in Securities Lending. Director Blas stated that the Retirement Fund will revisit participation in Securities Lending during the December 2009 quarterly performance meeting with Terry Dennison of Mercer Investment Consulting, Inc. (Mercer).

3. **Real Estate Investment Trusts (REITS)** – Director Blas stated that at the August 28, 2009 Board meeting, the Board approved additional funding of approximately \$12 Million to Cornerstone Real Estate Advisers and no additional funding to Security Capital. Director Blas stated that funding came from Franklin Templeton, a Fixed Income manager. Director Blas stated that REITS is 2.9% funded. The allocation target is 10%.

4. **U.S. Domestic Small Capitalization Core Equity** – Director Blas stated that at the August 28, 2009 Board meeting, the Board approved funding of \$45 Million to Thomson Horstmann & Bryant (THB). Director Blas stated that funding came from the Domestic Large Cap Equity Managers – Atalanta and Metropolitan West. Secretary Leon Guerrero asked what funding percentage THB was presently at. Director Blas replied, “3.87%.” Director Blas stated that the allocation target is 10%. Chairman San Agustin asked whether it is less than before. Director Blas stated that THB was just funded in August 2009.

Director Blas stated that the Request for Proposal (RFP) for U.S. Domestic Small Cap closed on November 9, 2009. Director Blas stated that there were thirty (30) proposals submitted. The list of eligible offerors will be forwarded to Mercer for their manager analysis. Director Blas stated that the Selection Panel will consist of Vice-Chairman Wilfred Leon Guerrero, Treasurer Gerard Cruz, and Trustee Wilfred Aflague.

5. **Public Law 28-38** – Director Blas stated that the monthly interest payments for the Department of Education (DOE) and Guam Memorial Hospital Authority (GMHA) due on November 10, 2009 were paid.

6. **Bernstein Litowitz Berger and Grossmann (BLBG)** - Director Blas stated reported on the following lawsuits:

- Lehman Brothers – Director Blas stated that the Retirement Fund’s exposure is approximately \$3.85 Million. Vice-Chairman Leon Guerrero mentioned that he met with an attorney from Alameda and he confirmed what BLBG had said that the Retirement Fund has a solid case. Vice-Chairman Leon Guerrero stated that the lawsuit is against the individual owners.
- Wells Fargo – Director Blas stated that the Retirement Fund’s exposure is approximately \$13 Million.
- Genzyme Corporation – Director Blas stated that the Retirement Fund’s exposure is approximately \$1.75 Million. Director Blas stated that the court granted the designation as one of three lead plaintiffs to the Government of Guam Retirement Fund.

7. **Legislative Bills: Bill 185 (Domestic Partnerships) and Bill 212 (Designated Beneficiaries)** – Director Blas stated Richard Wright of Milliman Consulting, Inc. (Milliman) has provided responses regarding the actuarial impact each bill would have on the Retirement Fund. Director Blas stated that copies of Mr. Wright’s email are attached. Director Blas stated that Milliman’s formal response has been submitted. Director Blas stated that Bill 212 would move the actuarial assumption to 100%. Director Blas stated that Bill 185 would be included in the ongoing discussion of increasing the current actuarial assumption of 65% to 75%. Director Blas stated that Mr. Wright’s email stated that both bills have the potential to increase the unfunded liability of the Retirement Fund and increase the employer contribution rate. Director Blas stated that she will ask Mr. Wright to do the actuarial study.

Director Blas stated that the assumption has not moved up. It is still at 65%. Secretary Leon Guerrero asked whether it will move from 75% to 80%. Director Blas replied, "Maybe." Chairman San Agustin recommended sending Milliman's letter to the Legislature to alert them of this matter.

**Chairman Joe T. San Agustin, seconded by Trustee George Santos, moved to approve that Milliman's letter regarding the actuarial impact on Bill 185 and Bill 212 be submitted to the Legislature. Without objection, the motion passed.**

**8. *Government of Guam Retirement Fund Proposed Legislative Bills: Amendment to §8154 Relative to Fixed Income Securities*** – Director Blas stated that a copy of the draft bill is attached for the Board's review and approval to forward to the Legislature for their consideration. Director Blas stated that Mr. Dennison will be on island in December and will be available to provide oral and written testimony at the public hearing for this bill. Director Blas stated that the amendments and new sections will clarify and update this section of the law to reflect some of the newer investment vehicles (CMOs and CMBs). Treasurer Cruz asked whether this has been reviewed by the Retirement Fund's Legal Counsel. Director Blas replied, "Yes." Secretary Leon Guerrero asked what language in the bill covers the CMOs and CMBs. Director Blas stated that it is the underlined items added in Section 2c-d. Chairman San Agustin stated that this is to legitimize what is being done. Treasurer Cruz stated that the legislation allows for new investment vehicles by clarifying the ambiguities in existing statutes. Treasurer Cruz stated that the underlined assets and securities can invest in. Collateralization is not clear in the law. Treasurer Cruz stated that the underlined securities are the same.

**Treasurer Gerard Cruz, seconded by Trustee George Santos, moved to approve to submit the draft legislation regarding the Amendment to §8154 Relative to Fixed Income Securities to the Legislature. Without objection, the motion passed.**

### **Financial Report**

**1. *Contributions*** – Director Blas stated that as of November 17, 2009, all agencies are current with their Fiscal Year 2010 employee and employer contributions.

**2. *Financial Statements*** – Director Blas stated that the books for Fiscal Year ending September 30, 2009 are scheduled to be closed by Tuesday next week.

**3. *Fiscal Year 2010 Retirees' Supplemental Benefits*** – Director Blas stated that the supplemental benefits for retirees and survivors for the month of November 2009 will be paid by next week. Director Blas stated that these benefits are provided by the General Fund.

**4. *Medicare Reimbursements*** – Director Blas stated that the Retirement Fund received the November 2009 allotment from the General Fund and payments are processed accordingly. Chairman San Agustin inquired about the September payment. Director Blas stated that she is working with Senator Ben Pangelinan on this. Chairman San Agustin asked what the amount is. Rosalia Bordallo, General Accounting Supervisor, replied, "\$62,000.00."

## **VI. LEGAL COUNSEL'S REPORT**

No report was made at this time.

## **VII. TREASURER'S REPORT OF FINANCIAL STATUS**

Treasurer Cruz reported on the Cash Flow. Treasurer Cruz stated that at the end of October 2009, \$1.2 Million was carried into November 2009. Treasurer Cruz stated that a \$3.5 million principal drawdown is required. Treasurer Cruz stated that the drawdown is down \$30+ million from last year. Chairman San Agustin inquired about the total drawdown requirement. Controller Bernardo stated that it comes out to 15%. Treasurer Cruz stated that the total in 2008 was \$63 Million and the total drawdown in 2009 was \$47 Million.

**Treasurer Gerard Cruz, seconded by Trustee Wilfred Aflague, moved to approve the Cash Drawdown authorization. Without objection, the motion passed.**

## **VIII. STANDING COMMITTEE REPORTS**

### **A. Members and Benefits Committee**

Trustee George Santos presented his Committee's November 2009 report to the Board of Trustees. Chairman San Agustin pointed out that the statistics shows that the DB Plan is decreasing in the number of their active members.

**Trustee George Santos, seconded by Secretary Antolina Leon Guerrero, moved to approve the recommendation of the Members and Benefits Committee contained on Pages 4 through 15, Item IV, including the attached Annuity Worksheets, based on the Committee's review and findings during their meeting of November 18, 2009 and subsequent meetings thereafter. Without objection, the motion passed.**

Trustee Santos stated that Item V on Page 15 is under Old Business of the meeting agenda.

### **B. Investment Committee**

Vice-Chairman Leon Guerrero reported that the Investment Committee meeting was held on November 17, 2009. The Committee reviewed and approved the Investment Committee Minutes of October 16, 2009.

Vice-Chairman Leon Guerrero stated that the following were discussed and approved by the Investment Committee for Board action:

1. ***Income Research & Management (IRM) Request to Extend Guideline Waiver*** – Vice-Chairman Leon Guerrero stated that the Investment Committee discussed IRM’s request for an extension of the Guideline Waiver noting the following:

- a. IRM was funded in October 2008 via the transfer of a portion of Aberdeen Assets Management Inc.’s (Aberdeen) assets to IRM.
- b. The Board in their October 3, 2008 meeting:
  - Approved IRM’s recommendations to segregate the assets into two (2) portfolios: 1) an IRM Portfolio and 2) a Transition Portfolio. (This would allow: i) the orderly transition of non-challenged assets directly into the IRM Portfolio, and ii) the systematic transition of challenged assets held in the Transition Portfolio into the IRM Portfolio).
  - Granted IRM a temporary six (6) month Guideline Waiver (with the understanding that IRM will bring the portfolio into compliance).
- c. The Board in their March 6, 2009 meeting granted a six-month extension of the Guideline Waiver given the unusual market conditions.
- d. Based on a review of IRM’s Portfolio listing as of November 13, 2009, IRM continues to liquidate and move assets from the Transition Portfolio to the IRM Portfolio. As of October 15, 2008, the Transition Portfolio consisted of 54% of the total Portfolio, versus 28% of the total Portfolio as of November 13, 2009.

Vice-Chairman Leon Guerrero stated that the Investment Committee recommends granting a further six-month extension of the Guideline Waiver. Chairman San Agustin asked whether this is IRM’s third extension. Vice-Chairman Leon Guerrero stated that this is their second request.

**Vice-Chairman Wilfred Leon Guerrero, seconded by Trustee Wilfred Aflague, moved to approve the Investment Committee’s Recommendation to grant Income Research & Management’s request for a six-month extension of the Guideline Waiver. Without objection, the motion passed.**

2. ***Securities Lending*** – Vice-Chairman Leon Guerrero stated that during the August 28, 2009 Board meeting, Mr. Dennison of Mercer indicated that the Board’s decision to participate in Securities Lending should be based on an analysis provided by Northern Trust (Northern). Vice-Chairman Leon Guerrero stated that during the September 11, 2009 Investment Committee meeting, the Committee reviewed Northern’s June 2, 2009 analysis. Vice-Chairman Leon Guerrero stated that since the analysis assumed no credit limits or borrower restrictions, the Investment Committee requested that Northern provide another analysis which would restrict Securities Lending to Treasuries. Vice-Chairman Leon Guerrero stated that during the November 17, 2009 Investment Committee meeting, the Committee reviewed Northern’s revised analysis dated October 16, 2009.

Vice-Chairman Leon Guerrero stated that given the risks associated with participation in the program, the Investment Committee recommends that the Retirement Fund not participate in Securities Lending at this time. Vice-Chairman Leon Guerrero stated that this item will be revisited during the quarterly performance meetings in December 2009. Vice-Chairman Leon Guerrero stated that Mr. Dennison will then make a recommendation to the Board. Vice-Chairman Leon Guerrero stated that, at this time, this item will remain status quo.

Chairman San Agustin referred a copy of the Federal Deposit Insurance Corporation's (FDIC) amendments to "12 C.F. R. §360.6 Defining Safe Harbor Protection for Treatment by the FDIC as Conservator or Receiver of Financial Assets Transferred by an Insurance Depository Institution in Connection with a Securitization or Participation," to the Investment Committee for their review.

Vice-Chairman Leon Guerrero reported on the following informational items:

**1. Funding of Managers**

- a. **U.S. Domestic Small Cap Equity Mandate** – Vice-Chairman Leon Guerrero stated that this mandate has been partially funded with: 1) \$16.8 Million in Exchange Traded Funds, and 2) \$45 Million to THB representing approximately 40% of the mandate. Vice-Chairman Leon Guerrero stated that an RFP was issued to search for a second Domestic Small Cap Equity Manager. The RFP closed on November 9, 2009. A list of eligible offerors will be provided to Mercer for their review and comments.
- b. **Real Estate Investment Trusts (REITs)** – Vice-Chairman Leon Guerrero stated that both investment managers Security Capital and Cornerstone Real Estate Advisers have been partially funded. Director Blas stated that REITS is 2.9% funded. The allocation target is 10%. Further funding will be discussed with Mr. Dennison during the quarterly performance meetings in December 2009.

**2. Investment Committee Goals & Objectives** – Vice-Chairman Leon Guerrero stated that the Investment Committee reviewed the Draft Matrix and indicated that it will be submitted for approval during the January 2010 Board meeting. Vice-Chairman Leon Guerrero stated that the Investment Committee is pending the M&B Committee's input.

**3. Asset Allocation** – Vice-Chairman Leon Guerrero stated that the Investment Committee reviewed the latest asset allocation as of November 12, 2009 noting that the total market value of the portfolio increased from approximately \$1.170 Billion at September 30, 2009 to approximately \$1.181 Billion as of November 12, 2009.

**IX. TRAVEL REPORT**

**A. Chairman Joe T. San Agustin: Terrapinn Real Estate Investment World Japan 2009 Conference, October 27-28, 2009, Tokyo, Japan**

Chairman San Agustin stated that he has submitted his travel report on the Terrapinn Real Estate Investment World Japan 2009 Conference he attended on October 27-28, 2009 in Tokyo, Japan.

**B. Vice-Chairman Wilfred Leon Guerrero: IFEBP 55th Annual Employee Benefits Conference, November 9-11, 2009, Orlando, Florida**

Chairman San Agustin stated that Vice-Chairman Leon Guerrero has submitted his travel report on the IFEBP 55th Annual Employee Benefits Conference he attended on November 9-11, 2009 in Orlando, Florida.

**RECESS: 12:55 P.M.**  
**RECONVENED: 1:39 P.M.**

**X. OLD BUSINESS**  
**A. Disability Case No. 09-001**

Secretary Leon Guerrero presented a summary of the medical consultant's findings regarding the application for medical disability on Case No. 09-001.

Chairman San Agustin inquired about the two other physicians from the team of three physicians. Dr. John Steele, the Retirement Fund's Medical Consultant, stated that there is not enough information from the physicians. Dr. Steele stated that the applicant's liver is not functioning very well. The applicant has a heart problem because of an infection. Dr. Steele stated that Dr. Jeffrey Nasir was supposed to send the applicant off-island to the United States. Chairman San Agustin asked why the Board is going to interview the applicant. Dr. Steele stated that the applicant has a less than 75% rating. Dr. Steele stated that this is a special circumstance and feels that the Board should interview the applicant. Chairman San Agustin asked whether the applicant was invited to today's meeting. Director Blas replied, "Yes." Chairman San Agustin stated that we need the applicant here so that the Board could conduct the interview. Dr. Steele agreed that the applicant needs to be interviewed. Director Blas stated that the applicant's spouse has a power of attorney. Trustee Aflague asked whether the applicant's spouse is present at today's meeting. Chairman San Agustin asked whether the spouse with the power of attorney wishes to speak.

Frances Castro identified herself as the spouse. Mrs. Castro stated that they are waiting for SelectCare to make an appointment at St. Luke's Hospital. Mrs. Castro stated that her spouse's heart has a hole which will be patched. Vice-Chairman Leon Guerrero stated that it appears that additional information will be forthcoming and to hold the process until such time. Dr. Steele asked Mrs. Castro to please inform the Board of their plans and the applicant's current status. Mrs. Castro stated that her spouse is not capable of working. His nose bleeds every so often. Mrs. Castro stated that her spouse is now seeing Dr. Rodolfo D. Silan. Mrs. Castro stated that her spouse will be having an open heart surgery and bone marrow off-island. Mrs. Castro stated that she needs to get her spouse's medical records from Dr. Nasir. Trustee Aflague asked Mrs. Castro which physician will be signing the documents for the off-island treatment. Mrs. Castro replied, "Dr. Nasir." Trustee Aflague asked Mrs. Castro when they will be leaving for treatment. Mrs. Castro stated that she was waiting for funds to become available. Mrs. Castro stated that she had asked the insurance company to hold off until such time that fund became available. Chairman San Agustin stated that some insurance companies cover the spouse's airfare. Mrs. Castro stated that she will proceed to schedule a date with SelectCare.

Dr. Steele pointed out that Dr. Silan is a General Practitioner. Dr. Steele stated that the applicant could be assessed when he returns from treatment. Dr. Steele suggested that Mrs. Castro check with SelectCare on who could see and care for her spouse as his primary physician. Chairman San Agustin asked Dr. Steele whether the applicant's current condition could be justified a disability. Dr. Steele replied, "No." Secretary Leon Guerrero stated that we can not determine whether his ailment is permanent. Chairman San Agustin agreed that the Board does not have enough information to determine whether the applicant has a total and permanent disability.



Dr. Steele asked the Board to refer to Dr. Fred Schroeder's rating of the applicant in June 2009. Dr. Steele stated that Dr. Schroeder gave a rating of 59%. Vice-Chairman Leon Guerrero stated that the information before the Board is incomplete. Vice-Chairman Leon Guerrero recommended that the Board not act on this matter until after the applicant's off-island treatment. Trustee Aflague mentioned that the applicant is still on sick leave at this time. Chairman San Agustin recommended that the applicant pursue treatment. Chairman San Agustin asked Mrs. Castro whether she agrees with the Board to hold off on taking any action until the applicant's return from treatment. Mrs. Castro stated that she agrees. The Board indicated that they agree to table Disability Case No. 09-001.

**Secretary Antolina Leon Guerrero, seconded by Trustee Katherine Taitano, moved to table Disability Case No. 09-001. Without objection, the motion passed.**

**B. Disability Case No. 09-004**

Secretary Leon Guerrero presented a summary of the medical consultant's findings regarding the application for medical disability on Case No. 09-004. Secretary Leon Guerrero stated that this case was before the Board last month and no one appeared at that meeting. Chairman San Agustin pointed out that no one appeared again at today's meeting. Secretary Leon Guerrero stated that the applicant was invited to attend the Board meeting twice. Dr. Steele commented that is a potential case that might deserve a disability and felt that it was very important for the applicant to appear before the Board. Dr. Steele stated that he is disappointed that the applicant is not present at today's meeting. Lena Sanchez, Benefit Specialist, mentioned that she has seen the applicant using a cane or walker and that the applicant is still employed. Dr. Steele stated that the applicant's ailment, arthritis, does get worse, but at the present time the applicant is not eligible for disability. Dr. Steele stated that he is inclined to deny disability. Trustee Katherine Taitano stated that Dr. Steele was able to complete his evaluation. Trustee Santos stated that he is not inclined to continue. Chairman San Agustin stated that the applicant was twice given the opportunity to appear before the Board.

**Secretary Antolina Leon Guerrero, seconded by Trustee Katherine Taitano, moved to deny disability pension for Case No. 09-004. Without objection, the motion passed.**

Dr. Steele stated that he would like to ask both Dr. Fred Schroeder and Dr. Patrick Santos for their examiner's opinion on whether an applicant is totally and permanently disabled. Dr. Steele stated that this would give the Board a better judgment on the applicant. Director Blas stated that she will work with the Members and Benefits Committee on this. Secretary Leon Guerrero recommended that Dr. Steele refrain from citing the numeric ratings as the basis for his recommendations since the Board must consider the entire application. Dr. Steele stated that we need to consider the applicant and continue using the numbers. The decision will not only be based on the number, it will also be based on the whole picture.

## **XI. NEW BUSINESS**

### **A. Constitution of Asian Public Real Estate Association**

Chairman San Agustin stated that the Real Estate Investment Trusts (REITs) is on the rise all over the world. Chairman San Agustin stated that the Asian Public Real Estate Association specializes in the Asian markets. Chairman San Agustin recommended that the Retirement Fund be a member of this association.

**Vice-Chairman Wilfred Leon Guerrero, seconded by Trustee Wilfred Aflague, moved to approve that the Government of Guam Retirement Fund become a member of the Asian Public Real Estate Association. Without objection the motion passed.**

### **B. Bill 185**

Chairman San Agustin stated that this item was covered earlier under the Director's Report.

## **XII. OPEN DISCUSSION / GENERAL PUBLIC INPUT**

Chairman San Agustin acknowledged former Senator Ted Nelson. Senator Nelson thanked the Board for giving him the opportunity to address the Board. Senator Nelson stated that he is present at today's meeting regarding a disability case that was denied by the Board of Trustees. Chairman San Agustin advised Senator Nelson that if he mentions the applicant's name, he will be waiving the applicant's privacy act. Vice-Chairman Leon Guerrero pointed out that only the applicant can waive his/her privacy. Senator Nelson stated that he has no such authorization from the applicant but will give a brief history of the situation. Senator Nelson stated that the applicant is an employee of the Guam Power Authority (GPA) who has not been paid for the several years. GPA will not allow the applicant back to work and was told to go the Retirement Fund. Senator Nelson stated that the applicant is entitled to benefits. GPA is saying that it is up to the Retirement Fund to make the decision. Senator Nelson asked the Board what they can do for the applicant. Chairman San Agustin asked whether the applicant has been fired from his employment. Senator Nelson replied, "No." Chairman San Agustin asked what the nature of the case is. Director Blas stated that an appeal hearing was heard by the Board in October 2008. Director Blas stated that the Board denied the appeal and in October 2009 sustained its decision. Director Blas stated that the applicant must show progression of his/her ailment or provide new evidence. Senator Nelson stated that the applicant is dying. Chairman San Agustin pointed out that the Board made a decision. Treasurer Cruz stated that the applicant has the right to reapply. Chairman San Agustin stated that the Board has done its due diligence. Chairman San Agustin suggested that the applicant go to GPA to have him return to work. Chairman San Agustin also suggested for Senator Nelson to inform the applicant to reapply for disability. Senator Nelson stated that he will meet with the applicant. Senator Nelson thanked the Board for the opportunity afforded him.

**XIII. ANNOUNCEMENTS**

None

**XIV. ADJOURNMENT**

There being no further business before the Board for the Defined Benefits Plan, on motion of Secretary Antolina Leon Guerrero, seconded by Trustee Katherine Taitano, and without objection, the meeting was adjourned at 2:15 p.m. Motion passed.

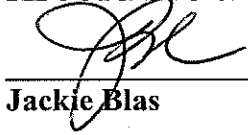
I hereby certify that the foregoing is a full, true and correct copy of the Minutes of November 20, 2009 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on December 18, 2009.



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**ANTOLINA S. LEON GUERRERO, Board Secretary**

**RECORDING SECRETARY:**



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**Jackie Blas**