

BOARD OF TRUSTEES

Regular Meeting

Friday, January 5, 2007, 12:00 p.m.

Retirement Fund Conference Room

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 12:21 p.m. Friday, January 5, 2007, 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
James J. Taylor, Secretary
Anthony C. Blaz, Trustee
George A. Santos, Trustee
Katherine T.E. Taitano, Trustee

Board of Trustees Absent:

Gerard A. Cruz, Treasurer

Staff Present:

Paula Blas, Director
Diana Bernardo, Controller
Rosalia Bordallo, General Accounting Supervisor
Jackie Blas, Recording Secretary

Public Present:

Maree Pelkey, Smith Barney
John Davis, KUAM

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. November 17, 2006 and December 15, 2006 Regular Meetings

On motion of Trustee George Santos, seconded by Trustee Anthony Blaz, and without objection, the Minutes of November 17, 2006 and December 15, 2006 Regular Meetings were approved, subject to corrections. Motion passed.

B. September 8, 2006 and October 20, 2006 Regular Meetings; October 10, 2006 and October 17, 2006 Special Meetings

Chairman San Agustin reiterated Secretary James Taylor's recommendation on getting the Board meeting packet delivered on the Monday before the Board meeting. Secretary Taylor stated that he would like to review the Board minutes within a week.

Trustee George Santos, seconded by Trustee Anthony Blaz, moved to defer approval of the Minutes of September 8, 2006 and October 20, 2006 Regular Meetings; October 10, 2006 and October 17, 2006 Special Meetings. Without objection, the motion passed.

III. CORRESPONDENCE

A. January 5, 2007 Letter from Anthony Quitugua Regarding Submission of Beneficiaries/Court Ordered COLA

Director Paula Blas stated that Anthony Quitugua's letter to the Director of the Department of Administration came about because of the procedures for beneficiaries of deceased retirees. Director Blas stated that the procedures have not been validated. Mr. Quitugua's letter is for informational purposes only.

IV. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

1. *William Don Parkinson vs. Government of Guam, Guam Memorial Hospital Authority*

(GMHA) and Guam Public School System (GPSS) – Director Blas stated that a copy of the revised proposed settlement agreement submitted by Mr. Parkinson was included in the December 15, 2006 Board packets. Chairman San Agustin stated that Mr. Parkinson spoke to him regarding the proposed settlement. Chairman San Agustin stated that Mr. Parkinson raised the issue of the actuarial rate and that there may be a default by the government. Chairman San Agustin further stated his concern that Mr. Parkinson is trying to have the Retirement Fund piggy-back on his lawsuit.

Director Blas stated that all the agencies have been using the 22.94% contribution rate except the Guam Public School System (GPSS) and the General Fund (DOA). Director Blas stated that GPSS will now be using the 22.94% and they will be remitting the difference to the Fund. The Fund is still at odds with the General Fund (DOA) on who makes the determination of what the rate should be. The General Fund is asking to go back to the 22.65% contribution rate. Director Blas stated that the contribution rate will remain at 22.94%. Vice-Chairman Wilfred Leon Guerrero inquired about the December 21, 2006 letter to the Director of the Department of Administration regarding the late contributions by the General Fund for line agencies due to an erroneous government contribution rate.

Vice-Chairman Leon Guerrero asked whether there is any time table on the remittance of the outstanding amounts. Director Blas stated that non-remittance will prevent employees, who meet the minimum eligibility requirements for retirement, from retiring and it will remain this way until they are caught up with their payments.

2. *Candelaria Rios, et al. vs. Joseph Ada, et al. (Special Proceeding Case No. SP206-98)* – Director Blas stated that the Fund continues to work diligently to ensure that the COLA calculations are accurate. For those requiring adjustments, letters will be mailed out once the review and adjustments have been completed.

Director Blas mentioned that she is asking the Attorney General's office to retract the letter terminating Attorney David Dooley. Director Blas stated that she has contacted Pat Mason, who is now back at the Attorney General's office, regarding this matter.

3. *Organic Act / Trust Agreement* – Director Blas stated that the Legal Counsel's memorandum regarding revisions to the Trust Agreement was distributed at the December 15, 2006 Board Meeting. Director Blas stated that Secretary James Taylor will be reviewing the comments and will make his recommendations at the February 2007 Board meeting. Chairman San Agustin stated that the Fund may want to revise the Organic Act Amendment.

4. *Request for Proposal (RFP): Custodial Bank Services* – Director Blas stated that the RFP for the Custodial Bank Services was issued on December 11, 2006 and will close on January 23, 2007.

5. *Request for Proposal (RFP): Real Estate Investment Trusts (REITS)* – Director Blas stated that the RFP for the Real Estate Investment Trusts was issued on December 11, 2006 and will close on January 29, 2007.

6. *Request for Proposal (RFP): U.S. Domestic Small Capitalization Core Equity* – Director Blas stated that the RFP for the U.S. Domestic Small Capitalization Core Equity was issued on December 11, 2006 and will close on January 29, 2007.

7. *Request for Proposal (RFP): Transition Management Services* – Director Blas stated that the RFP for the Transition Management Services was issued on December 11, 2006 and will close on January 29, 2007.

8. *Request for Proposal (RFP): Study Related to Alternative Options for Investing in Real Estate in Guam* – Director Blas stated that the RFP for the Study Related to Alternative Options for Investing in Real Estate in Guam was issued on December 7, 2006 and will close on January 16, 2007.

9. *Request for Proposal (RFP): Medical Consultant Services* – Director Blas stated that the RFP for Medical Consultant Services is still with the Members and Benefits Committee.

10. *Public Law 28-38* – Director Blas stated that the Fund is continuing to process applications for retirement for Guam Public School System (GPSS) and Guam Memorial Hospital Authority (GMHA) eligible employees. Director Blas stated that GPSS and GMHA are current with their monthly interest payments.

11. **Century 21, Realty Management Company, Inc.: Parking Lot Use Agreement** – Director Blas stated that First Hawaiian Bank should be submitting the Parking Lot Use Agreement back to the Fund by next week.

Financial Report

1. **Contributions** – Director Blas stated that all agencies are current with their Fiscal Year 2007 employee and employer contributions except for Guam Public School System (GPSS) and the General Fund.

2. **Financial Statement / Fiscal Year 2006 Audit** – Director Blas stated that the December 2006 books will be closed next week. Director Blas stated that the Fiscal Year 2006 audit is ongoing.

3. **Fiscal Year 2007 Retirees' Supplemental Benefits** – Director Blas stated that the supplemental benefits for retirees and survivors for the month of December 2006 have been paid.

4. **Medicare Reimbursements** – Director Blas stated that the Fiscal Year 2005 Medicare reimbursements have been paid. Director Blas stated that the Fiscal Year 2006 appropriation has not been received. Chairman San Agustin asked what the outstanding amount is for Fiscal Year 2006. Director Blas replied, "\$240,000.00." The allotments for Fiscal Year 2007 are current.

V. LEGAL COUNSEL'S REPORT

Director Blas stated that Pat Mason, formerly from the Law Firm of Carlsmith Ball, provided, at this meeting, a summary of the Fund's pending cases which will be passed on to Elyze McDonald of Carlsmith Ball.

1. **Saville vs. Retirement Fund, Superior Court Special Proceedings Case No. SP146-06** – Mr. Saville was denied a disability retirement annuity. He has filed a Writ of Mandate to obtain his benefits. All Briefs have been filed. A hearing is scheduled for February 7, 2007 at 9:00 a.m.

2. **Board of Trustees et al. vs. Ralph Gutierrez, Superior Court Civil Case No. CV1134-04 (Gutierrez I)** – The Defendant was granted disability retirement benefits in August 1990. He worked in the Governor's Office from October 1, 1999 to September 7, 2001 while collecting his retirement benefits. The Fund sued Defendant to recover the retirement benefits he received while working for the Governor. The Fund filed a Motion for Summary Judgment. The Motion was heard on August 30, 2005. As yet, Judge Arthur Barcinas has not issued a decision. Trial is scheduled for February 13, 2007. Vice-Chairman Wilfred Leon Guerrero asked who will be attending the trial on February 13, 2007. Director Blas replied, "Elyze McDonald from the Law Firm of Carlsmith Ball."

3. **Board of Trustees et al. vs. Ralph Gutierrez, Superior Court Civil Case No. CV0400-05 (Gutierrez II)** – The Defendant was granted disability retirement benefits in August 1990. He worked at Guam Economic Development Authority (GEDA) for one year beginning December 1, 1995, while collecting his retirement benefits. The Fund sued Defendant to recover the retirement benefits he received while working for GEDA. The Fund filed a Motion for Summary Judgment on October 19, 2006. Motions are scheduled to be heard January 30, 2007 at 10:00 a.m. Trial is scheduled for February 13, 2007.

4. Retirement Fund vs. Guam Memorial Hospital Authority (GMHA), Superior Court Special Proceedings Case No. SP0231-02 – The Fund obtained a Writ of Mandate against GMHA to pay GMHA’s past due debt to the Fund for retirement contributions. A Judgment lien was recorded at the Department of Land Management. GMHA filed a Motion to Release the individual GMHA Board members from the Judgment. The Motion has not yet been scheduled for hearing. Consequently, briefs are not yet due. Chairman San Agustin asked why this matter is still pending. Director Blas stated that the judge has not set a hearing date.

VI. TREASURER’S REPORT OF FINANCIAL STATUS

Chairman San Agustin noted that Treasurer Gerard Cruz is absent at today’s meeting.

VII. STANDING COMMITTEE REPORTS

A. Members and Benefits Committee

Trustee George Santos reported to the Board of Trustees on his Committee’s December 2006 end of the month report.

Chairman San Agustin inquired about Item V (a) on Page 13. Trustee Santos stated that the required documentation was not available at the time the individual retired but a letter of intent was submitted by the individual to have the excluded service included. Chairman San Agustin inquired about the time frame. Director Blas stated that there is no time frame on “Excluded Service.” Chairman San Agustin asked whether submission of documents was done during retirement. Director Blas stated that it is usually done prior to retirement. Chairman San Agustin asked whether the required documentation was included at the time the individual retired. Director Blas replied, “no.” Chairman San Agustin asked whether the Fund is going to adjust the estimated annuity or the finalized annuity. Rosalia Bordallo, General Accounting Supervisor, stated that the adjustment would be on the estimated annuity knowing that there exists a letter of intent before the retirement date.

Chairman San Agustin inquired about Item V (b) on Page 14. Director Blas stated that this individual is requesting to obtain Educational Credits during the time it was being offered. Chairman San Agustin reiterated that the prescribed deadline to obtain Educational Credit was April 1, 1987. Director Blas stated that the individual, at the time of his request, did not meet the vesting requirement for the educational credit.

Chairman San Agustin inquired about the requirement for a physical examination for disability retirees. Chairman San Agustin asked whether it is annually for five (5) years and then every three (3) years after the first five years. Director Blas replied, “yes,” and that the Fund’s Benefits’ Section does have a tickler system. Chairman San Agustin stated that an individual had mentioned to him that a certified letter was sent to him even after the fifth year. Director Blas stated that she would look into this matter. Vice-Chairman Leon Guerrero inquired about the off-island disability retirees. Director Blas stated that the same requirements apply. Vice-Chairman Leon Guerrero mentioned that he was informed of a disability retiree working in Washington. Mrs. Bordallo stated that a disability annuitant could still be employed but the annuity would have to be adjusted. Mrs. Bordallo stated that the Fund would not know whether the disability retiree from off-island is employed. Chairman San Agustin asked whether disability retirees could sit on a Board or Commission. Director Blas stated that as long as their gainful employment is not more than their disability annuity.

Trustee George Santos, seconded by Trustee Anthony Blaz, moved to approve the recommendation of the Members and Benefits Committee contained on Pages 4 through 15, including the attached Annuity Worksheets, based on the Committee's review and findings during their meeting of December 13, 2006 and subsequent meetings thereafter. Without objection, the motion passed.

B. Investment Committee

Vice-Chairman Leon Guerrero reported that the Investment Committee meeting was held on December 29, 2006. The following was discussed and approved by the Investment Committee for Board action.

1. Board Action

a. *Great West's Reality Investing Advisory Services Agreement* – Vice-Chairman Leon Guerrero stated that this item will be discussed under the Defined Contributions portion of the meeting.

2. Informational Items

a. *Receivables as of November 2006* – Vice-Chairman Leon Guerrero stated that during the December 2006 Board meeting, the receivables listed on the Treasurer's Report were referred to the Investment Committee for review. The Investment Committee reviewed the listing and requested that the report be revised to clearly identify long-term receivables from various Government of Guam agencies. The Investment Committee has directed Management to provide the report for review by the Investment Committee on a quarterly basis.

Vice-Chairman Leon Guerrero stated that Controller Diana Bernardo has submitted, at this meeting, a summary of the Fund's receivables as of November 30, 2006. Vice-Chairman Leon Guerrero stated that the receivables totaled \$129,646,912 owed by the Government of Guam.

The Retirement Fund's receivables as of November 30, 2006 are as follows:

- **Employer Contributions \$13,529,677 and Member Contributions \$5,384,639** – This primarily represent contributions not remitted to the Fund from Guam Public School System (GPSS) - \$9,065,514 and \$3,205,682, Guam Memorial Hospital Authority (GMHA) - \$4,437,636 and \$2,165,730, and the General Fund - \$26,527 and \$13,227, for various pay periods during the Fiscal Years ended September 30, 1988 through September 30, 2004. However, a portion of the GPSS amounts and all of the General Fund amounts represent outstanding current year contributions.
- **Interest/Penalties \$7,283,521** - Interest and penalties continue to accrue on contributions identified above. With the passage of Public Law 28-38 in June 2005, the General Fund began remitting interest only payments to the Fund totaling \$192,955 and \$190,501 for GPSS and GMHA respectively. Payments will continue until the outstanding balance is fully paid from a general obligation bond or other means or the five year limit on the law is reached.
- **GMHA Note Receivable – Principal Balance \$4,640,081** – In March 1988, the Fund executed a promissory note with GMHA for \$9.4 Million. It represented contributions owed to the Fund as of February 1988, along with related interest and penalties.

- **GMHA Note Receivable – Allowance 100% (4,640,081)** – In 2002, a reserve totaling \$8 Million was established due to the uncertainty of collection of the GMHA note receivable. As a result of subsequent collections since 2000, the reserve has been reduced to equal the outstanding balance of the note.
- **Supplementals/MDL Advanced \$4,579,317** – This represents Medical and Dental Insurance Premiums Advanced (for General Fund) and supplemental payments (for GMHA, GWA and GPA) paid by the Fund on behalf of the agencies during Fiscal Year 2004, which have not yet been reimbursed by the agencies. The agencies are aware of these outstanding balances (General Fund \$1,988,296, GMHA \$1,507,004, GWA \$881,196 and GPA \$202,821). Chairman San Agustin asked who authorized payment. Director Blas replied, “the Board.” Mrs. Bordallo stated that the Fund has always advanced the General Fund for payments of this nature. Chairman San Agustin stated that no interest is being paid on the \$1,988,296. Director Blas stated that the Supplemental and MDL Advanced is not earning interest.
- **Supplemental/COLA Benefits Receivable \$87,559,394** – This represents receivables for supplemental annuities and COLA benefits paid by the Fund during Fiscal Year 2000 through 2003. These are being reduced by a portion of the employer contributions received. The percentage used is 1.2016% of covered payroll. During Fiscal Year 2006, the receivable balance was reduced by approximately \$4.6 Million in contributions. Controller Bernardo stated that the principal reduction is 5%.
- **Notes Receivable – ERIP Member Share \$8,986,847** – Effective December 1998, members with at least 20 years of service were allowed to retire and purchase up to 5 years of service. From December 1998 to January 2000, the period allowed to make the election, approximately 800 members elected to participate and signed promissory notes totaling nearly \$15 Million. They were required to pay the members’ share of the required contribution, plus interest, based on their salary at the time they made the election. Director Blas stated that the members’ share collected includes 8% interest on their required contributions.
- **Notes Receivable – ERIP Employer Share \$6,670,283** – The Government’s share of ERIP Notes Receivables are being reduced by a portion of the employer contributions received. The percentage used is 1.31% of covered payroll. During Fiscal Year 2006, the receivable balance was reduced by approximately \$2.4 Million in contributions.
- **Notes Receivable – Service Credits \$8,660,686** – This represents amounts receivable on promissory notes from active members for various service credits allowed, to include education and military credits.

Secretary Taylor stated that he would like to thank Controller Bernardo on the figures provided.

b. Business Plan for a New Hospital – Vice-Chairman Leon Guerrero stated that Mr. Pete Sgro, Chairman of the Guam Hospital Development Forum, made a presentation to the Investment Committee of the Forum’s Business Plan for the Development of a Guam Private Hospital. Vice-Chairman Leon Guerrero stated that Mr. Sgro indicated that it represents a private sector initiative to entice investors to build a Private Hospital on Guam. Vice-Chairman Leon Guerrero stated that Management had indicated that a brief statement was drafted and provided to Mr. Sgro on the Business Plan for a New Hospital. Vice-Chairman Leon Guerrero stated that he will review the statement after the meeting.

c. **Investment Committee Minutes** – Vice-Chairman Leon Guerrero stated that during the December 29, 2006 Investment Committee Meeting, the Committee reviewed and approved the minutes for the following meetings:

- October 6 and 17, 2006
- October 27, 2006
- November 24, 2006

d. **Mercer's Quarterly Meetings and Annual Manager Reviews** – Vice-Chairman Leon Guerrero stated that the Investment Committee is looking at scheduling the quarterly review for March 7 and 8, 2007 so that Mercer could also be able to attend the Board meeting on March 9, 2007. The Board agreed on having the quarterly review during the afternoon on March 7 and 8. Director Blas stated that if additional time is needed for the review, the morning of March 9 could be used. Vice-Chairman Leon Guerrero stated that he would work out the details of the meeting. Chairman San Agustin asked which managers will be reviewed. Vice-Chairman Leon Guerrero replied, "Fixed Income and Mutual Funds."

Chairman San Agustin requested to have the tapes of the November 13 and 14, 2006 Managers' Meeting transcribed and made a part of the Investment Committee Report and that the same process be done for the upcoming quarterly meeting and annual manager reviews.

Trustee Anthony Blaz was excused from the meeting at this time (1:15 p.m.)

C. **Audit Committee**

Controller Bernardo reported that the audit is ongoing. A meeting with the Public Auditor and the Fund's auditor is scheduled for 10:00 a.m. on Tuesday, January 9, 2007. Controller Bernardo stated that Dave Burger has indicated that he may be able to issue a draft report by the end of January 2007 and there are no issues at this time. Controller Bernardo stated that Mr. Burger has also indicated that he will be doing a separate audit for the Deferred Compensation Plan. Chairman San Agustin stated that there is an issue on the actuarial rate as a receivable. Now there is an issue on the differential of the distribution. Director Blas stated that the Fund's auditor is saying that the actuarial rate is 27.48% and that the established contribution rate is 22.94%. Chairman San Agustin stated that the difference should be carried as a receivable. Director Blas stated that the Public Auditor is not recognizing it as a receivable. Controller Bernardo stated that it will be disclosed in a footnote. Secretary Taylor stated that it should show in the financial statement, if not, then as a footnote in the audit report. Trustee Katherine Taitano stated that we need to see both the Retirement Fund receivable and the Government of Guam liability.

D. **Governmental Liaison**

1. **Bill Nos. 398, 399, 400 and 401**

Director Blas stated that Bill Nos. 398 and 400 were entertained by the 28th Guam Legislature. Bill Nos. 399 and 401 were taken off the legislative agenda. Vice-Chairman Leon Guerrero asked whether the bills that were not passed will be reintroduced. Director Blas replied, "yes." Director Blas stated that she will follow up with Speaker Mark Forbes on having the bills reintroduced.

Bill 398 sets up the Retirement Fund's exemption from the centralized procurement regime. Director Blas stated that the bill, as submitted by the Fund, did not pass as submitted. What the Legislature passed on Bill 398 was the approval of professional services contracts. The routing of signatures is no longer necessary. The Fund has a delegated procurement authority. Director Blas stated that the bill will be reintroduced to grant the Retirement Fund full procurement authority.

Bill 399 allows a stipend for the Retirement Fund Board. Bill 399 was taken off the legislative agenda.

Bill 400 pertains to setting up a position for the Retirement Fund's attorney. The Fund is now allowed to hire its own attorney for civil litigation matters without getting a special designation from the Attorney General of Guam. Director Blas stated that the Law Firm of Bernstein, Litowitz, Berger & Grossmann (BLB&G) could act without getting a special designation from the Attorney General of Guam.

Bill 401 relative to authorizing the Retirement Fund to designate unclassified positions and to promulgate personnel rules and regulations may get reintroduced with the 29th Guam Legislature.

VIII. TRAVEL REPORT

None

IX. OLD BUSINESS

None

X. NEW BUSINESS

None

XI. OPEN DISCUSSION / GENERAL PUBLIC INPUT

A. Custody and Asset Services

Chairman San Agustin stated that he has provided a list, at this meeting, which the Board could consider as goals and objectives in developing investment strategies. Chairman San Agustin stated that the Fund should adopt more aggressive investment philosophies aimed at meeting current and future liabilities rather than beating indexes and benchmarks. Chairman San Agustin stated that the Fund for the last five (5) years has been performing under the Median, and in every instance, the Fund has been in the lowest five percentile (as reported by the Fund's Investment Advisor – Mercer). Chairman San Agustin stated that Bernstein (BLB&G) will be submitting his first quarter monitoring report to the Fund in February 2007.

Chairman San Agustin listed the following level of services, some of which are already in place and/or in the process of being in place:

- Alternative Investments
- Security Lending and Commission Recapture
- Benchmark "Custodial Performance"
- Global Portfolio Transfer
- Sweep Program
- Reporting "Business Activity Monitoring"
- Nature of Volunteer Offering, Proxy and other Corporate Action

Chairman San Agustin stated that there are two ways to make up “shortfalls:”

- Increase Contribution Rates
- Achieve Higher Rate of Returns

Chairman San Agustin stated that the following would be an example of how the Fund could improve investment rate of returns:

- Develop Strategic Asset Allocation and Security Selection
- Performance Related Fees in Period
- Actual Performance: Benchmark Plus Base Fee to Cover Overhead and Cost Plus Value of Fund (Beginning and Ending Value)

Chairman San Agustin stated that the Fund should maximize returns first and then minimize costs.

B. Participation in the Financial Consortium for COLA

Chairman San Agustin stated that he has conducted his own research on the Fund’s participation in the Financial Consortium for COLA. Chairman San Agustin provided, at this meeting, literature on participation in the Financial Consortium for COLA for informational purposes. Chairman San Agustin stated that he can not take a position on this matter individually. Chairman San Agustin asked what would be the Board’s position on this matter. Chairman San Agustin stated that the consortium is proceeding without the Fund’s participation. Chairman San Agustin mentioned that the lead banking institution is the Bank of Guam. Chairman San Agustin stated that the lead bank may not take the full risk. Secretary Taylor asked whether First Hawaiian Bank is involved in the consortium. Chairman San Agustin replied, “yes.” Vice-Chairman Leon Guerrero asked whether the Government of Guam Employees Federal Credit Union (GGEFCU) was asked to participate. Trustee Santos replied, “yes,” but, GGEFCU chose not to participate. Vice-Chairman Leon Guerrero asked why. Trustee Santos stated that the way the package was offered was not an investment option for GGEFCU.

Chairman San Agustin stated that, when the bill goes to the Legislature, the Board will be asked of its position. Vice-Chairman Leon Guerrero stated that the credit rating with the bond and the Court Order from Judge Alberto Lamorena would first need to be clarified before this Board could consider anything. Chairman San Agustin stated that the Fund may want to get Legal Counsel’s opinion on this matter. Chairman San Agustin mentioned that he, along with Vice-Chairman Leon Guerrero, have a conflict as potential beneficiaries. Chairman San Agustin recommended having Legal Counsel review this matter. Director Blas mentioned that Legal Counsel has reviewed the Governor’s Executive Order regarding the Financial Consortium for COLA. Director Blas stated that she would submit the attached documents, including the draft legislation regarding participation in the Financial Consortium for COLA to Legal Counsel for review.

XII. ANNOUNCEMENTS

None

XIII. ADJOURNMENT

There being no further business before the Board for the Defined Benefits Plan, on motion of Trustee George Santos, seconded by Trustee Katherine Taitano, and without objection, the meeting was adjourned at 1:55 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of January 5, 2007 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on February 9, 2007.

James J. Taylor, Board Secretary

RECORDING SECRETARY:

Jackie Blas