

**BOARD OF TRUSTEES**  
**Regular Meeting**  
Friday, October 20, 2006, 12:00 p.m.  
Retirement Fund Conference Room

**MINUTES**

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| <b>DEFINED BENEFITS</b> |
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**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 12:00 p.m. Friday October 20, 2006, 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  
Gerard A. Cruz, Treasurer  
James J. Taylor, Secretary  
Anthony C. Blaz, 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

**Public Present:**

Seven-Page Sign-In Sheet Attached

**Trustee Anthony Blaz, seconded by Trustee Katherine Taitano, moved to approve to have Item X(A) under New Business (COLA Confirmation) moved to the front of the October 20, 2006 meeting agenda. Without objection, the motion passed.**

Chairman San Agustin welcomed the retired members of the Government of Guam Retirement Fund present at today's meeting.

Chairman San Agustin pointed out that there are two different COLAs, one is the Fiscal Year 2007 COLA which is \$1,100.00 and the other is the thirteen-year COLA case. Chairman San Agustin stated that Governor Felix Camacho stated that he will try to get the \$1,100.00 COLA out by the end of this month. However, the amount may not be \$1,100.00, it may be \$1,000.00. Chairman San Agustin stated that the problem is with the amount appropriated. The initial amount appropriated, \$7.7 Million was changed on a session floor amendment, to \$7 Million. Chairman San Agustin stated that the Governor and the Legislature is at liberty to make up the difference. Chairman San Agustin stated that since the Retirement Fund has the listing of all the retirees, the Retirement Fund prints the checks. The checks are then submitted to the Department of Administration (DOA) for the Treasurer of Guam's signature and issuance.

Chairman San Agustin stated that there are some issues that were brought up on the "Thirteen-Year COLA" that the Retirement Fund Board clarifying. Chairman San Agustin stated that the Board of Trustees never objected to the COLA. The Retirement Fund gave Judge Barcinas a figure of \$96.7 Million which was based on the 1988 rate of inflation. Chairman San Agustin stated that the Fund's figure was based on people who retired in 1990 getting COLA from that point, not retroactively. There seem to a disagreement about whether people who retired in 1990 would also get COLA as if they retired in 1988. Chairman San Agustin also spoke in the vernacular regarding the issue of the COLA. Chairman San Agustin stated that the Legislature has to start the payment process. The Retirement Fund would provide the figures to the Legislature. Chairman San Agustin stated that Judge Arthur Barcinas deducted what had been paid in the previous years. Chairman San Agustin stated that Judge Barcinas has stated that the Retirement Fund should use the Retirement Fund's computation, but that everyone should be based on the 1988 rate of inflation. Chairman San Agustin stated that another problem is that there are some people on the list that may be overpaid. There is about \$3 Million that has to be collected. Chairman San Agustin stated that the Board will not recommend collecting from the retirees. It is up to the Legislature to decide that. The Legislature would have to appropriate the difference. Chairman San Agustin stated that the Board will recommend that the 10% for attorney's fees should be appropriated separately by the Legislature so that it would not be deducted from the individual retiree.

Trustee Anthony Blaz asked Chairman San Agustin to allow Mrs. Gloria Nelson and other members in attendance to address the Board. The Board of Trustees had no objection on allowing Mrs. Nelson and others to address the Board.

Mrs. Nelson stated that the retirees appreciate the information that is being provided to them at today's meeting. Mrs. Nelson stated that some of those information did not come out when they were at the Legislature. Mrs. Nelson stated that the retirees do not want to be penalized for the \$3 Million. Mrs. Nelson stated that if the Court rejects the Retirement Fund's estimated figure of \$96.7 Million, then the COLA amount will be somewhere between \$150 Million and \$160 Million. After deducting the

\$32.5 Million of lump sum payments that were made, this leaves a balance of somewhere between \$120 Million and \$130 Million. Mrs. Nelson asked whether the Board could recommend that the \$32.5 Million be incorporated to end up with either \$120 Million or \$130 Million. Mrs. Nelson stated that the media was coming with the figure of \$64.2 Million based on \$97.6 Million minus \$32.5 Million. Chairman San Agustin stated that it is up to the Legislature to decide whether they want to deduct the \$32.5 Million. The Legislature should recognize that the judge did order that it should be deducted. Mrs. Nelson stated the Board could recommend to the Legislature that the penalty should be extracted completely. Chairman San Agustin stated that he would make that recommendation, but the Legislature should be a public hearing where the Retirement Fund could go in and show all the discrepancies. Mrs. Nelson stated that the Board should show their support to have the \$32.5 Million thrown out. Chairman San Agustin stated that the Board does not to have the \$32.5 Million deducted. Trustee Katherine Taitano asked whether the \$32.5 Million is an assessment of prior payments made. Chairman San Agustin stated that his understanding is that the Governor's attorney maintains that it is an offset. Chairman San Agustin stated that the Retirement Fund never recommended an offset. Trustee Taitano stated that the Retirement Fund only came up with the calculations of what it would be.

Mr. Ted Nelson stated that there is an Order issued by Judge Barcinas that the 1988 base calculation be used, not the floating base which created this problem. Mr. Nelson stated that the Board should file the figure of \$130 Million to the judge based on the 1988 base calculation. Mr. Nelson stated that on behalf of those retirees in attendance that he is recommending that something be filed immediately to Judge Barcinas using the 1988 base calculation.

Mr. Ben Garrido inquired about survivors of deceased retirees. Chairman San Agustin stated that Senator Tony Unpingco has introduced a bill regarding this issue.

Mr. Joe Chargualaf stated that the government is spending too much money and time on this matter. Mr. Chargualaf stated that he feels that this Board has an obligation. If the Board supports what Mr. Nelson had just recommended, it would be the best solution to expedite matters. Mr. Chargualaf stated that the base rate is the determining factor. A female in attendance stated that the retirees have waited long enough, let us move on and take action now. "If it takes addressing this to Legislature, so be it".

Vice-Chairman Wilfred Leon Guerrero stated that he supports Mr. Nelson's recommendation that the Board submit to the Court the 1988 base calculation used in calculating the COLA for employees who retired between January 1, 1995 and May 31, 1995. Vice-Chairman Leon Guerrero stated that this request should be submitted to Court including the new figures along with the proposed legislation. Director Blas stated that Mr. Nelson's recommendation was that the new figures be forwarded to the Court. Director Blas stated that the Fund's calculations at Court are not consistent with the Decision and Order that the Judge Barcinas had issued. Trustee Taitano asked what is the proposed legislation being drafted by Legal Counsel. Chairman San Agustin stated that the Board is seeking clarification whether the Board is going to accept the 1988 base rate because the figure would then be \$155 Million and not \$96.7 Million. Director Paula Blas stated that Judge Barcinas said to use the 1988 base rate and come up with those numbers.

**Trustee Anthony Blaz, seconded by Trustee George Santos, moved to approve to have the Retirement Fund Board of Trustees instruct Attorney David Dooley to draft legislation to address the payment and distribution of COLA to reflect the payment of between \$120 Million and \$130 Million and to forward said legislation to the Guam Legislature. Without objection, the motion unanimously passed.**

Chairman San Agustin stated that the Board should inform Judge Barcinas that the Board accepts the 1988 base calculation and to attach the proposed legislation that will be submitted to the Court.

**Vice-Chairman Wilfred Leon Guerrero, seconded by Trustee Anthony Blaz, moved to approve having Attorney David Dooley file with the Court that the Board accepts the 1988 base calculation and to submit the new figures along with the draft legislation addressing the payment and distribution of COLA to reflect the payment of between \$120 Million and \$130 Million. Without objection, the motion unanimously passed.**

**RECESSED: 12:55 P.M.**

**RECONVENED: 1:45 P.M.**

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

- A. May 12, 2006, June 9, 2006, July 14, 2006, August 11, 2006 and September 8, 2006 Regular Meetings; and October 10, 2006 and October 17, 2006 Special Meetings**

Chairman San Agustin stated that he is concerned that the minutes are still behind. Secretary James Taylor stated that he will review the draft minutes that are submitted to him. Director Paula Blas stated that she would take care of this matter.

**Treasurer Gerard Cruz, seconded by Secretary James Taylor, moved to defer approval of the Minutes of May 12, 2006, June 9, 2006, July 14, 2006, August 11, 2006 and September 8, 2006 Regular Meetings; and October 10, 2006 and October 17, 2006 Special Meetings. Without objection, the motion passed.**

## **III. CORRESPONDENCE**

- A. September 28, 2006 Letter from Attorney F. Randall Cunliffe Regarding Retirement Issue – Carl T.C. Gutierrez**

Chairman San Agustin stated that the letter from Attorney Cunliffe dated September 28, 2006 regarding Carl T.C. Gutierrez is being referred to the Members and Benefits Committee.

- B. October 2, 2006 Letter from Gary Lisenbee, President, Metropolitan West Capital Management, Regarding Change in Fee Schedule**

Chairman San Agustin stated that the letter from Metropolitan West Capital Management dated October 2, 2006 regarding the change in fee schedule is being referred to the Investment Committee.

**C. October 2, 2006 Letter from Felix P. San Nicolas Regarding Physical Evaluation / October 10, 2006 Response to Felix P. San Nicolas**

Chairman San Agustin stated that the letter from Felix San Nicolas dated October 2, 2006 and the October 10, 2006 response to Mr. San Nicolas regarding physical evaluation is being referred to the Members and Benefits Committee.

**D. October 2, 2006 Letter from Victor F. Reyes Regarding Clarification on the Dismissal of Medical Disability Benefits**

Chairman San Agustin stated that the letter from Victor Reyes dated October 2, 2006 regarding clarification on the dismissal of medical disability benefits is being referred to the Members and Benefits Committee.

**E. October 5, 2006 Letter from Senator Judith Won Pat Regarding COLA**

Chairman San Agustin stated that the letter from Senator Won Pat dated October 5, 2006 regarding COLA is being referred to the Audit Committee.

**F. October 11, 2006 Letter from Attorney F. Randall Cunliffe Regarding Carl T.C. Gutierrez – Request for Reimbursement of Attorney’s Fees**

Chairman San Agustin stated that the letter from Attorney Cunliffe dated October 11, 2006 regarding request for reimbursement of attorney’s fees is being referred to the Members and Benefits Committee.

**G. October 12, 2006 Letter from June M.C. Borja Regarding Felipe (Phillip) P. Garrido, Survivor Annuity**

Chairman San Agustin stated that the letter from June Borja dated October 12, 2006 regarding survivor annuity is being referred to the Members and Benefits Committee.

**H. October 12, 2006 Letter from Charles F. Toves Regarding Information on Hedge Funds**

Chairman San Agustin stated that the letter from Charles Toves dated October 12, 2006 regarding information on Hedge Funds is being referred to the Investment Committee.

**I. October 16, 2006 Letter from Dolores B. Santos Regarding Request for Service Credit**

Chairman San Agustin stated that the letter from Dolores Santos dated October 16, 2006 regarding request for service credit is being referred to the Members and Benefits Committee.

**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 this remains status quo since the September 8, 2006 Board meeting. There are no new motions filed.

2. ***Candelaria Rios, et al. vs. Joseph Ada, et al. (Special Proceeding Case No. SP206-98)*** – Director Blas stated that the Retirement Fund filed a statement regarding forms of writ and judgment on October 10, 2006 with the court requesting for clarification of the judgment and writ so that the Retirement Fund can properly administer the COLA payments. Director Blas stated that the filing is consistent with the Board’s action during their Emergency meeting on October 10, 2006. The Fund is currently waiting for the Judge’s decision.

3. ***Organic Act / Trust Agreement*** – Secretary James Taylor stated that the Trust Agreement is in its final stage for the Board’s approval. Secretary Taylor stated that the issue is whether to take it to Congress or the Legislature. Chairman San Agustin stated that he is disappointed with Delegate Madeleine Bordallo. Chairman San Agustin stated that she had already drafted a bill but she was persuaded not to introduce it. Secretary Taylor asked whether Chairman San Agustin is suggesting forwarding this to the Legislature. Chairman San Agustin replied “yes.”

**Secretary James Taylor, seconded by Treasurer Gerard Cruz, moved to approve the Trust Agreement. Without objection, the motion passed.**

4. ***Request for Proposal (RFP): Custodial Bank Services*** – Director Blas stated that the concerns regarding the non-disclosure of information for this RFP have been resolved at the September 8, 2006 Board meeting. A copy of the non-disclosure letter is provided, at this meeting, for the Board’s review and approval. Director Blas mentioned that small banks were not excluded. Upon approval of the Board, Management will be issuing the RFP within the next few weeks. Chairman San Agustin stated that he would like to get clarification on who makes the decision and who does the selection. Director Blas stated that she will get clarification. Chairman San Agustin stated that he wants to be sure that the Board reserves the right to approve it and do the selection. The Committee should only evaluate and recommend to the Board.

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

6. ***Request for Proposal (RFP): Legal Services – Securities Litigation and Portfolio Monitoring Services*** – Director Blas stated that the Securities Litigation and Portfolio Monitoring Services contract with Bernstein Litowitz Berger & Grossman LLP (BLB&G) has been signed. Vice-Chairman Wilfred Leon Guerrero mentioned that he met with Mr. Blair Nicholas from BLB&G.

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

8. ***Public Law 28-66*** – Director Blas stated that this public law appropriated \$1.4 Million from the General Fund to the Retirement Fund as follows:

- \$660,000 for GMHA’s past due contributions for Fiscal Year 2005
- \$800,000 for outstanding retirement contributions for GMHA employees waiting to retire, who have filed notices of intent to retire with the Retirement Fund.

Director Blas stated that the remaining balance of \$1,160,000 was received on September 28, 2006. Director Blas stated that this public law has been fulfilled. Chairman San Agustin stated that the funds came from the Section 30 monies.

**9. Century 21, Realty Management Company, Inc. – Parking Lot Use Agreement** – Director Blas stated that a letter was sent to Century 21 and First Hawaiian Bank (FHB) regarding the parking lot use agreement. Director Blas stated that the Retirement Fund is currently reviewing the proposed changes to the lease by FHB and these changes will be presented at the November 2006 Board meeting. Director Blas stated that she is requesting to also have the Fund insured.

**10. Waiver of Recourse Insurance** – Director Blas stated that the endorsement for the waiver of recourse insurance has been received by Iris, Ltd. for a total premium of \$175.00. Director Blas stated that the premium cannot be paid by the Retirement Fund, therefore, a check in the amount of \$25.00 from each Trustee should be made payable to Iris, Ltd. for individual Trustee coverage. Payment should be submitted to Controller Diana Bernardo.

**11. Retirement Contribution Rate** – Director Blas stated that Public Law 28-149, Section 3 reads: “In accordance with Subsection 8137(e) of Article 1, Chapter 8 of Title 4 of the Guam Code Annotated, in each fiscal year beginning with Fiscal Year 2007 and continuing through Fiscal Year 2011, the government’s rate of contribution to the Government of Guam Retirement Fund shall annually increase *by no less than* 0.84% in order to reach the contribution rate of 26% or the recommended actuarial contribution rate.”

Director Blas stated that as of September 30, 2005, the actuarial valuation determined the contribution rate to be 27.48%. Based upon legal interpretation of Public Law 28-149, it would be prudent for the Fund to base the recommended contribution rate on the actuarial valuation of September 30, 2006.

For Fiscal Year 2006, the contribution rate was 21.81% plus the increase for Fiscal Year 2007 of 1.13% will put the government’s contribution rate for Fiscal Year 2007 at **22.94%**. Director Blas stated that the Fund took favorable position of 22.94%.

### **Financial Report**

**1. Contributions** – Director Blas stated that all agencies are current with their Fiscal Year 2006 employee and employer contributions.

**2. Financial Statements** – Director Blas stated that the books for the month ending September 2006 will be closed by November 6, 2006.

**3. FY2006 Retirees’ Supplemental Benefits** – Director Blas stated that the supplemental benefits for retirees and survivors for the month of September 2006 were paid. The Department of Administration should be forwarding the checks for the supplemental benefits for October by next week as well as the COLA payments for Fiscal Year 2007.

**4. Medicare Reimbursements** – Director Blas stated that appropriations for the shortages for Medicare Reimbursements for Fiscal Year 2005 and Fiscal Year 2006 were included in the Fiscal Year 2007 Executive Budget. Once monies have been received by the General Fund, a lump sum payment for the remaining months for Fiscal Year 2005 and Fiscal Year 2006 will be paid. The reimbursement amount is \$225,000.00. Director Blas stated that the reimbursement for Fiscal Year 2007 will be paid shortly.

## **V. LEGAL COUNSEL’S REPORT**

Director Blas stated that Attorney Dooley reported earlier on the COLA case.

## **VI. TREASURER’S REPORT OF FINANCIAL STATUS**

No report was made at this time by Treasurer Gerard Cruz. Chairman San Agustin suggested that the Fund obtain a monthly cash flow analysis from the bank.

## **VII. STANDING COMMITTEE REPORTS**

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

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

**Trustee George Santos, seconded by Trustee Anthony Blaz, moved to approve the recommendation of the Members and Benefits Committee contained on Pages 4 through 10, including the attached Annuity Worksheets, based on the Committee’s review and findings during their meeting of September 13, 2006 and subsequent meetings thereafter. Without objection, the motion passed.**

### **B. Investment Committee**

Controller Bernardo reported that the Investment Committee held its meeting on October 6 and 17, 2006. Controller Bernardo stated that the following items were discussed and approved by the Investment Committee for Board action:

**1. Investment Manager Petition Letters** - Controller Bernardo stated that Chairman San Agustin was authorized to advise Investment Managers of the relaxation of Section 8157 provisions as a result of Public Law 28-136. In response to the Fund’s notification letter, petition letters were received from the following Investment Managers, requesting that they be allowed to invest up to 25% in stocks of companies that do not meet the requirements of Section 8157:

- Davis Hamilton Jackson & Associates
- Metropolitan West Capital Management
- RCM Capital Management

Controller Bernardo stated that the Investment Committee recommends that the Board grant the aforementioned requests by the three Investment Managers to invest up to 25% in stocks of companies that do not meet the requirements of Section 8157.



Controller Bernardo further stated that in response to RCM Capital Management's petition letter, the Investment Committee recommends that the letter specifically indicate that the Board is not authorizing a "25% exclusion from the existing statutory requirement." Rather, the Board is allowing RCM Capital Management to invest up to 25% in stocks of companies that do not meet the requirements of Section 8157.

**Vice-Chairman Wilfred Leon Guerrero, seconded by Treasurer Gerard Cruz, moved to grant the requests of Davis Hamilton Jackson & Associates, Metropolitan West Capital Management and RCM Capital Management to invest up to 25% in stocks of companies that do not meet the requirements of Section 8157. Without objection, the motion passed.**

2. ***Request for Proposals (RFP)*** – Controller Bernardo stated that the Board had authorized the issuance of the following RFPs for new Investment Managers:

- Real Estate Investment Trusts (REITs)
- Domestic Small Cap Equity

Controller Bernardo stated that since potential offers must enter or update their firm and relevant investment product information on Mercer's Global Investment Manager Database (GIMD), a "Non-Disclosure of Confidential Information Letter" was drafted and reviewed by the Investment Committee.

Controller Bernardo stated that the Investment Committee recommends that the Board approve the release of the aforementioned RFPs and the issuance of the Non-Disclosure of Confidential Information Letter to Mercer Investment Consulting.

**Vice-Chairman Wilfred Leon Guerrero, seconded by Treasurer Gerard Cruz, moved to release the Request for Proposal for Real Estate Investment Trusts (REITs) and the Request for Proposal for Domestic Small Cap Equity and the issuance of the Non-Disclosure of Confidential Information Letter to Mercer Investment Consulting, subject to receipt of positive acceptance by Mercer Investment Consulting. Without objection, the motion passed.**

3. ***Watch List Policy*** - Controller Bernardo stated that the Investment Committee recommends that the Board approve the Watch List Policy. Upon approval by the Board, the Watch List Policy would be included in the existing Defined Benefit Plan Investment Policy Statement under the section entitled "Monitoring of Investment Managers."

**Vice-Chairman Wilfred Leon Guerrero, seconded by Treasurer Gerard Cruz, moved to approve the Watch List Policy. Without objection, the motion passed.**

4. ***Other Information:***

a. ***Investment Committee Minutes*** - Controller Bernardo stated that the Investment Committee reviewed and approved the August 4, 2006 Investment Committee Meeting minutes.

b. ***Request for Proposal (RFP) for a Feasibility Study*** – Controller Bernardo stated that the draft RFP for a Feasibility Study was reviewed and discussed by the Investment Committee and is pending revisions by Management.

c. **Request for Proposal (RFP) for a Transition Manager** - Secretary Taylor stated that the draft RFP for a Transition Manager is pending review by the Investment Committee.

d. **Request for Proposal (RFP) for Defined Contribution Investment Consultant** – Controller Bernardo stated that the RFP Committee Members have reviewed the four proposals submitted. The Committee’s decision is still pending.

### **C. Audit Committee**

Controller Bernardo reported that Management met with the Public Auditor and the Fund’s Auditor regarding the Fiscal Year 2006 audit. Controller Bernardo stated that another meeting will be scheduled for the first week of November 2006. Controller Bernardo stated that the draft audit will be issued no later than March 31, 2007. The final audit should be completed by April 30, 2007. Chairman San Agustin stated that he has not seen the audit which includes the Defined Contribution 401 and 457 plans. Rosalia Bordallo, General Accounting Supervisor, stated that the 401 is incorporated in the Fund’s financials. Chairman San Agustin stated that there should be a separate audit identifying the 401 and 457 plans. Controller Bernardo stated that this type of audit report is only required for plans subject to URISSA. Controller Bernardo stated that the Fund would look into having a separate audit for the 457 Plan.

### **D. Governmental Liaison**

Vice-Chairman Leon Guerrero inquired about the budget act. Chairman San Agustin stated that there was an issue regarding compensation for the Board. Chairman San Agustin stated that there is a “Volunteer Protection Act” which the Legislature adopted. This will protect people from liability if they serve voluntarily. Chairman San Agustin stated that the moratorium is lifted. Chairman San Agustin stated that the question is does the Board want to be compensated \$50.00 per meeting thereby getting the Board out of the umbrella of the Volunteer Protection Act. Chairman San Agustin stated that it is allowance versus compensation. Director Blas stated that none of the other bills were incorporated into the budget act.

Chairman San Agustin asked Director Blas to prepare a packet of the proposed bills for the Board to transmit to the Legislature.

## **VIII. TRAVEL REPORT**

### **A. Joe T. San Agustin – September 14, 2006, San Diego, California (Meeting with Blair Nicholas – Bernstein Litowitz Berger & Grossman LLP)**

Chairman San Agustin stated that he submitted, at this meeting, his travel report on the meeting he had with Blair Nicholas from the Law Firm of Bernstein, Litowitz, Berger and Grossman, held on September 14, 2006 in San Diego, California.

## **IX. OLD BUSINESS**

None

**X. NEW BUSINESS**  
**A. COLA Confirmation**

Chairman San Agustin stated that Item X (A) above was discussed at the beginning of this meeting.

**B. Evaluation of Compensation of Investment Manager – Asset Base vs. Performance Fee**

Chairman San Agustin stated that Item X (B) is being referred to the Investment Committee for their review.

**C. Use of Index Methodology**

Chairman San Agustin stated that Item X (C) is being referred to the Investment Committee for their review.

**D. Evaluation of Security Lending**

Chairman San Agustin stated that Item X (D) is being referred to the Investment Committee for their review.

**XI. OPEN DISCUSSION / GENERAL PUBLIC INPUT**

None

**XII. ANNOUNCEMENTS**

None

**XIII. ADJOURNMENT**

**There being no further business before the Board for the Defined Benefits Plan, on motion of Trustee Anthony Blaz, seconded by Treasurer Gerard Cruz, and without objection, the meeting was adjourned at 2:40 p.m. Motion passed.**

**I hereby certify that the foregoing is a full, true and correct copy of the Minutes of October 20, 2006 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on March 9, 2007.**

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**James J. Taylor, Board Secretary**

**RECORDING SECRETARY:**

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**Jackie Blas**