

MINUTES

SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM

February 5, 2013

The special meeting of the Board of Trustees was called to order at 1:03 p.m., February 5, 2013, by the Chair, Janet Cowell. The meeting was held in the Dawson Conference Room at the State Treasurer's offices in Raleigh. This meeting was scheduled for the purpose of the Board hearing oral arguments for the contested case of "*Brenda C. Hemphill, Petitioner, v. North Carolina Department of State Treasurer, Respondent.*" A conference telephone line was available to members of the Board and the public for the open session. Members of the Board used a different telephone line for the closed session, during which the Board deliberated on its decision.

Members Present

The Board Members present and/or participating on the telephone were: Janet Cowell, Pearla Alston, Sam Barefoot, Loris Colclough, Joyce Elliott, Shirley Harris, Harold Keen, Harold Martin, Sterling Primus and Paschal Swann.

Members Absent

The Board Members absent were: June Atkinson, Dennis Ducker, Mark Foster and Randy Sales.

Department of State Treasurer Staff Present

The staff members present were: Steve Toole, Garry Austin, Jaclyn Goldsmith and Joyce Rutledge.

Guests Present

The guests attending were: Robert Curran, Susannah Holloway and Alexander Peters, with the Attorney General's Office; and David McDonald, Attorney for Petitioner, was present on the telephone.

Conflicts of Interest

The Chair had asked during the January 17, 2013 Board meeting, pursuant to the ethics rules, about conflicts of interest of Board Members regarding any matters that were before the Board. There were no ethics conflicts identified by the Board Members at that meeting, for which the Contested case was originally scheduled to be heard.

Consideration of Contested Case of Brenda C. Hemphill, Petitioner v. North Carolina Department of State Treasurer, Retirement Systems Division, Respondent

The Board heard oral arguments from David McDonald, representing Petitioner Brenda C. Hemphill, and Susannah Holloway of the North Carolina Department of Justice, representing

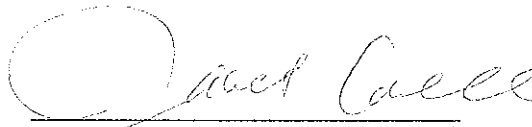
Respondent. At the close of oral arguments, it was moved by Sam Barefoot, seconded by Sterling Primus and carried that the Board go into executive session to deliberate on the Contested Case. Alexander Peters acted as legal advisor to the Board.

At the close of executive session, it was moved by Pearla Alston, seconded by Pat Swann and carried that the Board return to open session.

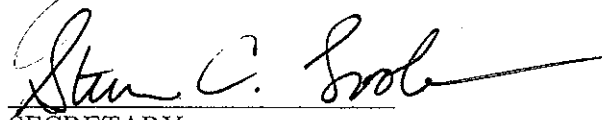
The Chair then announced in open session that the Board had decided to uphold the Administrative Law Judge's Decision in the aforementioned Contested Case.

Adjournment

There being no further business, Pearla Alston moved for adjournment of the meeting, which was seconded by Sterling Primus and carried. The meeting adjourned at 1:38 p.m.



CHAIR



SECRETARY