

Stueve · Siegel · Hanson

LLP



**SECURITIES MONITORING FOR
PENSION FUNDS**

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SECURITIES MONITORING: WHAT IS IT?

- Quarterly portfolio review by securities attorneys that:
 - Reports on meritorious securities-related litigation that impacts investment holdings in the portfolio;
 - Provides an overview of financial loss; and
 - Gives a recommendation about how to proceed.

SECURITIES MONITORING: WHAT IS IT?

- Recommendations may include:
 - Do nothing;
 - File a claim in a class action case (passive role);
 - Pursue a class action case (active role); or
 - Pursue an individual case.
- No matter what the recommendation is, the fund's trustees and staff make the final decision.

SECURITIES MONITORING: WHY DO IT?

- Another set of eyes
- It's free
- Funds are diversifying, which enhances risks
- Low risk
- Fiduciary obligations

COMMON EXCUSES NOT TO PERFORM SECURITIES MONITORING

- We don't want to be involved in class actions
- We don't want lawyers bothering us
- Our custodian handles it
- We are a small fund
- We don't want to “sue ourselves”

Recommended Provisions for Securities Monitoring Agreements

- Fund trustees and/or staff retain control over significant litigation decisions
- Multiple law firms performing monitoring
- Non-exclusivity agreements with law firms
- Provisions for litigation other than class actions

Recommended Provisions for Securities Monitoring Agreements

- Limit reports to meritorious cases
- Designate specific staff as point of contact
- Other standard provisions (expenses, fees, etc.)
- Termination / reauthorization clause

Our Firm – Stueve Siegel Hanson

- Local law firm with headquarters in Kansas City
- Former public attorneys
- Substantial securities experience in both the class and non-class context
- Recovered over \$100 million in unpaid wages for working families across the country
- Perform securities monitoring for Kansas Public Employee Retirement System (KPERs) – a \$10 billion fund
- Also represent other public entities, including Jackson County

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