



SamCERA

Request for Proposal

*for Securities Litigation
Services*

www.SamCERA.org

***San Mateo County
Employees'
Retirement
Association***

*100 Marine Parkway, Suite 125
Redwood Shores, CA 94065*

May 6, 2010

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I. INTRODUCTION

The San Mateo County Employees' Retirement Association (*SamCERA*) requests proposals from outside legal counsel with significant experience and expertise in evaluating, monitoring and carrying out securities fraud litigation. *SamCERA* seeks to monitor and potentially participate in securities class actions and other litigation where appropriate to safeguard the interests of the retirement fund.

Accordingly, *SamCERA* wishes to engage one or more legal firms to provide the services detailed below. Interested firms are asked to submit qualifications outlining their ability to serve in the dual roles of monitoring/evaluation counsel and litigation counsel.

Firms are advised that the services of monitoring/evaluation counsel must be provided at no cost to *SamCERA* and that a firm(s) providing such services cannot be assured that any resulting litigation will be awarded to that firm.

II. SCOPE & DELIVERABLES

1. Monitoring and Evaluation

SamCERA is seeking proposals from firms that would provide the following services:

- A. Monitor *SamCERA*'s invested assets for any losses that may have occurred as a result of a violation or potential violation of federal and state securities laws or a breach of any duty owed the system. As part of this process, your firm would be required to make the retirement board aware of any and all such losses on a timely basis. Along with the report of losses you would be required to provide a report to the board regarding the advisability of seeking damages or compensation for such losses, as well as the chances of success and potential expenses of litigation.
- B. Provide a report and advice to the board on when to (1) opt out of a class and or (2) object to any proposed settlement of a class action.

2. Litigation Counsel

- A. If the retirement board decides to have *SamCERA* take an active role in any securities litigation, (more than just being a class member) one or more firms may be chosen from the pool of firms established as a result of this request for proposal process to advise and represent the retirement fund's interests in the litigation. Firms will be chosen based on several factors including, but not limited to, case analysis provided, representation of similarly situated entities, fee proposals, other clients represented, potential conflicts of interest, and the firm's expertise or familiarity with the particular issue presented in the

case. The final selection of litigation counsel will be at the discretion of the board of retirement. The board reserves the right to select a firm to serve as litigation counsel that is not among those selected as a result of this request for proposal process.

III. BACKGROUND

PLAN DESCRIPTION

SamCERA is a public pension plan established and governed by the County Employees Retirement Law of 1937. (Government Code Sections 31450-31899.10.)

PORTFOLIO DESCRIPTION

SamCERA's portfolio had a total market value of approximately \$1.9 billion as of February 28, 2010. The portfolio is managed by several external investment managers. Assets are held by *SamCERA*'s custodian, State Street Bank and Trust Company.

Portfolio allocations as of March 31, 2009, were as follows:

	Target	Actual
Large Cap Equities – Indexed	7.3%	7.2%
Large Cap Equities – Active	29.7%	29.6%
Small Cap Equities – Active	9.0%	9.4%
International Equities – Active	21.0%	20.6%
Domestic Fixed Income – Active	27.0%	25.5%
Real Estate – Core Fund	6.0%	5.4%
Cash	0.0%	2.3%

IV. GENERAL CONDITIONS OF SUBMISSION

A. All proposals submitted become the property of *SamCERA*. Should a Proposer wish to withdraw their proposal, a written letter so stating must be received by *SamCERA*.

B. There is no expressed or implied obligation for *SamCERA* to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. Costs for developing proposals are entirely the responsibility of the Proposer and will not be chargeable to or reimbursable by *SamCERA*.

C. All proposals submitted in response to this RFP shall be subject to public disclosure pursuant to the California Public Records Act (Cal. Govt. Code Section 6250 et. seq.). The Act provides that access to information concerning the conduct of the people's business is a fundamental and necessary right to every person in the state. Public records are defined as any writing related to the conduct of the public's business.

D. There are specific exceptions to the Public Records Act. In the event *SamCERA* receives a request for inspection of any proposal submitted pursuant to this RFP, it is the responsibility of the organization whose proposal has been requested to assert any right of confidentiality that may exist. *SamCERA* will not make that assertion on behalf of the Proposer. Absent a judicial determination that the documents are exempt from disclosure, they will be released.

E. Submission of a proposal constitutes a complete waiver of any claims whatsoever against *SamCERA*, and/or its agents, trustees, officers, fiduciaries, or employees, that *SamCERA* has violated a Proposer's right to privacy, disclosed trade secrets or caused any damage by allowing the proposal to be inspected.

F. All proposals must remain valid for a period of not less than 120 days from the submission due date.

G. *SamCERA* reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected.

H. *SamCERA* reserves the right to contact current and former clients of the Proposer for information at any time during the proposal process.

I. *SamCERA* reserves the right to accept or reject any or all proposals and may waive any requirements of this Request for Proposal if it deems it in the best interests of *SamCERA*.

J. *SamCERA* reserves the right to contact individual Proposers for clarifying information at any time during the proposal process.

V. PROPOSAL CONTENTS

To be eligible, Proposers shall adhere strictly to the format set forth below. Each of the required sections identified must be addressed and must be specifically labeled.

The content and sequence of the proposal will be as follows:

Section	Title
A.	Cover Letter
B.	Table of Contents
C.	Firm Background
D.	Description of Proposed Work
E.	Current Clients/References
F.	Statement of No Compensation or Retainer

Items A through G below contain brief descriptions of material that must be included in this proposal.

A. Cover Letter: Proposer shall identify the firm, its home office and branch office, if any, that would provide the services offered in the proposal. Addresses shall be supplied, along with name, telephone number and facsimile number and email address of a principal contact for information regarding the proposal.

B. Table of Contents: Proposer shall include a table of contents that will clearly identify the contents of their proposal.

C. Firm background

1. Give a brief history of the firm including:
 - a. the year organized,
 - b. the year the firm began providing securities litigation services

2. Give an overview of your current firm including:
 - a. total number of your firm partners and associates.

- b. total number of offices and locations of those offices
- c. general practice areas of your firm.

3. Give background information about the firm members who would be responsible for the *SamCERA* account.

4. Please give any other information about your firm that would be helpful in evaluating your proposal.

D. Description of Proposed Work:

The questions presented in this section must be answered completely and in the same sequence. Supporting material must be clearly referenced to the appropriate question. With regard to monitoring, please describe:

1. Regarding monitoring/evaluation:

- a. How your firm would identify potential class action litigation suitable for *SamCERA* to act as the sole lead plaintiff or in a consortium of lead plaintiffs.
- b. How your firm would identify potential class action litigation suitable for *SamCERA* to opt out of for purposes of filing an individual action on behalf of the system,
- c. The role of the custodian in the process,
- d. The role of *SamCERA* staff in the process,
- e. Your process for assuring that *SamCERA* files timely claims when it participates in class actions on a passive basis (not as a lead plaintiff),
- f. A list of public pension funds for which you currently provide monitoring services,
- g. The reporting process to staff and the board.
- h. Confirmation whether or not your firm has any record of disciplinary action or court sanctions issued against your firm (if so, please provide a complete copy of such records).

2. Regarding services as litigation counsel, please describe:

- a. The application process to seek lead plaintiff status in the event *SamCERA* would be the single lead plaintiff or in a consortium of lead plaintiffs.
- b. The process to opt out of a class action case,
- c. A general description of your firm's method for damage analysis and recovery projections for class action cases and opt-out cases,
- d. Identification of your firm's malpractice insurance coverage limits.

- e. Confirmation whether or not your firm has any record of disciplinary action or court sanctions issued against your firm (if so, please provide a complete copy of such records).

E. Current Clients/References:

Proposer will provide contact information for five current clients or references. In addition, provide contact information for five clients lost in the past three years.

F. Statement of No Compensation or Retainer:

A. Proposer will set forth in its proposal that no compensation or retainer will be paid. If a firm is engaged to take formal legal action, the firm must agree to be retained on a contingency fee basis for such representation, and agree to advance all expenses incurred in the litigation. All fees, costs and expenses incurred in such litigation will be paid solely from recoveries, if any, achieved in the litigation. Note that the retirement board reserves the right to negotiate the terms of engagement, including contingency fees and costs to be charged to *SamCERA*.

VI. EVALUATION OF PROPOSALS

The following criteria, not listed in the order of importance, will be used to determine which firm best meets the needs of *SamCERA*:

1. Best understanding of services needed by *SamCERA*
2. Experience providing securities litigation services. Experience serving public pension funds
3. Ability to provide the required scope of services
4. Positive references and background checks

SamCERA may agree to work with one or more firms to handle all or part of the requested services. Therefore, a firm that can only provide part of the requested services will not be disqualified from consideration for that reason.

The finalists may be selected for interview or other selection process determined by *SamCERA*. Interviews may be conducted by staff and/or the retirement board. Interviews are typically conducted in person at *SamCERA*'s offices.

VII. QUESTIONS REGARDING THIS RFP

Proposers requiring clarification of the intent or content of this RFP may request clarification only by submitting written questions via email. Please send questions to both of the email addresses below. No faxed or telephone questions will be accepted.

dbailey@samcera.org with a cc to: gclifton@samcera.org.

NOTE: Written questions are to be received via email not later than May 20, 2010. Responses will be provided via email and posted to the *SamCERA* website.

Proposers are specifically precluded from contacting other *SamCERA* staff or trustees, until a contract has been entered into with the successful Proposer(s).

VIII. SUBMISSION

All proposals must be in writing and must be delivered by mail (or delivery service) with an electronic copy delivered by email. No faxed, or telephone proposals will be accepted.

Deliver **ten (10)** mailed or delivery service copies to:

David Bailey, Chief Executive Officer
San Mateo County Employees' Retirement Association
100 Marine Parkway, Suite 125
Redwood Shores, CA 94065-5802
650-599-7231

Send a copy of the proposal by email to both of the email addresses listed below:

dbailey@samcera.org with a cc to: gclifton@samcera.org.

Schedule for Submission:

Date	Event
May 6, 2010	RFP Distributed by <i>SamCERA</i>
May 20, 2010	RFP Questions Due from Interested Parties
May 27, 2010	Responses to Proposer Questions Provided by <i>SamCERA</i>
June 7, 2010, 12 Noon	Proposals Due in <i>SamCERA</i> Office
June 15, 2010	Audit Committee Meets to Review proposals
June 15, 2010	Audit Committee Report to the Board
June 24, 2010	Invitations Extended for Finalist Interviews
July 27, 2010	Interviews and Selection by <i>SamCERA</i> Board