

Minutes of the TCRS Board of Trustees meeting on August 18, 2014

The Board of Trustees of the Tennessee Consolidated Retirement System met on Monday, August 18, 2014 at 1:05 p.m. The meeting was held in Room 30 of the Legislative Plaza with Chairman David Lillard presiding.

Chairman Lillard asked Ms. Bachus to conduct an attendance roll call. The following members were present: Chairman David Lillard, State Treasurer; Mr. Tre Hargett, Secretary of State; Mr. Justin Wilson; Comptroller to the Treasury; Ms. Jill Bachus, Director of TCRS; Mr. Michael Barker, Ms. Patsy Moore, Mr. Bill Kemp, Mr. Ken Wilber, Mr. Harold Morrison, Ms. Angie Judish, Mr. Alfred Laney, and Mr. Gill Kendrick.

Introductory Remarks

The TCRS Board of Trustees meet on a confidential matter and the board went into a closed session. The Board reconvened in an opened session to deliberate on the matter at hand.

The Board is the lead plaintiff in litigation involving the Federal National Mortgage Association and needed to meet in a closed session to received privileged and confidential advice from the Board's attorneys at Kaplan Fox. Applicable law provides an exception to the Open Meetings Act for discussion between a governing body and its attorney concerning pending litigation.

Motion

On a motion by Ms. Bachus and seconded by Mr. Barker, the Board unanimously approved the settlement in the pending Fannie Mae litigation pursuant to the terms suggested by the mediator, that being a total payment by Fannie Mae of \$170 million with the allocation of that amount between costs of litigation, attorney's fees and the two classes of plaintiffs, common stock and preferred stock, to be determined by agreement of the parties or, if that is not possible, by mediation.

On a motion by Ms. Bachus and seconded by Mr. Laney, the Board unanimously delegated to the Chair the authority to approve the final allocation.

Adjournment

Chairman Lillard announced the completion of the business at hand and asked if there was any other business to come before the Board.

On a motion by Comptroller Wilson and seconded by Mr. Laney, the Board unanimously approved the TCRS Board of Trustees meeting be adjourned.

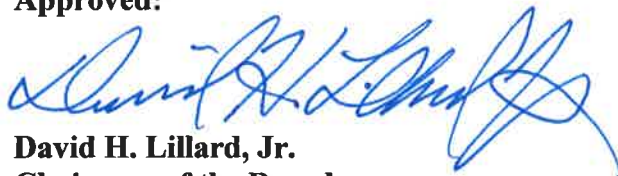
With no other business, the Board of Trustees adjourned at 1:25 p.m. on August 18, 2014.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Jill Bachus". The signature is fluid and cursive.

**Jill Bachus
Director, TCRS**

Approved:

A handwritten signature in blue ink that reads "David H. Lillard, Jr.". The signature is highly stylized and cursive.

**David H. Lillard, Jr.
Chairman of the Board**