South Carolina Retirement System Investment Commission
Meeting Minutes

November 8, 2012

15th Floor Conference Room
1201 Main Street
Columbia, South Carolina 29201

Commissioners Present:
Mr. Reynolds Williams, Chairman
Mr. Edward Giobbe, Vice Chairman
State Treasurer Curtis M. Loftis, Jr.
Mr. Allen Gillespie
Mr. James Powers
Dr. Travis Pritchett
Mr. William Blume

Others present for all or a portion of the meeting on Thursday, November 8, 2012:
Mike Addy, Geoff Berg, Betsy Burn, Andrew Chernick, Harris Chewning, Sarah Corbett, Louis Darmstadter, Dori Ditty, Robert Feinstein, Brenda Gadson, Hershel Harper, Monica Houston, Adam Jordan, Lorrie King, David Klauka, Doug Lybrand, James Manning, Lorelei McKay, Bryan Moore, Jared O'Connor, David Phillips, Kathy Rast, Eric Rovelli, Jon Rychener, Kathleen Shealy, Nancy Shealy, Tim Stevenson, Sondra Vitols, Nicole Waites, Brian Wheeler, and James Wingo from the South Carolina Retirement System Investment Commission; Bill Leidinger, Bill Condon, Clarissa Adams, Brian DeRoy, Mike McDermott, and Shakun Tahiliani from the State Treasurer's Office; Jennifer Hylen from the South Carolina Senate Finance Committee; Suzanne Bernard and Brady O'Connell from Hewitt EnnisKnupp, Inc.; Wayne Pruitt from the State Retirees Association; Sara Quattlebaum from Creel Court Reporting; Martin Whitmer from Whitmer & Worrall; David Padgett; and Michael Chung from Deloitte & Touche, LLP (via telephone).

I. CALL TO ORDER

Chairman Reynolds Williams called the meeting of the South Carolina Retirement System Investment Commission ("Commission") to order at 10:00 a.m. Chairman Williams referred to the proposed meeting agenda and asked for a motion to approve. Mr. Curtis Loftis requested that the section of the Chairman's report related to the Commissioner asset class assignments be taken up after the executive session at the end of the meeting. The agenda was adopted as amended.

Dr. Travis Pritchett made a motion to approve the draft minutes from the July 19, 2012 Commission meeting, which was seconded by Mr. James Powers, and passed unanimously.

Dr. Pritchett made a motion to approve the draft minutes from the August 16, 2012 Commission meeting, which was seconded by Mr. Powers, and passed unanimously.

II. CHAIRMAN'S REPORT

Chairman Williams welcomed Ms. Suzanne Bernard, Partner, with Hewitt EnnisKnupp, Inc. ("HEK"), the Commission's new investment consultant.

Chairman Williams stated that he had received questions regarding the definition of legal sufficiency when the Chairman and Staff review investment contracts. Chairman Williams explained that a contract is binding and enforceable when there is an offer, consideration, and acceptance by both parties; the contract is validly entered under the applicable law to accomplish a lawful purpose; and properly executed by a person with the appropriate authority.

Mr. Loftis opined that there should be a document certifying that each investment contract was legally sufficient. Chairman Williams replied that the Commission's legal counsel can certify legal sufficiency verbally, or in writing. Mr. Loftis opined that legal sufficiency should be documented in writing, because it was possible for investment contracts to be altered by Staff after the Commission had made a motion to approve a particular investment. No motions were presented for consideration.

Chairman Williams announced that Staff has posted a position for a Public Information Director, and asked the Commission to recommend any available qualified candidates.

III. COMMITTEE REPORTS

Mr. Allen Gillespie advised that the most recent Audit Committee documents had been posted to the Commissioner extranet for review. Mr. Gillespie stated that one of the concerns raised in Mr. Loftis' letter dated October 11, 2012 to the members of the board of the Public Employee Benefit Authority ("PEBA") and the Commission involved whether PEBA had maintained proper internal controls related to the preparation of the South Carolina Retirement System trust funds' financial statements, and which entities should assume management responsibility for the financial statements and related duties. Mr. Gillespie stated that the Audit Committee determined that, for purposes of the trust funds' financial statements, the Commission is part of the internal control environment, but primary responsibility for the trust funds' financial statements resides with PEBA. Accordingly, Mr. Gillespie made a motion to instruct Staff to provide a management representation letter to PEBA. Chairman Williams announced that Mr. Gillespie's motion was a committee motion, and it did not require a second.

Discussion ensued as to whether the Audit Committee's motion would be applied to the fiscal year ending June 30, 2012. Mr. Gillespie opined that it would be inappropriate to ask Mr. Hershel Harper, Chief Investment Officer ("CIO") and Mr. Adam Jordan, Acting Chief Executive Officer, to attest to internal controls that were in place before they assumed their responsibilities. Following further discussions, it was agreed that a limited scope management representation letter could be provided to PEBA for FYE June 30, 2012, given Mr. Harper and Mr. Jordan's limited tenure. The Audit Committee's motion was unanimously approved with the modification noted above.

After additional comments by Mr. Gillespie, he introduced Ms. Monica Houston, Internal Audit and Compliance Officer, to review and discuss the Internal Audit and Compliance Consolidated Risk Assessment and Proposed Work Plan which summarized the proposed audit and compliance work plan for the remainder of fiscal year 2013 based on identified risk and processes, and suggested audit or review types. Ms. Houston briefly reviewed the results of the risk assessment, and explained the inherent risk of various auditable processes. Ms. Houston reviewed the risk management process, and the suggested service model to cover risk areas. Ms. Houston also briefly discussed the three functions of the audit and compliance staff: (i) compliance; (ii) audit, and (iii) consulting.

Mr. Andrew Chernick, Director of Internal Audit and Compliance, stated that Internal Audit and Compliance was working with PEBA and Staff to ensure continued improvement in the alternative investment valuation monitoring procedures. Mr. Chernick reviewed the guidance on alternative investment valuation provided by the Accounting Standards Codification as defined by the American Institute for Certified Public Accountants and the conditions under which entities are permitted to rely upon net asset values provided by investment managers.

Further discussion ensued. Due to the length of the agenda, Chairman Williams suggested continuing the discussions related to the State Auditor's report to the next meeting.

(Information relating to this matter has been retained in the Commission's files and is identified as Exhibit A.)

IV. IT SECURITY

Mr. James Manning, Director of Information Technology, addressed RSIC's information technology security issues, and stated that RSIC relied heavily on PEBA for most aspects of data and system security. Mr. Manning added that PEBA had employed a full time security administrator and had placed an emphasis on network security. Mr. Manning stated that many of the technologies and policies that were in place for PEBA also protected RSIC's data and networks, and RSIC had also placed an emphasis on securing personally identifiable information ("PII") on network drives. Mr. Manning advised that Staff had started to identify the key areas of risk related to leakage, network vulnerabilities, and other security related needs of the agency, in order to direct the future resources required to properly protect sensitive information. Mr. Manning identified RSIC's key data risks, outlined mitigating strategies that are currently in place at PEBA and RSIC, and advised the Commission on mitigating strategies that were in the process of being completed.

(Information relating to this matter has been retained in the Commission's files and is identified as Exhibit B.)

V. CIO'S REPORT

Mr. Harper reported the current initiatives Staff had been focusing on including: (1) the transition with HEK; and (2) additional projects and process enhancements, including: (a) rationalizing strategic partnerships and current managers; (b) development of the internal asset management project; (c) enhancement of the risk management platform; (d) implementation of the Contact Management System ("CMS"); (e) implementation of the "private i" software platform; (f) reviewing implementation options and resources for operational due diligence; and (g) incorporating recommendations from Deloitte and Internal Audit staff.

Discussions returned to the valuation process. Mr. Michael Chung of Deloitte re-joined the meeting via telephone, and stated that the Commission had been working towards evaluating and implementing Deloitte's valuation recommendations. Mr. Chung advised that some of the issues discussed in the valuation were further complicated due to the bifurcation of responsibilities between PEBA and RSIC. Mr. Chung stated that it is important to note that Deloitte did not review the financial statement preparation process, but rather focused on the due diligence program, and the establishment of policies and procedures in place in connection with the valuation of the assets.

Mr. Harper recommenced the CIO's report, noting that Staff would be proposing an investment in Warburg Pincus Private Equity Fund XI, LP, and stating that the contracts of Johnston International Equity, TA Realty Fund X, LP, and SJC Onshore Direct Lending Fund II, LP were currently in the Commission-mandated thirty day review period. Mr. Harper also stated that the investment in Advent International Global Private Equity VII, LP had closed.

Mr. Harper provided a synopsis of his October 30, 2012 performance update presentation to the State Budget and Control Board ("B&CB").

In response to comments from Mr. Loftis related to fee reporting, there was a discussion regarding management fees and various issues related to how RSIC and PEBA collect, report and validate management fees.

Mr. Blume noted that he had contacted Mr. Thomas Rey of CliftonLarsonAllen on November 9, 2012 in order to respond to a question raised by Mr. Loftis concerning the external auditor's testing and validation of investment management fees. Mr. Blume indicated that Mr. Rey had confirmed that CliftonLarson does reasonableness testing of fees as part of their confirmation process. Mr. Blume also noted the reconciliation steps taken by PEBA's internal auditor.

Following further discussions related to management fees, Mr. Harper concluded his CIO report.

(Information relating to this matter has been retained in the Commission's files and is identified as Exhibit C.)

VI. PERFORMANCE REVIEW

Mr. Geoff Berg, Director of Opportunistic Strategies, reviewed the August 2012 performance report, discussed fiscal year-to-date returns and summarized the performance of the various asset classes. Mr. Berg also reviewed the estimated current asset allocation. There was discussion of asset allocation generally, and the fixed income asset class specifically. Following the discussions, Chairman Williams thanked Mr. Berg for his report.

(Information relating to this matter has been retained in the Commission's files and is identified as Exhibit D.)

VII. UPDATE ON HEK TRANSITION

Ms. Bernard briefly reviewed the third quarter 2012 performance summary and stated that HEK's performance reports would extend through September 30, 2012 and included preliminary September values. Ms. Bernard stated that HEK compared the portfolio's current asset allocation against the RSIC's Investment Policy index, and stated that the Portfolio had outperformed its performance benchmark during all trailing time periods. Ms. Bernard reviewed the peer universe rankings for public funds greater than $1 billion, and noted that RSIC's ranking for the time periods noted in HEK's report is lower due to higher allocations in alternative investments, which had a negative short term impact. Ms. Bernard reviewed the peer risk profile for the [year] ending September 30, 2012, and stated that returns had lagged the peer universe. She noted, however, that the portfolio had exhibited lower levels of volatility during the three-year and five-year periods. Ms. Bernard also advised that the portfolio's risk-adjusted performance versus the Investment Policy index had been favorable. Ms. Bernard reported that positive factors contributing to outperformance include favorable performance from hedge funds, core and global fixed income, emerging market debt, and short duration.

Ms. Bernard provided a brief update on the investment consultant transition. Ms. Bernard advised that HEK had conducted a preliminary asset liability study that would be reviewed at the February 28, 2013 Commission meeting. Ms. Bernard stated that HEK's other key initiatives included: (1) analyzing asset allocation and recommending changes if necessary; (2) reviewing strategic partnerships; (3) confirming and controlling investment management fees; (4) providing more effective reporting; and (5) working with RSIC Staff on standardizing manager due diligence, ongoing monitoring, and documentation.

(Information relating to this matter has been retained in the Commission's files and is identified as Exhibit E.)

VIII. ASSET LIABILITY MODELING OVERVIEW

Ms. Bernard reported that the asset liability study will be conducted in three steps including:

(1) Completing an asset liability study that would link investment risk to the portfolio's financial results, analyzing risk-reward dynamics, and providing asset liability recommendations;
(2) Providing a diversification analysis by reviewing all asset class opportunities, providing efficient frontier analysis; and providing a recommendation for strategic allocation targets for each asset class; and
(3) Implementing an asset class plan development, managing structures and goals, estimating timing for asset allocation changes, and completing benchmark reviews.

Ms. Bernard reviewed HEK's approach to capital market assumptions, and advised that HEK provided capital market assumptions on a quarterly basis utilizing 30-year expected returns. Ms. Bernard also provided a comparison of HEK and NEPC's capital market assumptions and noted similarities and differences between the two reports.

(Information relating to this matter has been retained in the Commission's files and is identified as Exhibit F.)

IX. INTERNAL MANAGEMENT OVERVIEW

Mr. Harper led a discussion of the topic of internal management, and stated that he recommended allowing Staff to implement passive exposures in other asset classes on a direct basis. Mr. Harper stated that these implementations are for exposure management and rebalancing purposes. Mr. Harper advised that internal management would increase transparency and control, as well as reduce the number of managers and complexity of the Portfolio.

Following additional discussions, Mr. Powers made a motion, which was seconded by Mr. Edward Giobbe, to approve the recommendations as presented by the CIO relating to internal management of assets; to authorize the CIO or his designee(s) to manage assets internally in passive exposures through Exchange Traded Funds (ETFs) and/or similar securities and instruments as presented and recommended by the CIO; to authorize the Chairman, CIO, or their designee(s) to establish necessary accounts, negotiate, and execute any necessary documents to implement the investments; and to amend the Annual Investment Plan ("AIP") and Statement of Investment Objectives and Policies ("SIOP") relating to the internal management of assets, to conform to the expansion of the internal asset management program as approved by the Commission.

Further discussions ensued regarding the motion. HEK endorsed Staff's recommendation. The motion was called for a vote and passed unanimously.

Mr. Harper continued to outline Staff's recommended action plan to transition from external to internal management. He discussed the required build out of certain systems and policies prior to implementing any trades, and the need for budget capacity to accomplish this action plan. He further stated that the implementation would occur in two stages. Mr. Harper stated that stage one would include domestic enhanced indexing, and stage two would include non-US enhanced indexing and active management. Mr. Harper added that pending additional budget authorization, stage two would require additional personnel in investments, operations, and information technology.

Following further discussions, Mr. Powers made a motion, which was seconded by Mr. Gillespie, to approve seeking additional budget authorization and full-time employee ("FTE") positions to implement further expansion of the internal asset management program within the RSIC, beginning in Fiscal Year 2013-2014.

Further discussions ensued regarding the timing of the proposed transition from external to internal management and the need to request a budget increase. Mr. Loftis voiced his concern that the transition and substantial additional budgetary requests might not be received favorably by the General Assembly.

Mr. Powers acquiesced, and stated that he would like to take a step back and focus on how the Commission could promote the proposed transition plan and receive the endorsement of the General Assembly prior to making additional budgetary request.

Mr. Gillespie also agreed, and stated that delaying the implementation for another year could be beneficial and would allow time to develop the necessary policies and procedures.

Following additional discussions, it was the consensus of the Commission to table the implementation of the internal management program to allow time for the Budget Committee to meet and determine the most effective way to promote the internal management transition to the B&CB and the General Assembly. Accordingly, Mr. Powers withdrew his motion to approve seeking additional budget authorization and full-time employee ("FTE") positions to implement further expansion of the internal asset management program within the RSIC, beginning in Fiscal Year 2013-2014.

(Information relating to this matter has been retained in the Commission's files and is identified as Exhibit G.)

X. SOURCING AND DISCLOSURE FORM

Mr. Harper informed the Commissioners that a new Sourcing and Disclosure Form had been developed by Staff and was being utilized as part of the revised due diligence procedures, and advised that any RSIC Commissioner or staff member involved in the due diligence of an investment, as well as any staff or Commission member who sourced an investment, would be required to certify that he or she acted in compliance with applicable state and federal laws, as well as RSIC policies.

(Information relating to this matter has been retained in the Commission's files and is identified as Exhibit H.)

XI. RENEWAL OF PUTNAM CONTRACT

Mr. Geoff Berg, Director of Opportunistic Strategies, stated that the Commission's decision to hire Putnam Investments ("Putnam") had added approximately $136 million of value to the Plan as compared with passive implementation. Mr. Berg added that during the initial five year contract term with Putnam, management fees had been lowered from the original 58 basis points to a tiered structure of approximately 44 basis points based on the current asset level. Mr. Berg stated that the Staff recommended the Commission retain Putnam's Total Return Trust for up to another five-year term. Mr. Berg added that the limit for this investment, as articulated in the AIP, was five percent of the total Plan assets, and, if approved, this recommendation allowed the portfolio's ten percent commitment to Global Asset Allocation ("GAA") strategies to remain unchanged.

Ms. Bernard stated that HEK was supportive of Staff's decision to retain the Putnam Total Return Strategy in the Commission's global asset portfolio.

Mr. Powers made a motion, which was seconded by Mr. Giobbe, to adopt the recommendations of the Internal Investment Committee as presented; authorize the renewal of the Retirement System trust funds' existing contract with Putnam, and authorize the Chairman or his designee to execute the contract upon approval for legal sufficiency by the Commission's legal counsel ("Legal Counsel").

After further discussions, Mr. Powers amended his original motion as follows:

"To adopt the recommendations of the Internal Investment Committee as presented; authorize the renewal of the Retirement System trust funds' existing contract with Putnam; authorize the Chairman or his designee to execute the contract upon approval for legal sufficiency by the Commission's legal counsel ("Legal Counsel"); and upon expiration of the minimum 30-day review period by the Commissioners as adopted by the Commission on July 19, 2012."

Further discussions ensued regarding whether the Putnam Total Return Trust was considered an alternative investment and whether an allocation waiver was needed. Mr. Berg stated that because global assets could be identified as an alternative investment, it would be best practice to request a waiver to the maximum 25 percent allocation to alternative investments.

Mr. Powers further amended his original motion, which was seconded by Mr. Giobbe, and passed unanimously to:

"Adopt the recommendations of the Internal Investment Committee as presented; authorize the renewal of the Retirement System trust funds' existing contract with Putnam; authorize the Chairman or his designee to execute the contract upon approval for legal sufficiency by the Commission's legal counsel ("Legal Counsel"); upon expiration of the minimum 30-day review period by the Commissioners as adopted by the Commission on July 19, 2012; and upon waiving the 25 percent maximum allocation to alternative investments."

(Information relating to this matter has been retained in the Commission's files and is identified as Exhibit I.)

XII. NEW INVESTMENT

Mr. Dave Klauka, Director of Private Markets, presented Staff's recommendation that the Investment Commission commit up to $50 million to Warburg Pincus Private Equity Fund XI, LP ("Fund XI"). Mr. Klauka noted that following the completion of a side letter and final fund documents, this motion would be subject to a further 30-day review period before a closing may occur.

Mr. Klauka advised that in 2007, the Commission made a $100 million commitment to Warburg Pincus Private Equity Fund X, LP, and Staff was recommending a $50 million commitment to Fund XI. Mr. Klauka stated that the decreased investment amount reflects a reduced capacity for making large commitments, and was not because the opinion of the manager, or the opportunity, had diminished. Mr. Klauka added that if approved, this recommendation would increase the Portfolio's allocation to growth equity within the private equity asset allocation plan. Mr. Klauka reported that currently, RSIC was under-allocated to private equity-growth equity.

Mr. Klauka stated that Warburg Pincus had made 680 investments across 12 funds, and had a well-defined investment process which generated consistently strong returns. Mr. Klauka added that Warburg Pincus was well diversified across sector, stage, and geography, and focused on the United States, Europe, and emerging markets.

Mr. Klauka thanked Mr. Louis Darmstadter, Senior Private Markets Officer, and Mr. Harris Chewning, Private Markets Officer, for their outstanding due diligence efforts regarding Warburg Pincus and Fund XI.

Ms. Bernard stated that HEK was supportive of Staff's decision to invest in Warburg Pincus Private Equity Fund XI.

Dr. Pritchett made a motion, which was seconded by Mr. Powers, to adopt the recommendations of the Internal Investment Committee; authorize an investment not to exceed $50 million in Warburg Pincus Fund XI; authorize the Chairman or his designee to negotiate and execute any necessary documents to implement the investment as approved by the Commission (1) upon approval for legal sufficiency by Legal Counsel, and (2) upon expiration of the 30-day review period by the Commissioners as adopted by the Commission on July 19, 2012; and authorize the Chairman and/or the CIO or their designee(s) to thereafter direct the custodian of funds to transfer such funds as are necessary to meet the Retirement System trust funds' obligation with regard to the investment.

After discussion, Dr. Pritchett amended his original motion, which was seconded by Mr. Powers, and passed unanimously, to adopt the recommendations of the Internal Investment Committee; authorize an investment not to exceed $50 million in Warburg Pincus Fund XI; authorize the Chairman or his designee to negotiate and execute any necessary documents to implement the investment as approved by the Commission (1) upon documented approval for legal sufficiency by Legal Counsel, and (2) upon expiration of the 30-day review period by the Commissioners as adopted by the Commission on July 19, 2012; and authorize the Chairman and/or the CIO or their designee(s) to thereafter authorize the custodian of funds to transfer such funds as are necessary to meet the Retirement System trust funds' obligation with regard to the investment."

(Information relating to this matter has been retained in the Commission's files and is identified as Exhibit J.)

XIII. FUNDING PROCESS UPDATE

Ms. Corbett stated that at the Commission's September 20, 2012 meeting, the Commission directed Staff to work with the State Treasurer's Office ("STO") to resolve any remaining issues related to the funding process, including the requirement to have four signatures in order to transfer funds. Ms. Corbett reported that despite numerous attempts, Staff had been unsuccessful in scheduling a meeting with STO. Ms. Corbett advised that Staff was trying to determine an efficient process of securing the appropriate signatures while maintaining proper controls.

Mr. Harper added that the funding process was an important procedural issue, and that Staff was seeking to proactively and collaboratively clarify and document these procedures so as to avoid delays in funding and conduct the trust funds' business. Mr. Loftis pointed out that all fundings had taken place and his office had just received needed information from the Bank of New York Mellon.

In a response to a request by Mr. Giobbe, Mr. Loftis agreed to have STO staff meet with Ms. Corbett to discuss the funding process procedures, and he agreed to notify Mr. Giobbe when the meeting would take place.

(Information relating to this matter has been retained in the Commission's files and is identified as Exhibit K.)

XIV. ADOPT GOVERNANCE POLICIES PRESENTED IN SEPTEMBER 2012

Ms. Dori Ditty, Legal and Policy Counsel, reminded the commissioners that draft amendments to the Commission's eight existing Governance Policies had been distributed at the September 20, 2012 meeting. Ms. Ditty gave a synopsis of the proposed edits and amendments made since the September 20, 2012 meeting.

Dr. Pritchett made a motion, which was seconded by Mr. Powers, to adopt the revisions to the Governance Policies as presented.

Following further discussion, Dr. Pritchett withdrew his motion.

Mr. Loftis thereafter made a motion, which was seconded by Mr. Powers, and approved unanimously, to: (1) adopt only those proposed revisions to the Governance Policies which related to the 2012 statutory changes concerning PEBA; (2) request HEK to provide specific recommendations concerning the Governance Policies; (3) request the Commission to form an ad hoc committee to study the Governance Policies and report back to the full Commission; and (4) change the quorum requirements for full Commission meetings from three to four voting members.

Chairman Williams announced that the ad hoc committee members would include Mr. Giobbe and Dr. Pritchett. It was thereafter clarified that, under the terms of the Governance Policies, the Vice Chair could not serve as chairman of a committee. Accordingly, the commissioners were informed that Dr. Pritchett would serve as chairman of the ad hoc committee.

Chairman Williams stated that, subject to the Commission's approval, he would like to appoint Mr. Blume, as the PEBA representative on the Commission, to the Audit Committee.

(Information relating to this matter has been retained in the Commission's files and is identified as Exhibit L.)

XV. EXECUTIVE SESSION TO DISCUSS INVESTMENT MATTERS PURSUANT TO S.C. CODE §§9-16-80 AND 9-16-320 (STRATEGIC PARTNERSHIP UPDATE)

Mr. Gillespie made a motion, which was seconded by Mr. Giobbe, and passed unanimously, to recede to executive session to discuss investment matters pursuant to S.C. Code Ann. §§9-16-80 and 9-16-320 relating to strategic partnerships.

Chairman Williams announced that the Commission would meet in executive session for the purpose of discussing investment matters. The Commission thereupon receded into executive session.

The Commission reconvened in open session. The Chairman reported that the Commission did not take any reportable action while in executive session. Chairman Williams noted that any action that did occur while in executive session pursuant to S.C. Code Ann. §§ 9-16-80 and 9-16-320 would be publicized when doing so would not jeopardize the Commission's ability to achieve its investment objectives or implement a portion of the annual investment plan.

XVI. CHAIRMAN'S REPORT - COMMISSIONER ASSET CLASS ASSIGNMENTS

The commissioners discussed the proposed asset class assignments. Mr. Loftis opined that two commissioners should be assigned to the strategic partnerships instead of the proposed one commissioner. Further discussion ensued. Mr. Powers made a motion, which was seconded by Mr. Giobbe, to adopt the commissioner asset class assignments presented by the Chairman, with the addition of Mr. Gillespie to strategic partnerships. The motion passed unanimously.

(Information relating to this matter has been retained in the Commission's files and is identified as Exhibit M.)

The Chairman provided an update on the search for a Director of Operations. Discussion ensued regarding the search.

XVII. ADJOURNMENT

There being no further business, the meeting adjourned at 3:50 p.m.

[Staff Note: In compliance with S.C. Code Ann. §30-4-80, public notice of and the agenda for this meeting were delivered to the press and to parties who requested notice and were posted at the entrance, in the lobbies, and near the 15th Floor Conference Room at 1201 Main Street, Columbia, SC, at 5:40 p.m. on November 6, 2012.]