

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
Relating to Actuary Litigation

Resolution 2007-06

WHEREAS, the Alaska Retirement Management Board ("Board") was established by law to serve as fiduciary to the funds of the State of Alaska's retirement systems, including the Public Employees' Retirement System ("PERS") and the Teachers Retirement System ("TRS"), (collectively, the "Systems");

WHEREAS, Mercer Human Resource Consulting, Inc. ("Mercer") was retained until December 31, 2005, by the Department of Administration and for the benefit of the Department and the Systems, as well as the predecessors to the Board, including the boards of the PERS, TRS, and the Alaska State Pension Investment Board, to provide competent and professional actuarial services and advice;

WHEREAS, on behalf of the Systems, the State of Alaska Department of Law has investigated the performance by Mercer during the period of its retention, and the results of such investigations yield strong indicators of professional negligence and significant damage to the Systems;

NOW THEREFORE BE IT RESOLVED BY THE ALASKA RETIREMENT MANAGEMENT BOARD that:


1. The Board concludes that it is prudent to expend funds necessary to pursue claims, including potential litigation, against Mercer based upon the investigation undertaken by and for the Department of Law;

2. The Board urges through this resolution that appropriations be approved, in amounts recommended by the Department of Law to fund the potential litigation, and that such funds as necessary may be appropriated from the funds of the Systems as fair and reasonable costs necessary for the proper and prudent administration of those funds;

3. The Board ratifies and affirms the retention of the law firm of Paul, Weiss, Rifkind, Wharton & Garrison LLP by the Department of Law as outside counsel for the Board and the Systems in connection with the investigation of Mercer's performance and any potential litigation arising out of that investigation; and

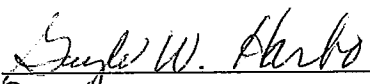
4. The actions contemplated hereby are a reasonable effort to protect and preserve the assets of the Systems.

DATED at Anchorage, Alaska this 9th day of February, 2007.



Chair

ATTEST:



Secretary