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LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 N. LAKE AVENUE, SUITE 650, PASADENA, CA

AGENDA

A REGULAR MEETING OF THE JOINT ORGANIZATIONAL GOVERNANCE COMMITTEE AND BOARD OF RETIREMENT AND BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 NORTH LAKE AVENUE, SUITE 810, PASADENA, CA 91101

9:00 A.M., MONDAY, AUGUST 11, 2025

This meeting will be conducted by the Joint Organizational Governance Committee and the Board of Retirement and Board of Investments both in person and by teleconference under California Government Code Section 54953(f).

Any person may view the meeting in person at LACERA's offices and online at <https://LACERA.com/leadership/board-meetings>

*The Committee may take action on any item on the agenda,
and agenda items may be taken out of order.*

COMMITTEE TRUSTEES:

Patrick Jones, BOI Trustee, Chair
Jason Green, BOI Trustee, Vice Chair
Debbie Martin, BOI Trustee
Nicole Mi, BOI Trustee
Les Robbins, BOR Trustee
Ronald Okum, BOR Trustee
Shawn Kehoe, BOR Trustee
David Ryu, BOR Trustee

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE
UNDER AB 2449, California Government Code Section 54953(f)
 - A. Just Cause
 - B. Action on Emergency Circumstance Requests
 - C. Statement of Persons Present at AB 2449 Teleconference Locations

IV. APPROVAL OF MINUTES

- A. Approval of the Minutes of the Regular Meeting on April 23, 2025

V. PUBLIC COMMENT

(Members of the public may address the Committee and Boards orally and in writing. To provide Public Comment, you should visit <https://LACERA.com/leadership/board-meetings> and complete the request form.

If you select oral comment, we will contact you via email with information and instructions as to how to access the meeting as a speaker. You will have up to 3 minutes to address the Committee and Boards. Oral comment requests will be accepted up to the close of the Public Comment item on the agenda.

If you select written comment, please input your written public comment within the form as soon as possible and up to the close of the meeting. Written comment will be made part of the official record of the meeting. If you would like to remain anonymous at the meeting without stating your name, please leave the name field blank in the request form. If you have any questions, you may email PublicComment@lacera.gov.)

VI. NON-CONSENT ITEMS

A. **Review of Fiduciary Counsel Policy**

Recommendation as submitted by Frank J. Boyd, Senior Staff Counsel: That the committee recommend to the Board of Retirement and Board of Investments (Boards) the approval of the proposed revised Fiduciary Counsel Policy. (Memo dated July 29, 2025).

B. **Request for Proposals for Fiduciary Counsel Services**

Recommendation as submitted by Frank J. Boyd, Senior Staff Counsel: That the committee recommend to the Board of Retirement and Board of Investments that an RFP for fiduciary counsel services be issued and that the Committee discuss the process by which candidates will be evaluated for final selection. (Memo dated August 4, 2025).

VII. ITEMS FOR STAFF REVIEW

(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Committee, which can only be made separately by motion on an agenda item at a future meeting.)

VIII. ITEMS FOR FUTURE AGENDAS

(This item provides an opportunity for trustees to identify items to be included on a future agenda as permitted under the Committee's Charter.)

IX. GOOD OF THE ORDER

(For Information Purposes Only)

X. ADJOURNMENT

The Board of Retirement and Board of Investments have each adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five (5) or more members of the Board of Retirement or the Board of Investments (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board or Boards for which a quorum is present. Members of the Board of Retirement and Board of Investments who are not members of the Committee may attend and participate in a meeting of the Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at subsequent meetings of the Board of Retirement and Board of Investments.

Documents subject to public disclosure that relate to an agenda item for an open session of the Committee that are distributed to members of the Committee less than 72 hours prior to the meeting will be available for public inspection at the time they are distributed to a majority of the Committee members at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101, during normal business hours of 9:00 a.m. to 5:00 p.m., Monday through Friday.

Requests for reasonable modification or accommodation of the telephone public access and Public Comments procedures stated in this agenda from individuals with disabilities, consistent with the Americans with Disabilities Act of 1990, may call the Board Offices at (626) 564-6000, Ext. 4401/4402 from 8:30 a.m. to 5:00 p.m. Monday through Friday or email PublicComment@lacera.gov, but no later than 48 hours prior to the time the meeting is to commence.

MINUTES OF A REGULAR MEETING OF THE JOINT ORGANIZATIONAL
GOVERNANCE COMMITTEE OF THE BOARD OF RETIREMENT AND
BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 NORTH LAKE AVENUE, SUITE 810, PASADENA, CA 91101

9:00 A.M., WEDNESDAY, APRIL 23, 2025

This meeting was conducted by the Joint Organizational Governance Committee and the Board of Retirement and Board of Investments both in person and by teleconference under California Government Code Section 54953(f).

COMMITTEE TRUSTEES:

Patrick Jones (BOI), Chair (Left the meeting at 11:07 a.m.)

Jason Green (BOI), Vice Chair

Debbie Martin (BOI) (Teleconference Due to Just Cause under Section 54953(f)) (Left the meeting at 10:53 a.m.)

Nicole Mi (BOI), Trustee

Les Robbins (BOR), Trustee

Ronald Okum (BOR), Trustee (Left the meeting at 10:44 a.m.)

David Ryu (BOR) (Teleconference Due to Just Cause under Section 54953(f)) (Left the meeting at 10:41 a.m.)

ABSENT:

Shawn Kehoe (BOR), Trustee

STAFF ADVISORS AND PARTICIPANTS

Luis A. Lugo, Deputy Chief Executive Officer

JJ Popowich, Assistant Executive Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

Laura Guglielmo, Assistant Executive Officer

Steven P. Rice, Chief Counsel

Ricki Contreras, Administrative Services Division Manager

Carly Ntoya, Human Resources Director

Kathy Delino Chief, Information Technology Systems Division

James Beasley, Supervising Administrative Assistant II

Lindsay Knight, Administrative Services Analyst III

I. CALL TO ORDER

The meeting was called to order by Chair Jones at 9:00 a.m. in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Trustee Mi led the Trustees and staff in the Pledge of Allegiance.

III. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)

A. Just Cause

B. Action on Emergency Circumstance Requests

C. Statement of Persons Present at AB 2449 Teleconference Locations

A physical quorum was present at the noticed meeting location. There were two requests received from Trustee Martin and Trustee Ryu to attend by teleconference for Just Cause (B) Due to Contagious Illness. Trustee Martin and Trustee Ryu confirmed that there were no individuals 18 years of age or older present at the teleconference location.

IV. ELECTION OF OFFICERS
(Election of Chair and Vice Chair)

Trustee Okum nominated Trustee Jones for Chair of the Joint Organizational Governance Committee. Hearing no other nominations, the nominations were closed. Trustee Jones declared himself Joint Organizational Governance Committee Chair for 2025.

Trustees Okum nominated Trustee Green for Vice Chair of the Joint Organizational Governance Committee. Hearing no other nominations, the nominations were closed. Chair Jones declared Trustee Green Joint Organizational Governance Committee Vice Chair for 2025.

V. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting on July 11, 2024

Trustee Green made a motion, Trustee Okum seconded, to approve the Minutes of the Regular Meeting of July 11, 2024. The motion passed by the following roll call vote:

Yes: Green, Jones, Martin, Mi, Okum

Abstain: Robbins, Ryu

Absent: Kehoe

VI. PUBLIC COMMENT

There were no requests from the public to speak.

VII. NON-CONSENT ITEMS

A. **Chief Ethics and Compliance Officer and Deputy, Chief Ethics and Compliance Officer, LACERA Proposed Classification and Compensation**

Recommendation as submitted by Debbie Martin, Chair, Audit, Compliance, Risk, and Ethics (ACRE) Committee: That the Committee recommend to the Board of Retirement and Board of Investments approve the following:

VII. NON-CONSENT ITEMS (Continued)

1. Approve establishment of one (1) new non-represented classification and salary range applicable only to LACERA.

New Classification Title: Chief Ethics and Compliance Officer

Salary Schedule: LS12

2. Approve establishment of one (1) new non-represented classification and salary range applicable only to LACERA and two (2) ordinance / budgeted designated positions.

New Classification Title: Deputy, Chief Ethics and Compliance Officer - **Salary Schedule:** 119K

3. Direct staff to submit to the Board of Supervisors the required ordinance language to implement the new LACERA classifications and pay ranges by amending the Los Angeles County Salary Code Sections 6.28.050, 6.127.010, and 6.127.030.

(Memo dated April 10, 2025)

Ms. Ntoya provided a presentation and answered questions from the Committee.

Trustee Green made a motion, Trustee Martin seconded, to approve staff recommendation and recommend to the Boards for approval.

Trustee Mi made a motion, Trustee Ryu seconded, to approve staff recommendation and recommend to the Boards for approval with the addition of "or master's degree" to the minimum qualifications. The motion passed by the following roll call vote:

Yes: Martin, Mi, Okum, Robbins Ryu

No: Green, Jones

Absent: Kehoe

(Trustee Ryu left the meeting at 10:41 a.m.)

(Trustee Okum left the meeting at 10:44 a.m.)

(Trustee Martin left the meeting at 10:53 a.m.)

(Trustee Jones left the meeting at 11:07 a.m.)

VII. NON-CONSENT ITEMS (Continued)

B. Fiscal Year 2025-2026 Proposed Administrative, Retiree Healthcare and Other Post-Employment Benefits (OPEB) Trust Budgets

Recommendation as submitted by Ricki Contreras, Administrative Services, Division Manager: That the Committee review the Fiscal Year (FY) 2025-26 Proposed Budgets for LACERA Administrative, Retiree Healthcare Benefits Program, and Other-Post Employment Benefits (OPEB) Trust, provide guidance to staff on any desired changes or amendments, and recommend that the Board of Retirement and Board of Investments approve and adopt these budgets prior to June 30, 2025.

(Presentation) (Memo dated April 7, 2025)

Mses. Contreras, Guglielmo, Ntoya and Delino provided a presentation and answered questions from the Committee.

Due to a lack of quorum, this report will be agendized at the May 7, 2025, Board of Retirement meeting and May 14, 2025, Board of Investment meeting.

C. LACERA Boardroom Proposal: Relocation and Expansion

Recommendation as submitted by James Beasley, Supervising Administrative Assistant II and Lindsay Knight, Administrative Services Analyst III: That the Committee considers staff's proposal to relocate and expand the LACERA Boardroom to the ground floor of Gateway Plaza and provide direction for the next steps.

(Presentation) (Memo dated April 2, 2025)

Ms. Guglielmo and Mr. Beasley provided a presentation and answered questions from the Committee.

Due to a lack of quorum, this report will be agendized at the May 7, 2025, Board of Retirement meeting and May 14, 2025, Board of Investment meeting.

VII. NON-CONSENT ITEMS (Continued)

D. **2025 Joint Organizational Governance Committee Proposed Meeting Calendar and Agenda Items**

Recommendation as submitted by Luis A. Lugo, Deputy Chief Executive Officer: That the Committee schedule the 2025 calendar year meetings and provide input on the proposed agenda items. (Memo dated April 11, 2025)

This item was received and filed. Trustees will be canvassed for meeting dates in July and November and will be scheduled accordingly.

VIII. ITEMS FOR STAFF REVIEW

There was nothing to report.

IX. ITEMS FOR FUTURE AGENDAS

Mr. Green requested that future items be agendaized on the Operations Oversight Committee regarding hosted solutions.

X. GOOD OF THE ORDER
(For Information Purposes Only)

There was nothing to report.


XI. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 11:15 a.m.



July 29, 2025

TO: Joint Organizational Governance Committee
Patrick Jones, Chair (BOI)
Jason Green, Vice Chair (BOI)
Shawn Kehoe, Trustee (BOR)
Debbie Martin, Trustee (BOI)
Nicole Mi, Trustee (BOI)
Ronald Okum, Trustee (BOR)
Les Robbins (BOR)
David Ryu, Trustee (BOR)

FROM: Francis J. Boyd, 
Senior Staff Counsel

FOR: August 11, 2025, Joint Organizational Governance Committee

Subject: **REVIEW OF FIDUCIARY COUNSEL POLICY**

INTRODUCTION

On June 13, 2018, the Board of Retirement and Board of Investments jointly approved the current Fiduciary Counsel Policy. This policy has served LACERA well and is being presented with some edits for the Committee's review and approval. Staff welcomes any edits or updates the Committee may have after reviewing the policy. The current policy was reviewed by fiduciary counsel, who made suggestions addressed in the attached proposed revised policy (Exhibit B). A copy of the June 13, 2018, policy with the redline edits reflecting the changes in the policy is also attached (Exhibit A).

RECOMMENDATION

It is recommended that the Joint Organizational Governance Committee (JOGC) recommend to the Board of Retirement and Board of Investments (Boards) the approval of the proposed revised Fiduciary Counsel Policy.

LEGAL AUTHORITY

As part of their plenary authority and fiduciary responsibility for administration of the system under Article XVI, Section 17 of the California Constitution, the Boards may adopt such policies as they deem prudent in their discretion. Further, under Government Code Section 31529.6, the Boards have the authority to contract with attorneys in private practice for legal services and advice; this authority includes the retention of fiduciary counsel. It is reasonable and prudent for the Boards to establish a policy for the use of such fiduciary counsel. Additional information concerning the Boards' authority with

respect to fiduciary counsel is set forth in the Legal Authority Section of the proposed policy.

Under Section 6 of the JOGC Charter, the JOGC has authority to “make recommendations to each Board on matters that intersect and affect both the Board of Retirement (BOR) and Board of Investments (BOI) as described in Section 7, Responsibilities of this Charter.” The proposed revised Fiduciary Counsel Policy falls within Section 7.2, Joint Policies, which includes “all joint policies,” and is therefore a proper subject for JOGC discussion and recommendation by the JOGC to the Boards.

DISCUSSION

As noted above, the proposed revised Fiduciary Counsel Policy has minor changes from the current policy. The substantive changes are as follows:

- All references to “Board Members” have been changed to “Board Trustees” in keeping with current terminology in the Boards’ Powers and Duties and other approved documents.
- In Section 4.2.3, **Consultation with Staff**, the current monthly staff reporting about contacts with fiduciary counsel is retained, but the elements of the monthly reports, which are not spelled out in the current policy, are defined to track the report format that is included in each monthly Board meeting packet, including billings by category of work (staff directed, attendance at and preparation for Board and Committee meetings, contacts with the Chair and other trustees, and direct Board assignments) and by firm, an itemized schedule showing the costs of attending and preparing for Board meetings, and a daily breakdown of consultations with counsel and the issues discussed. In addition, the requirement that the Chairs are copied on all written communications with fiduciary counsel and advised of oral communications is removed because this requirement is not feasible given the volume of work that fiduciary counsel performs. The Chairs are separately advised of fiduciary counsel matters as needed under Sections 4.6 and 4.7. The Chairs and all trustees are informed of all fiduciary counsel contacts at the same time in the monthly Board reports.
- In Section 4.4, **Professional Responsibilities**, a link to the California Rules of Professional Conduct has been added. Also, a provision has been added that the Lead Counsel be licensed in California and that all advice on California law be given by the Lead Counsel or other attorneys admitted in California.
- Section 4.5, **Conflict of Interest**, has been added, requiring that any actual or potential conflicts of interest be reported to the Chief Counsel or to the CEO, or designee, if the Chief Counsel has a conflict in the exercise of any responsibility under the policy.

- A new Section 6, **Review**, has been added providing that the policy be reviewed by the Boards every three years. Currently, the policy does not contain a review cycle.

The overall purpose of the policy (Section 1) is to define the role of outside fiduciary counsel in providing advice to the Boards and LACERA staff. The use of fiduciary counsel is managed by both Boards, jointly. Under the policy, the Boards jointly assume this responsibility. LACERA staff has access to fiduciary counsel with required reporting to the Boards.

The other key elements of the policy remain:

- **Scope** (moved from Section 5 to Section 2). The policy applies to all matters relating to fiduciary issues. Section 2 also clarifies that the policy does not limit the ability of one or both Boards to hire separate fiduciary counsel to represent their separate interests, and not LACERA as a whole, in the event of a conflict of interest or other special project where the fiduciary interests may be different or unique in individual circumstances.
- **Retention** (Section 4.1). The policy provides that the Boards jointly shall have the power to retain one or more fiduciary counsel to represent the interests of LACERA and provide advice to the Boards and LACERA staff in connection with fiduciary issues.
- **Scope of Services** (Section 4.2). The policy describes the categories of services to be provided by fiduciary counsel, as follows:
 - **Meeting Attendance** (Section 4.2.1). The policy provides that upon request from a Board Chair, Committee Chair, Board Trustee, Chief Executive Officer, or Chief Counsel, fiduciary counsel shall attend any Board and Committee meeting to provide advice concerning fiduciary issues when relevant. Fiduciary counsel may also attend any meeting when in counsel's own view, after consultation with the relevant Board Trustees, the Chief Executive Officer, or Chief Counsel, attendance is appropriate. Consideration to the cost of attendance as well as cost-effective and efficient alternatives such as telephonic consultation prior to the meeting, appearance by video or telephone, or written opinion will also be considered.
 - **Advice to the Board Chairs and Other Board Trustees Outside Noticed Meetings** (Section 4.2.2). The policy provides that outside fiduciary counsel shall provide advice on fiduciary issues as may be requested by the Board, Committee Chairs, and officers of the Board in the setting of agendas and performing their duties and responsibilities. Fiduciary counsel shall also provide advice in connection with fiduciary issues to individual Board

Trustees who are encouraged to seek counsel from LACERA's Chief Counsel or from outside fiduciary counsel on any fiduciary issues that may arise. Without limiting this right of access, the policy provides that Board Trustees should be mindful of costs, issues of attorney-client privilege, and confidentiality when seeking the advice of outside fiduciary counsel. Board Trustees are encouraged to discuss any questions regarding privilege and confidentiality with outside fiduciary counsel before beginning a substantive discussion or requesting specific advice. Privilege, confidentiality, and professional responsibility are discussed further in Sections 4.3 and 4.4. The in-house Legal Office remains available as well for Board Trustee questions.

- ***Consultation with Staff*** (Section 4.2.3). The policy provides that LACERA staff may seek advice from outside fiduciary counsel. The reporting requirements under this section have been revised in the proposed version as stated above.
- ***Other Projects*** (Section 4.2.4). Outside fiduciary counsel will also be available to perform other work as requested by the Boards.
- ***Privilege, Confidentiality, and Professional Responsibility*** (Sections 4.3 and 4.4). It is very important that the Board Trustees fully understand the privilege, confidentiality, and professional responsibility issues relevant to fiduciary counsel. LACERA is the client for which outside fiduciary counsel provides services. The Boards jointly are the highest authorities within LACERA overseeing outside fiduciary counsel. The confidentiality of communications between LACERA, acting by and through the Boards, and outside fiduciary counsel is subject to the attorney-client privilege under applicable California law, including the California Bar's Rules of Professional Conduct for attorneys. The Boards jointly control the attorney-client privilege, which may not be waived except by joint action of both Boards. Communications with and information disclosed to or by fiduciary counsel during proceedings of one Board or Committee are subject to disclosure to all Boards and Committees, subject to the requirements of the Brown Act with respect to disclosures in closed session. Communications between any individual Trustee of the Board or LACERA staff and outside fiduciary counsel are subject to disclosure to the Boards and other Board Trustees. Outside fiduciary counsel does not have an attorney-client relationship with individual Board Trustees or with LACERA staff.

Communications between Board Trustees and LACERA staff and outside fiduciary counsel about the business of LACERA should be maintained as confidential as to third parties, unless and until the Boards jointly determine otherwise. To avoid waiver of the attorney-client privilege, individual Board Trustees and LACERA staff shall not disclose communications with outside fiduciary counsel to any persons outside LACERA without the authority of both Boards or their designated representatives.

- ***Oversight and Evaluation*** (Sections 4.6 and 4.7). The relationship with outside fiduciary counsel shall be overseen by the Boards jointly. The Board Chairs will manage the relationship day-to-day. If a matter concerns a Board Chair, the Vice Chair will manage the work, subject to Board oversight. If a matter concerns a Board Chair and Vice Chair, fiduciary counsel will be overseen as determined by majority vote of the Board or Boards, depending on the circumstances, with the Board Chair and Vice Chair not included in the quorum count and vote. Fiduciary counsel will be evaluated annually, with the evaluation process to be overseen by the Boards based on work performed during the year and fiduciary counsel's required self-evaluations.
- ***Definition of "Fiduciary Issues"*** (Section 5). Outside fiduciary counsel's scope of services to the Boards, Committees, individual Board Trustees, and LACERA staff is to address fiduciary issues. Section 5 of the policy provides a definition of "fiduciary issues." The term is very broad and includes all matters as to which advice may be required in performance of LACERA's fiduciary duties. Fiduciary duties apply to all actions of the Boards, Committees, individual Board Trustees, and LACERA staff in the course of performing their work for LACERA. To provide some guidance on the types of fiduciary issues on which fiduciary counsel may be consulted, Section 5 provides a list of examples, on an "including but not limited to" basis.

As an additional matter, the current Board-approved fiduciary counsels are Nossaman LLP, Klausner Kaufman Jensen & Levinson, and Olson Hagel & Fishburn, LLP (now Olson Remcho LLP). These firms were approved by the Boards on October 28, 2020, for a five-year term. Given the closely approaching end date for these firms' fiduciary counsel term, a separate memorandum requesting that the JOGC recommend to the Boards that a Request for Proposal (RFP) for fiduciary counsel services be issued is also being presented at the August 11, 2025, JOGC meeting.

CONCLUSION

Based on the foregoing discussion, staff recommends that the Joint Organizational Governance Committee recommend to the Board of Retirement and Board of Investments the approval of the Fiduciary Counsel Policy.

Reviewed and approved.



Steven P. Rice, Chief Counsel

Attachments

cc: Santos H. Kreimann

Re: Review of Fiduciary Counsel Policy
July 29, 2025
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Luis A. Lugo
Jonathan Grabel
JJ Popowich
Laura Guglielmo
Richard Bendall

Exhibit A –
2020 Fiduciary Counsel
Policy Clean Redline

FIDUCIARY COUNSEL POLICY

1. **PURPOSE**

This policy confirms the role of outside fiduciary counsel and parameters for use of fiduciary counsel by LACERA and its Board of Retirement and Board of Investments (each, a Board), Board Committees, individual Board ~~Trustees~~Members, and LACERA staff.

2. **SCOPE**

This policy applies broadly to all matters that may be addressed by the Boards, Board Committees, individual Board Members, or LACERA staff with outside fiduciary counsel concerning fiduciary issues. This policy does not limit the ability of one or both of the Boards, in the exercise of their plenary authority to administer the retirement system, to engage separate outside fiduciary counsel to represent their interests as a Board or Boards in the event of a conflict of interest or in connection with special projects relating to fiduciary issues.

~~2.3.~~ **LEGAL AUTHORITY**

Under Article XVI, Section 17 of the California Constitution, the Boards have "sole and exclusive responsibility to administer" LACERA in a manner that will assure prompt and accurate delivery of benefits and related services to members and their beneficiaries. Under Government Code Section 31529.6, the Boards "may contract with attorneys in private practice for legal services and advice. The boards shall pay reasonable compensation for the legal services and advice. The compensation shall be considered a cost of administration of the system." Under this authority, the Boards may engage outside fiduciary counsel to provide assistance in the exercise of fiduciary duties by LACERA and ~~its~~the Boards. The Boards, collectively and as individual Board ~~Trustees~~Members, must satisfy their fiduciary duties in all matters they consider, all decisions they make, and all aspects of their conduct on behalf of LACERA.

~~3.4.~~ **POLICY STATEMENT**

3.4.1 Retention. The Boards acting jointly shall retain one or more outside fiduciary counsel to represent the interests of LACERA and provide advice to the Boards and LACERA staff in connection with fiduciary issues under the terms of this policy.

3.24.2 Scope of Services. The services provided by outside fiduciary counsel shall include:

3.2.14.2.1 Meeting Attendance. An outside fiduciary counsel, selected from the list of Board approved and retained counsel, shall, upon request by a Board Chair, Committee Chair, any other Board ~~TrusteeMember~~, the Chief Executive Officer, or Chief Counsel, ~~or their designee~~, attend any Board of Retirement, Board of Investments, and Committee meeting to provide advice concerning fiduciary issues when such attendance appears relevant and helpful to an issue before a Board or Committee. Fiduciary counsel may also attend any meeting when, in counsel's view after consultation with relevant Board ~~TrusteesMembers~~, the ~~CEOChief Executive Officer~~, or Chief Counsel, attendance is appropriate. In considering whether fiduciary counsel will attend a meeting, but without limiting attendance when appropriate, consideration shall be given to the cost of attendance as well as cost-effective and efficient alternatives to attendance, such as a telephonic consultation prior to the meeting, appearance by telephone or video at a meeting, or a written opinion.

3.2.24.2.2 Advice to the Board Chairs and Other Board ~~TrusteesMembers~~ Outside Noticed Meetings. Outside fiduciary counsel shall provide such advice concerning fiduciary issues as may be requested by the Chairs and officers of the Boards or any Committee in the setting of Board and Committee agendas and in fulfilling their duties and responsibilities. Outside fiduciary counsel shall also, without limitation, provide advice in connection with fiduciary issues to any individual Board ~~TrusteeMember~~ who requests it. Board ~~TrusteesMembers~~ are encouraged to seek counsel from LACERA's Chief Counsel or from outside fiduciary counsel on any fiduciary issues that may arise; however, without limiting the right of individual Board ~~TrusteeMembers~~ to contact outside fiduciary counsel, individual Board ~~TrusteesMembers~~ should be mindful of costs and issues of the attorney-client privilege and confidentiality (as outlined in Sections ~~4.33.3~~ and ~~4.43.4~~ of this policy) in determining whether to seek advice from outside fiduciary counsel on a given issue. Board ~~TrusteesMembers~~ are encouraged to discuss any questions regarding privilege and confidentiality with outside fiduciary counsel before beginning a substantive discussion or requesting specific advice.

3.2.34.2.3 Consultation with Staff. LACERA's ~~CEO Chief Executive Officer (CEO)~~ and Chief Counsel, or their designees, may seek advice on fiduciary issues from outside fiduciary counsel. ~~The Chairs~~

~~shall be copied on staff's written communications, and promptly advised of staff's oral communications, with fiduciary counsel.~~ Chief Counsel, in coordination with the CEO, shall provide the Board Chairs with a privileged monthly written report of staff written and verbal contacts, which shall also be copied to all Board ~~Trustees~~^{Members}, which shall include the following information: (a) a summary of fiscal year-to-date billings, broken down by staff contact and projects, attendance at and preparation for Board, Committee, and other meetings and contacts with the Board Chairs or other Trustees and direct-Trustee assignments; (b) fiscal year-to-day billings by each firm; (c) lead fiduciary counsel hourly rates; (d) and itemized schedule of fees and costs for attending and preparing for Board and Committee meetings, with a statement of the reason for fiduciary counsel's attendance; and (e) a daily breakdown of staff and Trustee contacts with fiduciary counsel during the previous month, with a summary of the issue.

3.2.44.2.4 Other Projects. Outside fiduciary counsel shall be available to perform any other work concerning fiduciary issues as may be requested from time to time by the Boards, or their designated representatives, and agreed upon by fiduciary counsel.

3.34.3 Privilege and the Confidentiality of Communications. LACERA is the client for which outside fiduciary counsel provides services. The Boards jointly are the highest authorities within LACERA overseeing outside fiduciary counsel. The confidentiality of communications between LACERA, acting by and through the Boards, and outside fiduciary counsel is subject to the attorney-client privilege under applicable California law, including the California ~~Bar's~~ Rules of Professional Conduct for attorneys.

The Boards jointly control the attorney-client privilege, which may not be waived except by joint action of both Boards. Communications with and information disclosed to or by fiduciary counsel during proceedings of one Board or Committee are subject to disclosure to all Boards and Committees, subject to the requirements of the Brown Act with respect to disclosures in closed session. Communications between any individual member of the Board or LACERA staff and outside fiduciary counsel are subject to disclosure when they reveal conduct constituting a violation of law or, in the judgment of fiduciary counsel, warrant disclosure to the Board Chairs or Chairs, the CEO, and/or Chief Counsel, as appropriate, because they raise institutional or related concerns. ~~to the Boards and other Board Members.~~ Outside fiduciary counsel does not have an attorney-client relationship with individual Board ~~TrusteesMembers~~ or with LACERA staff, except in the context of their attorney-client relationship with LACERA and its Boards.

Communications between Board ~~TrusteesMembers~~ and LACERA staff, ~~on the one hand,~~ and outside fiduciary counsel, ~~on the other hand,~~ about ~~the business of~~ LACERA business, should be maintained as confidential as to third parties, unless and until the Boards jointly determine otherwise. In order to avoid waiver of the attorney-client privilege, individual Board ~~TrusteesMembers~~ and LACERA staff shall not disclose communications with outside fiduciary counsel to persons outside LACERA without the authority of both Boards, or their designated representatives.

4.4 ***Professional Responsibilities.*** In representing LACERA, outside fiduciary counsel shall have such duties and responsibilities as are set forth in the California Rules of Professional Conduct [link added]. Lead Counsel shall be licensed to practice law in the State of California. All advice on matters of California law shall be given by Lead Counsel or other attorneys admitted in California. Attorneys not licensed to practice in California may advise on matters of Federal Law or national trends.

3.44.5 ***Conflict of Interest.*** Fiduciary Counsel must notify LACERA's Chief Counsel of any actual or potential conflicts of interest in their representation of LACERA on any specific matter or where their expertise is limited such that counsel recommends engagement of another counsel. If LACERA's Chief Counsel has a conflict in the exercise of any responsibility under this policy, such responsibility will be referred to LACERA's CEO or designee.

3.54.6 ***Oversight.*** LACERA's relationship with outside fiduciary counsel shall be managed by the Board Chairs, subject to the Scope of Services described above, with the Boards jointly having ultimate oversight. In the event advice is required from outside fiduciary counsel on a matter concerning a Board

Chair, the Vice Chair of each respective Board shall manage such work. In the event a matter concerns both a Board Chair and Vice Chair, fiduciary counsel shall be overseen on such matter as determined by a majority vote of a quorum of the Board or Boards, with the Board Chairs and Vice Chairs excluded from the quorum count and vote.

3.64.7 Evaluation. The Boards shall evaluate outside fiduciary counsel annually. Counsel may provide a self-evaluation in the process.

4.5. DEFINITION OF "FIDUCIARY ISSUES"

For purposes of this policy, "fiduciary issues" is defined to include all issues as to which the Boards, the Audit, Compliance, Risk, and Ethics (ACRE) Committee, other Board Committees, individual Board TrusteesMembers, and LACERA staff may seek advice from independent counsel in the performance of their fiduciary duties, and representation in litigation and otherwise, regarding such topics, including but not limited to:

4.45.1 Fiduciary duties under the California Constitution, the County Employees Retirement Law of 1937, the California Public Employees' Pension Reform Act of 2013, and other applicable law.

4.25.2 Ethical issues, under LACERA's Code of Ethical Conduct, the Political Reform Act, California Government Code Section 1090 and other provisions of the California Government Code, Fair Political Practices Commission (FPPC) Regulations, FPPC and California Attorney General Opinions, and other applicable laws and LACERA policy relating to conflicts of interest and ethics of Board TrusteesMembers, LACERA staff, and/or LACERA vendors.

4.35.3 Board governance.

4.45.4 LACERA's organizational structure.

4.55.5 Disputes by and between Board Members.

4.65.6 Negotiation and drafting of contracts.

4.75.7 Actuarial and financial matters.

4.85.8 Employment-related matters.

4.95.9 Benefit-related matters, including service retirement, disability retirement, retiree healthcare benefits, and other benefit issues.

4.405.10 Investment-related matters.

5.11 Investigations.

4.445.12 Litigation by or against LACERA or its representatives.

5.1. SCOPE

~~This policy applies broadly to all matters that may be addressed by the Boards, Board Committees, individual Board Members, or LACERA staff with outside fiduciary counsel concerning fiduciary issues. This policy does not limit the ability of one or both of the Boards, in the exercise of their plenary authority to administer the retirement system, to engage separate outside fiduciary counsel to represent their interests as a Board or Boards in the event of a conflict of interest or in connection with special projects relating to fiduciary issues.~~

6. REVIEW

This policy shall be reviewed by the Boards every three years.

History:

Adopted _____, 2025 by the Board of Retirement and _____, 2025, by the Board of Investments.

~~Adopted as Revised June 13, 2018 by Board of Retirement and Board of Investments~~

~~Adopted November 2, 2017 by Board of Investments and November 9, 2017 by Board of Retirement~~

Exhibit B –
2025 Proposed
Fiduciary Counsel Policy

FIDUCIARY COUNSEL POLICY

1. PURPOSE

This policy confirms the role of outside fiduciary counsel and parameters for use of fiduciary counsel by LACERA and its Board of Retirement and Board of Investments (each, a Board), Board Committees, individual Board Trustees, and LACERA staff.

2. SCOPE

This policy applies broadly to all matters that may be addressed by the Boards, Board Committees, individual Board Trustees, or LACERA staff with outside fiduciary counsel concerning fiduciary issues. This policy does not limit the ability of one or both of the Boards, in the exercise of their plenary authority to administer the retirement system, to engage separate outside fiduciary counsel to represent their interests as a Board or Boards in the event of a conflict of interest or in connection with special projects relating to fiduciary issues.

3. LEGAL AUTHORITY

Under Article XVI, Section 17 of the California Constitution, the Boards have “sole and exclusive responsibility to administer” LACERA in a manner that will assure prompt and accurate delivery of benefits and related services to members and their beneficiaries. Under Government Code Section 31529.6, the Boards “may contract with attorneys in private practice for legal services and advice. The boards shall pay reasonable compensation for the legal services and advice. The compensation shall be considered a cost of administration of the system.” Under this authority, the Boards may engage outside fiduciary counsel to provide assistance in the exercise of fiduciary duties by LACERA and its Boards. The Boards, collectively and as individual Board Trustees, must satisfy their fiduciary duties in all matters they consider, all decisions they make, and all aspects of their conduct on behalf of LACERA.

4. POLICY STATEMENT

4.1 *Retention.* The Boards acting jointly shall retain one or more outside fiduciary counsel to represent the interests of LACERA and provide advice to the Boards and LACERA staff in connection with fiduciary issues under the terms of this policy.

4.2 *Scope of Services.* The services provided by outside fiduciary counsel shall include:

4.2.1 *Meeting Attendance.* An outside fiduciary counsel, selected from the list of Board approved and retained counsel, shall, upon request by a Board Chair, Committee Chair, any other Board Trustee, the Chief Executive Officer (CEO), Chief Counsel, or their designee,

attend any Board of Retirement, Board of Investments, and Committee meeting to provide advice concerning fiduciary issues when such attendance appears relevant and helpful to an issue before a Board or Committee. Fiduciary counsel may also attend any meeting when, in counsel's view after consultation with relevant Board Trustees, the CEO, or Chief Counsel, attendance is appropriate. In considering whether fiduciary counsel will attend a meeting, but without limiting attendance when appropriate, consideration shall be given to the cost of attendance as well as cost-effective and efficient alternatives to attendance, such as a telephonic consultation prior to the meeting, appearance by telephone or video at a meeting, or a written opinion.

4.2.2 Advice to the Board Chairs and Other Board Trustees Outside Noticed Meetings. Outside fiduciary counsel shall provide such advice concerning fiduciary issues as may be requested by the Chairs and officers of the Boards or any Committee in the setting of Board and Committee agendas and in fulfilling their duties and responsibilities. Outside fiduciary counsel shall also, without limitation, provide advice in connection with fiduciary issues to any individual Board Trustee who requests it. Board Trustees are encouraged to seek counsel from LACERA's Chief Counsel or from outside fiduciary counsel on any fiduciary issues that may arise; however, without limiting the right of individual Board Trustees to contact outside fiduciary counsel, individual Board Trustees should be mindful of costs and issues of the attorney-client privilege and confidentiality (as outlined in Sections 4.3 and 4.4 of this policy) in determining whether to seek advice from outside fiduciary counsel on a given issue. Board Trustees are encouraged to discuss any questions regarding privilege and confidentiality with outside fiduciary counsel before beginning a substantive discussion or requesting specific advice.

4.2.3 Consultation with Staff. LACERA's CEO and Chief Counsel, or their designees, may seek advice on fiduciary issues from outside fiduciary counsel. Chief Counsel, in coordination with the CEO, shall provide the Board Chairs with a privileged monthly written report of staff written and verbal contacts, which shall also be copied to all Board Trustees, which shall include the following information: (a) a summary of fiscal year- to-date billings, broken down by staff contact and projects, attendance at and preparation for Board, Committee, and other meetings and contacts with the Board Chairs or other

trustees and direct-trustee assignments; (b) fiscal year-to-date billings by each firm; (c) lead fiduciary counsel hourly rates; (d) an itemized schedule of fees and costs for attending and preparing for Board and Committee meetings, with a statement of the reason for fiduciary counsel's attendance; and (e) a daily breakdown of staff and trustee contacts with fiduciary counsel during the previous month, with a summary the issue.

4.2.4 Other Projects. Outside fiduciary counsel shall be available to perform any other work concerning fiduciary issues as may be requested from time to time by the Boards, or their designated representatives, and agreed upon by fiduciary counsel.

4.3 *Privilege and the Confidentiality of Communications.* LACERA is the client for which outside fiduciary counsel provides services. The Boards jointly are the highest authorities within LACERA overseeing outside fiduciary counsel. The confidentiality of communications between LACERA, acting by and through the Boards, and outside fiduciary counsel is subject to the attorney-client privilege under applicable California law, including the California Rules of Professional Conduct for attorneys.

The Boards jointly control the attorney-client privilege, which may not be waived except by joint action of both Boards. Communications with and information disclosed to or by fiduciary counsel during proceedings of one Board or Committee are subject to disclosure to all Boards and Committees, subject to the requirements of the Brown Act with respect to disclosures in closed session. Communications between any individual member of the Board or LACERA staff and outside fiduciary counsel are subject to disclosure when they reveal conduct constituting a violation of law or, in the judgment of fiduciary counsel, warrant disclosure to the Board Chair or Chairs, the CEO, and/or Chief Counsel, as appropriate, because they raise institutional or related concerns. Outside fiduciary counsel does not have an attorney-client relationship with individual Board Trustees or with LACERA staff, except in the context of their attorney-client relationship with LACERA and its Boards.

Communications between Board Trustees and LACERA staff, and outside fiduciary counsel about LACERA business, should be maintained as confidential as to third parties, unless and until the Boards jointly determine otherwise. In order to avoid waiver of the attorney-client privilege, individual Board Trustees and LACERA staff shall not disclose communications with outside fiduciary counsel to persons outside LACERA without the authority of both Boards, or their designated representatives.

- 4.4 Professional Responsibilities.** In representing LACERA, outside fiduciary counsel shall have such duties and responsibilities as are set forth in the California Rules of Professional Conduct ([Rules of Professional Conduct](#)). Lead Counsel shall be licensed to practice law in the State of California. All advice on matters of California law shall be given by Lead Counsel or other attorneys admitted in California. Attorneys not licensed to practice in California may advise on matters of Federal Law or national trends.
- 4.5 Conflict of Interest.** Fiduciary Counsel must notify LACERA's Chief Counsel of any actual or potential conflicts of interest in their representation of LACERA on any specific matter or where their expertise is limited such that counsel recommends engagement of another counsel. If LACERA's Chief Counsel has a conflict in the exercise of any responsibility under this policy, such responsibility will be referred to LACERA's CEO or designee.
- 4.6 Oversight.** LACERA's relationship with outside fiduciary counsel shall be managed by the Board Chairs, subject to the Scope of Services described above, with the Boards jointly having ultimate oversight. In the event advice is required from outside fiduciary counsel on a matter concerning a Board Chair, the Vice Chair of each respective Board shall manage such work. In the event a matter concerns both a Board Chair and Vice Chair, fiduciary counsel shall be overseen on such matter as determined by a majority vote of a quorum of the Board or Boards, with the Board Chairs and Vice Chairs excluded from the quorum count and vote.
- 4.7 Evaluation.** The Boards shall evaluate outside fiduciary counsel annually. Counsel may provide a self-evaluation in the process.

5. DEFINITION OF "FIDUCIARY ISSUES"

For purposes of this policy, "fiduciary issues" is defined to include all issues as to which the Boards; the Audit, Compliance, Risk, and Ethics (ACRE) Committee; other Board Committees, individual Board Trustees, and LACERA staff may seek advice from independent counsel in the performance of their fiduciary duties, and representation in litigation and otherwise, regarding such topics, including but not limited to:

- 5.1** Fiduciary duties under the California Constitution, the County Employees Retirement Law of 1937, the California Public Employees' Pension Reform Act of 2013, and other applicable law.
- 5.2** Ethical issues, under LACERA's Code of Ethical Conduct, the Political Reform Act, California Government Code Section 1090 and other provisions of the California Government Code, Fair Political Practices Commission (FPPC) Regulations, FPPC and California Attorney General

Opinions, and other applicable laws and LACERA policy relating to conflicts of interest and ethics of Board Trustees, LACERA staff, and/or LACERA vendors.

- 5.3 Board governance.
- 5.4 LACERA's organizational structure.
- 5.5 Disputes by and between Board Trustees.
- 5.6 Negotiation and drafting of contracts.
- 5.7 Actuarial and financial matters.
- 5.8 Employment-related matters.
- 5.9 Benefit-related matters, including service retirement, disability retirement, retiree healthcare benefits, and other benefit issues.
- 5.10 Investment-related matters.
- 5.11 Investigations
- 5.12 Litigation by or against LACERA or its representatives.

6. **REVIEW**


This policy shall be reviewed by the Boards every three years.

History:

Adopted _____, 2025 by the Board of Retirement and _____, 2025 by the Board of Investments.

August 4, 2025

TO: Joint Organizational Governance Committee
Patrick Jones, Chair (BOI)
Jason Green, Vice Chair (BOI)
Shawn Kehoe, Trustee (BOR)
Debbie Martin, Trustee (BOI)
Nicole Mi, Trustee (BOI)
Ronald Okum, Trustee (BOR)
Les Robbins (BOR)
David Ryu, Trustee (BOR)

FROM: Francis J. Boyd, 
Senior Staff Counsel

FOR: August 11, 2025, Joint Organizational Governance Committee

RE: **REQUEST FOR PROPOSAL FOR FIDUCIARY COUNSEL SERVICES**

INTRODUCTION

The current Board-approved fiduciary counsel firms are Nossaman LLP, Klausner Kaufman Jensen & Levinson, and Olson Hagel & Fishburn LLP (now Olson Remcho LLP). These firms were approved by the Board of Retirement and the Board of Investments on October 28, 2020, for a five-year term—the contracts also allow for a two-year extension. Given the closely approaching end date for these firms' contractual terms of service, staff requests that the JOGC recommend to the Boards that a Request for Proposals (RFP) for fiduciary counsel services be issued and discuss the process by which candidates will be evaluated for final selection. The Proposed RFP is attached as Exhibit A, and the Proposed Fiduciary Counsel Legal Services Contract is attached as Exhibit B.

RECOMMENDATION

It is recommended that the Joint Organizational Governance Committee (JOGC) recommend to the Board of Retirement and Board of Investments that an RFP for fiduciary counsel services be issued and that the Committee discuss the process by which candidates will be evaluated for final selection.

LEGAL AUTHORITY

The Boards have plenary authority and fiduciary responsibility for the administration and investment of the fund. Cal. Const., art. XVI, § 17; Cal. Gov't Code §§ 31520; 31595. Government Code Section 31529.6, which is a LACERA-specific provision, provides that “the board of retirement and the board of investment may contract with attorneys in private practice for legal services and advice. The boards shall pay reasonable compensation for

the legal services and advice. The compensation shall be considered a cost of administration of the system.”

Engagement of fiduciary counsel to assist the Boards, individual trustees, and staff is a prudent exercise of the Boards' constitutional and statutory authority to ensure that, in addition to the expertise of the in-house LACERA Legal Division, independent-outside counsel is available when deemed appropriate. In 2018, the Boards adopted a Fiduciary Counsel Policy stating applicable policies and procedures. Under a separate memorandum dated July 29, 2025, staff is recommending that the Committee recommend and that the Boards adopt an updated version of the Policy. The current and proposed Fiduciary Counsel Policies are attached as Exhibits C and D.

DISCUSSION

A. Selection Process.

The Boards last issued an RFP for fiduciary counsel in 2020. At that time, similar to the 2015 RFP process, the Board Chairs appointed a joint ad hoc committee to evaluate the received proposals. Though the Chairs are not obligated to appoint an ad hoc committee, this process proved effective in 2015 and 2020 in evaluating proposals, conducting early round interviews, and narrowing the candidates for final interviews and selection by the Boards. An ad hoc committee is not subject to the Brown Act, and therefore, it is nimbler in holding meetings and addressing issues. The Committee and Boards cannot vote on the appointment of an ad hoc committee—this is a decision for the Chairs, although the Committee and Boards may discuss the process generally.

As an option to an ad hoc committee, the JOGC could oversee the RFP, although this may take additional time, with an increased number of public meetings that would need to be noticed under the Brown Act.

B. Proposed RFP.

The JOGC may wish to consider and comment on the proposed RFP (Exhibit A), particularly its Scope of Work (following from the Fiduciary Counsel Policy, which will be attached to the RFP) and required Core Skills, which are in line with that used in 2020.

The RFP provides the following Scope of Work:

Fiduciary Counsel is to provide independent legal advice and services related to the full range of issues of fiduciary duties concerning LACERA's operations and governance, including duties arising in connection with the interpretation and application of relevant provisions of the California Constitution, CERL, PEPR, the Brown Act, the Public Records Act, Political Reform Act, and other applicable law. Working as appropriate in coordination with the Boards, Board Chairs, and LACERA's Legal Division, the responsibilities of fiduciary counsel will include the following:

- A. Provide oral and written legal advice to the Board of Retirement, Board of Investments, and/or staff regarding fiduciary duties.
- B. Analyze and evaluate fiduciary matters facing the organization and its Boards.
- C. Keep the Boards up to date on the laws and legal developments regarding fiduciary duties and provide training annually or with such other frequency as requested.
- D. Assist in other fiduciary matters, including litigation, as requested.

The RFP provides for the following Core Skill and attributes:

Core skills include comprehensive knowledge and understanding of relevant fiduciary law, excellent oral and written communication skills, sound judgment, the ability to work well with and maintain the confidence of the Board of Retirement, the Board of Investments, and staff, and the ability to deliver services in a timely and cost-effective manner.

The lead attorney must have at least ten (10) years of experience providing fiduciary advice to public or private organizations in California. Experience in advising other CERL systems and/or other public pension systems is strongly desirable.

The RFP also lists the 12 specific areas of experience stated in the revised Fiduciary Counsel Policy and further provides that the Lead Attorney and all attorneys advising on issues of California law shall be admitted to practice law in California.

In considering a recommendation for the Boards, staff welcomes the JOGC's input on these and other parts of the RFP.

C. Proposed Contract Template.

The attached contract template (Exhibit B) is based on the 2020 template, with appropriate updates. Staff welcomes the JOGC's comments on the terms of the template, which will be an attachment to the RFP.

CONCLUSION

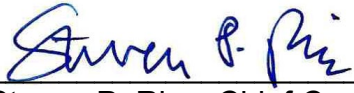
It is recommended that the Joint Organizational Governance Committee (JOGC) recommend to the Board of Retirement and Board of Investments that an RFP for fiduciary counsel services be issued and that it discusses the process by which candidates will be evaluated for final selection.

Re: Request for Proposals for Fiduciary Counsel Services

August 4, 2025

Page 4 of 4

Reviewed and approved.



Steven P. Rice, Chief Counsel

Attachments

c: Santos H. Kreimann

Luis Lugo

Jonathan Grabel

JJ Popowich

Laura Guglielmo

Richard Bendall

Exhibit A –
2025 LACERA Request
for Proposals for
Fiduciary Counsel Legal
Services

Los Angeles County Employees Retirement Association Request for Proposals for Fiduciary Counsel Legal Services

I. INTRODUCTION

The Los Angeles County Employees Retirement Association (LACERA) invites proposals from experienced attorneys and law firms in response to this Request for Proposals (RFP) to provide fiduciary counsel legal services to support LACERA's governing Board of Retirement and Board of Investments, staff, and the organization as a whole.

LACERA is a defined benefit public pension fund established to administer retirement benefits to employees of the County of Los Angeles and other participating agencies pursuant to the County Employees Retirement Law (CERL) of 1937 (California Government Code Section 31450, et seq.), the California Public Employees' Pension Reform Act of 2013 (PEPRA) (California Government Code Section 7522, et seq.), and other applicable law. The fund also invests in assets to support the retiree healthcare program. LACERA operates as an independent governmental entity separate and distinct from Los Angeles County. LACERA has approximately 500 employees to administer benefits for active, deferred, and retired members; oversee the County's retiree health benefits program; and manage the fund's investments. LACERA managed approximately \$85 billion in fund assets to support the pensions of almost 200,000 active, retired, and deferred members.

LACERA's staff includes a Legal Division consisting of thirteen (13) lawyers, five (5) legal analysts, and other professional support staff, with expertise in governance, compliance, benefits, disability, investments, commercial contracts, litigation, employment, and legislative matters.

LACERA'S MISSION, VISION, AND VALUES

Mission: To Produce, Protect, and Provide the Promised Benefits to Our Members

Vision: Empowering our members to enjoy a healthy and secure retirement

Values: Integrity, Inclusivity, Innovation, Accountability, Collaboration, and Transparency

LACERA GOVERNING BOARDS

Board of Retirement (BOR) – This nine-member Board, with two alternates, is responsible for the overall management of the retirement system. Under the policy guidance of the BOR, LACERA strives to create innovative ways to streamline and expedite retirement processes, integrate new technologies, and introduce new member services options and upgrades.

Board of Investments (BOI) – This nine-member Board is responsible for establishing LACERA's investment policy and objectives, as well as exercising authority over the investment management of the fund's diversified portfolio and actuarial matters. The two Boards share joint responsibility for LACERA's budget, personnel classifications and compensation, and the CEO's performance evaluation.

///

II. SCOPE OF SERVICES AND REQUIRED CORE SKILLS

LACERA seeks to hire outside counsel to provide independent legal advice and services related to the full range of issues of fiduciary duties concerning LACERA's operations and governance, including duties arising in connection with the interpretation and application of relevant provisions of the California Constitution, CERL, PEPRA, the Brown Act, the Public Records Act, Political Reform Act, and other applicable law. Working as appropriate in coordination with the Boards, Board Chairs, and LACERA's Legal Division, the responsibilities of fiduciary counsel will include the following:

- A. Provide oral and written legal advice to the Board of Retirement, Board of Investments, and/or staff regarding fiduciary duties.
- B. Analyze and evaluate fiduciary matters facing the organization and its Boards.
- C. Keep the Boards up-to-date on the laws and legal developments regarding fiduciary duties, and provide training annually or with such other frequency as requested.
- D. Assist in other fiduciary matters, including litigation, as requested.

The duties and responsibilities of fiduciary counsel are further explained in the Boards' Fiduciary Counsel Policy, a copy of which is attached to this RFP.

Core skills include comprehensive knowledge and understanding of relevant fiduciary law, excellent oral and written communication skills, sound judgment, the ability to work well with and maintain the confidence of the Board of Retirement, the Board of Investments, and staff, and the ability to deliver services in a timely and cost effective manner.

The lead attorney must have at least ten (10) years of experience providing fiduciary advice to public or private organizations in California. Experience in advising other CERL systems and/or other public pension systems is strongly desirable.

The term of service will be at five (5) years with an optional two-year term.

III. RFP PROCESS

This RFP and other relevant information related to the RFP, including addenda, modifications, answers to questions, and other updates, will be posted on the "RFPs" page of LACERA.gov and LACERA's Vendor Gateway. Additional background information about LACERA may also be found on LACERA.gov.

A. Calendar *[To be inserted after RFP approval by the Boards.]*

Issuance of RFP

Written Questions and Requests for Clarification Due

Responses to Questions Posted

**Proposals Due
Finalist Interviews**

**Estimated Final Selection and
Approval by the Boards**

B. Communication and Questions

Respondents are encouraged to communicate any questions regarding this RFP by the deadline stated above in the RFP Calendar. Questions should be submitted in writing to LACERA's Gateway Portal. Questions and answers will be posted at LACERA.gov by the date stated in the RFP Calendar.

C. Errors in the RFP

If a respondent discovers an ambiguity, conflict, discrepancy, omission or other error in this RFP, notice should be immediately provided to LACERA's Vendor Gateway Portal. LACERA is not responsible for, and has no liability for or obligation to correct, any errors or omissions in this RFP.

D. Addenda

Modifications or clarifications of the RFP, if deemed necessary, will be made by addenda to the RFP and posted on LACERA.com.

E. Delivery of Submissions

Submissions must be delivered in PDF format via email to LACERA's Vendor Gateway Portal (<https://lacera.cobblestone.software/gateway/Login.aspx>) by the due date stated above in the RFP Calendar.

See "Notice Regarding the California Public Records Act and Brown Act" in this RFP for information regarding redactions and disclosure.

F. Proposal Format and Content

All responses to this RFP should follow the format described in this Section III.F. For each part of the response, restate the RFP item immediately above the response. When requested, please provide details and state all qualifications or exceptions. All information provided should be concise and clearly relevant to qualifications to serve as LACERA's fiduciary counsel.

Cover Letter

The cover letter must provide a statement affirming that the signatory is empowered and authorized to bind the respondent to an engagement agreement with LACERA and represents and warrants that the information stated in the proposal is accurate and may be relied upon by LACERA in considering, and potentially accepting, the proposal.

Executive Summary

In this section, an overview should be provided of the respondent's background, experience, and other qualifications to serve as LACERA's fiduciary counsel.

Experience and Approach

The proposal must provide a detailed statement of the respondent's experience in providing independent fiduciary counsel services to CERL systems and other public pension systems, including experience advising boards on governance issues, the California Constitution, CERL, PEPR, the Brown Act, the Public Records Act, the Political Reform Act, and other legal issues. LACERA's goal in the RFP process is to understand each respondent's experience across the full spectrum of fiduciary issues that may arise in the administration of a California public pension system, including but not limited to:

1. Fiduciary duties under the California Constitution, the County Employees Retirement Law of 1937, the California Public Employees' Pension Reform Act of 2013, and other applicable law.
2. Ethical issues, under LACERA's Code of Ethical Conduct, the Political Reform Act, California Government Code Section 1090 and other provisions of the California Government Code, Fair Political Practices Commission (FPPC) Regulations, FPPC and California Attorney General Opinions, and other applicable laws and LACERA policy relating to conflicts of interest and ethics of Board Members, LACERA staff, and/or LACERA vendors.
3. Board governance.
4. LACERA's organizational structure.
5. Disputes by and between Board Members.
6. Negotiation and drafting of contracts.
7. Actuarial and financial matters.
8. Employment-related matters.
9. Benefit-related matters, including service retirement, disability retirement, retiree healthcare benefits, and other benefit issues.
10. Investment-related matters.
11. Investigations.
12. Litigation, as requested.

LACERA is interested in a respondent's experience and approach in analyzing such issues, interfacing with trustees and staff, and litigating issues if necessary. LACERA is also interested in how the respondent differentiates themselves from other counsel offering similar services.

Assigned Professionals

The proposal must set forth the name the lead attorney(s) and all other attorneys and professional staff expected to be assigned to LACERA work, including a detailed profile of each person's background and relevant individual experience and the ability of the professionals collectively to function together as a team and also to work effectively with LACERA's Boards and staff in performing the scope of services. The lead attorney and each attorney provided advice to LACERA must be licensed and in good standing with the California Bar to practice law in the State of California. Diversity is a core LACERA value, and therefore the proposal must specifically address the diversity of the proposed team members in meaningful roles to support the firm's work for LACERA. LACERA expects that this section of the response will only include those persons committed to supporting LACERA and investing in a relationship with LACERA on a regular and long-term basis. The proposal should include a commitment by the lead attorney to be reasonably available to LACERA on an ongoing basis; availability to attend Board and Committee and staff meetings in person on request is a material selection criteria.

With respect to diversity, the response must include a description of diversity policies, practices, and procedures maintained by the firm regarding equal employment opportunity, including the recruitment, development, retention, and promotion of a diverse and inclusive workforce, non-discrimination based on gender, race, ethnicity, sexual orientation, age, veteran's status, and other legally protected categories, and prohibition of sexual harassment in the workplace. If the respondent has written policies, a copy should be provided with the response to this RFP. The response should identify the oversight, monitoring, and other compliance processes for implementation and enforcement of the firm's diversity policies, practices, and procedures, including the name of the perform who is responsible for oversight the firm's method to measure the effectiveness of the policies, and conclusions as to effectiveness. Please describe any judicial, regulatory, or other legal finding, formal action, or claims related to equal employment opportunity, workplace discrimination, or sexual harassment during the past ten (10) years.

References

In this section, the proposal must identify as references at least five (5) public pension systems for which the respondent has served as fiduciary counsel, including, for each system, an individual point of contact, the length of time the respondent served as fiduciary counsel, and a summary of the work performed.

Fees and Costs, Billing Practices, and Payment Terms

The respondent must explain the pricing proposal for the scope of work including pricing of fees and costs, billing practices, and payment terms that would apply assuming a five (5) year initial duration of the engagement as well as an additional two-year optional period during which the engagement may extend. LACERA does not place any limits on the approach to pricing and is open to presentation of more than one pricing alternative for the scope of work, or portions of it. This section of the response should include an explanation as to how the pricing approach(es) will be managed to provide the best value to LACERA. The respondent should represent that the pricing offered to LACERA is, and will remain, equivalent to or better

than that provided to other governmental clients, or should provide an explanation as to why this representation cannot be provided. All pricing proposals should be “best and final,” although LACERA reserves the right to negotiate on pricing.

Conflicts of Interest

The proposal must identify all actual or potential conflicts of interest that the respondent may face in the representation of LACERA. Specifically, and without limitation to other actual or potential conflicts, the proposal should identify any representation of the County of Los Angeles, Los Angeles County Office of Education, the South Coast Air Quality Management District, Little Lake Cemetery District, and Local Agency Formation Commission, and, to the respondent’s knowledge, any of LACERA’s members, vendors, other contracting parties, investments, and employees. The proposal should also identify any positional conflicts of which the respondent is aware.

Claims

The proposal must identify all past, pending, or threatened litigation, including but not limited to malpractice claims, and all administrative, state ethics, and disciplinary proceedings and other claims against the firm and any of the attorneys proposed to provide services to LACERA.

Insurance

The proposal must explain the insurance that the respondent will provide with respect to the services to be provided and other acts or omission of the firm and its attorneys and staff in the representation of LACERA. The limits of liability are a material term of any engagement letter with the firm and may be subject to negotiation.

Other Information

The proposal may contain any other information that the respondent deems relevant to LACERA’s selection process.

G. Post-Proposal Request for Information

LACERA reserves the right in its discretion to request additional information from any respondent, although such requests may not be made to all respondents.

H. Interviews and Personal Presentations

LACERA intends to require one or more interviews with or personal presentations by finalists to be conducted with staff and/or the Boards.

I. Evaluation Criteria

Respondents will be evaluated in the discretion of LACERA based upon the following factors:

1. Experience providing fiduciary advice to public and private organizations, including

representation of CERL systems and other public pensions, and their governing boards and staff.

2. Quality of the team proposed to provide services to LACERA.
3. Information provided by references.
4. Communications skills.
5. Pricing and value.
6. Teamwork, both internally and with LACERA's Boards and staff.
7. Level of investment and commitment to the LACERA relationship.
8. The organization, completeness, and quality of the proposal, including cohesiveness, conciseness, and clarity.

The factors will be considered as a whole, without a specific weighting. The balancing of the factors is in LACERA's sole discretion. Factors other than those listed may be considered by LACERA in making its selection.

J. Engagement Agreement

LACERA will negotiate an engagement agreement with a successful respondent, which must contain such terms as LACERA in its sole discretion may require. The agreement will be submitted to the Boards for approval. A copy of LACERA's template agreement is attached to this RFP.

IV. GENERAL CONDITIONS

This RFP is not an offer to contract. Acceptance of a proposal neither commits LACERA to award a contract to any respondent even if all requirements stated in this RFP are met, nor does it limit LACERA's right to negotiate the terms of an engagement agreement in LACERA's best interest, including requirement of terms not mentioned in this RFP. LACERA reserves the right to contract with a vendor for reasons other than lowest price.

Failure to comply with the requirements of this RFP may subject the proposal to disqualification. However, failure to meet a qualification or requirement will not necessarily subject a proposal to disqualification.

Publication of this RFP does not limit LACERA's right to negotiate for the services described in this RFP. If deemed by LACERA to be in its best interests, LACERA may negotiate for the services described in this RFP with a party that did not submit a proposal. LACERA reserves the right to choose to not enter into an agreement with any of the respondents to this RFP.

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A. Quiet Period

To ensure that prospective service providers responding to this RFP have equal access to information regarding the RFP and communications related to the RFP are consistent and accurate so that the selection process is efficient and fair, a quiet period will be in effect from the date of issuance of this RFP until the search has been completed. During the quiet period, respondents are not permitted to communicate with any LACERA staff member or Board trustee regarding this RFP except through the point of contact named herein. Respondents violating the quiet period may be disqualified at LACERA's discretion. Violation of the quiet period may result in disqualification. Respondents who are existing LACERA service providers must limit their communications with LACERA staff and Board members to the subject of the existing services provided.

B. Notice Regarding the California Public Records Act and Brown Act

The information submitted in response to this RFP will be subject to public disclosure pursuant to the California Public Records Act (California Government Code Section 6250, et. seq.) and the Brown Act (California Government Code Section 54950, et seq.) (collectively, the Acts). The Acts provide generally that records relating to a public agency's business are open to public inspection and copying and that the subject matter of this RFP is a matter for public open session discussion by the Boards, unless specifically exempted under one of several exemptions set forth in the Acts. If a respondent believes that any portion of its proposal is exempt from public disclosure or discussion under the Acts, the respondent must provide a full explanation and mark such portion "TRADE SECRETS," "CONFIDENTIAL," or "PROPRIETARY," and make it readily separable from the balance of the response. Proposals marked "TRADE SECRETS," "CONFIDENTIAL," or "PROPRIETARY" in their entirety will not be honored, and LACERA will not deny public disclosure of all or any portion of proposals so marked.

By submitting a proposal with material marked "TRADE SECRETS," "CONFIDENTIAL," or "PROPRIETARY," a respondent represents it has a good faith belief that the material is exempt from disclosure under the Acts; however, such designations will not necessarily be conclusive, and a respondent may be required to justify in writing why such material should not be disclosed by LACERA under the Acts.

LACERA will use reasonable means to ensure that material marked "TRADE SECRETS," "CONFIDENTIAL," or "PROPRIETARY" is safeguarded and held in confidence. LACERA will not be liable, however, for disclosure of such material if deemed appropriate in LACERA's sole discretion. LACERA retains the right to disclose all information provided by a respondent.

If LACERA denies public disclosure of any materials designated as "TRADE SECRETS," "CONFIDENTIAL," or "PROPRIETARY," the respondent agrees to reimburse LACERA for, and to indemnify, defend and hold harmless LACERA, its Boards, officers, fiduciaries, employees and agents from and against:

1. Any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs and expenses, including without limitation attorneys' fees, expenses and court costs of any nature whatsoever (collectively, Claims) arising from or relating to LACERA's non-disclosure of any such designated portions of a proposal; and

2. Any and all Claims arising from or relating to LACERA's public disclosure of any such designated portions of a proposal if LACERA reasonably determines disclosure is deemed required by law, or if disclosure is ordered by a court of competent jurisdiction.

If LACERA staff recommends any respondent to the Boards for hiring, such recommendation, the reasons for the recommendation, and the relevant proposal(s) will appear on a publicly posted agenda and in supporting materials for public meetings of the Boards.

C. Reservations by LACERA

In addition to the other provisions of this RFP, LACERA reserves the right to:

1. Cancel this RFP, in whole or in part, at any time.
2. Make such investigation as it deems necessary to determine the respondent's ability to furnish the required services, and the respondent agrees to furnish all such information for this purpose as LACERA may request.
3. Reject the proposal of any respondent who is not currently in a position to perform the contract, or who has previously failed to perform similar contracts properly, or in a timely manner, or for any other reason in LACERA's sole discretion.
4. Waive irregularities, to negotiate in any manner necessary to best serve the public interest, and to make a whole award, multiple awards, a partial award, or no award.
5. Award a contract, if at all, to the firm which will provide the best match to the requirements of the RFP and the service needs of LACERA in LACERA's sole discretion, which may not be the proposal offering the lowest fees.
6. Reject any or all proposals submitted in response to this RFP.
7. Determine the extent, without limitation, to which the services of a successful respondent are or are not actually utilized.

D. Ownership of Proposals

The information that a respondent submits in response to this RFP becomes the exclusive property of LACERA. LACERA will not return any proposal or reimburse proposal preparation expenses.

E. Valid Period of Proposal

The pricing, terms, conditions, and other information stated in each proposal must remain valid for 120 days from the date of delivery of the proposal to LACERA.

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F. Cost of Proposal

LACERA shall not be liable for any costs respondents incur in connection with the preparation or submission of a proposal.

Exhibit B –
2025 Proposed Legal
Services Agreement for
Fiduciary Counsel
Services

**LEGAL SERVICES AGREEMENT
FOR FIDUCIARY COUNSEL SERVICES**

BETWEEN

**LOS ANGELES COUNTY EMPLOYEES RETIREMENT
ASSOCIATION**

AND

[FIRM NAME]

AS OF [DATE]

**Prepared by:
LACERA Legal Office**

LEGAL SERVICES AGREEMENT FOR FIDUCIARY COUNSEL SERVICES

This Legal Services Agreement for Fiduciary Counsel Services ("Agreement") is executed on the dates stated below and effective as of _____ between the Los Angeles County Employees Retirement Association (hereafter "LACERA") and _____ (hereafter "Firm").

1. SCOPE OF WORK

As its scope of work, the Firm agrees to provide independent legal advice and services related to fiduciary duties concerning LACERA's operations and governance, including interpretation and application of relevant provisions of the California Constitution, CERL, PEPR, the Brown Act, the Public Records Act, Political Reform Act, and other applicable law. Working as appropriate in coordination with the Board of Retirement, Board of Investments (collectively, the "Boards"), Board Chairs, trustees, LACERA's Legal Division, and other staff the responsibilities of fiduciary counsel will include the following:

- A. Provide oral and written legal advice to the Boards, trustees, and staff regarding fiduciary duties.
- B. Analyze and evaluate fiduciary matters facing the organization and its Boards.
- C. Keep the Boards up to date on the laws and legal developments regarding fiduciary duties and provide training annually or with such other frequency as requested.
- D. Assist in other fiduciary matters, including litigation, as requested.

In performing all services, the Firm is a fiduciary and has a fiduciary duty to LACERA and will conduct itself in accordance with the Boards' Fiduciary Counsel Policy, as in effect from time to time. In performing the services, the Firm will make its attorneys available to attend Board, Committee, and staff meetings and phone calls upon LACERA's request and will complete work upon the schedule directed by LACERA.

In connection with the Firm's scope of work, appropriate representatives of LACERA will be reasonably available to confer with the Firm and will disclose all facts and circumstances of which LACERA is aware that may bear upon the Firm's handling of any matter. LACERA will pay the Firm's reasonable fees and expenses according to the terms of this Agreement and will endeavor to otherwise assist the Firm's efforts on LACERA's behalf pursuant to the Firm's reasonable requests.

For clarification, the scope of work provided hereunder requires the Firm to provide advice on specified topics as are mutually agreed by the parties in writing, and the Firm is not responsible for advising LACERA on all aspects of its business as to which the Firm's legal advice has not been specifically sought as anticipated

herein. This Agreement does not prevent LACERA from seeking legal advice on matters within this scope of work from other counsel.

2. AUTHORIZED ATTORNEYS

- A. Exhibit A, "List of Authorized Attorneys," contains a list of each individual who may perform legal services under this Agreement. These personnel are referred to in this Agreement as "Authorized Attorneys."
- B. Individuals not listed in Exhibit A shall not perform services, or be compensated, under this Agreement without LACERA's prior written approval. The Firm shall not substitute, replace or reassign an Authorized Attorney without LACERA's prior written approval.

3. CHANGES IN CONTROL, ORGANIZATION, DISCIPLINARY STATUS, OR AUTHORIZED ATTORNEYS

- A. Firm shall promptly, and in any case within five (5) calendar days, notify LACERA in writing:
 - i. if any of the Firm's representations and warranties, as set forth in this Agreement, cease to be true at any time during the term of this Agreement;
 - ii. of any proposed change in the List of Authorized Attorneys (Exhibit A), including departure from the Firm and change in good standing before the California Bar and any pending proceedings for disciplinary action before the Bar; and
 - iii. of any mergers and acquisitions involving the Firm, but not including the hiring by the Firm or departure from the Firm of any individual attorneys other than the Authorized Attorneys.
- B. All notices under this provision shall contain sufficient information to permit LACERA to evaluate the changes. The Firm agrees to immediately provide LACERA with such additional information as LACERA may request with respect to any such change.

4. ASSOCIATED COUNSEL

The Firm may not associate with other law firms or attorneys ("Associated Counsel") to perform the work contemplated by this Agreement without LACERA's prior written approval. The Firm shall require that any Associated Counsel agree to an engagement letter that incorporates all the provisions set forth in this Agreement as applicable in full to the Associated Counsel. The Firm is responsible for monitoring the activities of any Associated Counsel approved under this Agreement, and for reporting such activities to LACERA.

5. FEES, EXPENSES, AND INVOICES

Unless a special fee arrangement has been agreed to in writing for a particular transaction, the Firm will charge for the Authorized Attorneys the rates listed in Exhibit A. These rates will be in effect and will not increase for the entire term of this Agreement. For clarification, the reference in Exhibit A is to “Year 1,” is for services provided in 2026, “Year 2” is for services provided in 2027, and so forth.

Fees and expenses charged to LACERA shall be in accordance with the “Billing and Expense Guidelines” attached as Exhibit B to this Agreement and incorporated herein by reference.

Notwithstanding any other provision in this Agreement, LACERA will pay the Firm as described in this section only with respect to services that have been expressly requested and approved through LACERA’s Chief Counsel, or their duly designated representative.

LACERA reserves the right to audit any billing statement or invoice at any time and may request reasonable adjustments.

6. CONFLICTS OF INTEREST

Before undertaking any work on LACERA’s behalf, the Firm shall conduct a conflict check to ensure that the Firm has no legal conflicts of interest between any former or existing client and LACERA. The Firm agrees to immediately notify LACERA of any actual or potential conflicts of interest discovered with any former or existing client. The Firm will not represent any potential client with an interest that is or may be adverse to LACERA unless LACERA and such potential client consent to the proposed representation in writing. The Firm acknowledges that LACERA does not waive any future conflicts (i.e., potential conflicts that may arise later in connection with the Firm’s possible future representation of existing or new clients).

LACERA will not be obligated to pay for any services performed prior to notification of a conflict if (1) the conflict existed at the commencement of the representation of the matter, (2) the conflict results in the termination of the representation of LACERA for such matter, or (3) LACERA reasonably believes the value of services provided has been impaired and/or offset is necessary to fund the costs of replacement counsel. In addition, in the event the Firm withdraws as counsel due to a conflict, notwithstanding when such conflict arises, the Firm must provide at no cost to LACERA, legal services necessary to effectuate a smooth and effective transition of the matter to another attorney.

The Firm will not accept personal assignments from, accept work for third parties referred from, or make personal referrals for compensation to any LACERA trustee, staff, or vendor. LACERA believes, and the Firm accepts, that such assignments and referrals create the potential for a conflict of interest. For clarification, this provision does not apply to the Firm providing legal services to third parties who receive references from any LACERA trustee, staff or vendor during a bona fide selection process in which the Firm may participate.

7. INSURANCE

The Firm shall provide and maintain at its own expense during the term of this Contract the programs of insurance programs specified below. Such insurance will be primary and not contributing with any other insurance of self-insurance programs maintained by LACERA.

- A. Errors and Omissions. Firm shall provide and maintain insurance covering liability arising from any error, omission, negligent or wrongful act of the Firm, its officers, employees, or Agents, with limits of at least \$5,000,000 per claim and an annual aggregate of at least \$5,000,000. The coverage also shall provide an extended one-year reporting period commencing upon termination or cancellation of this Contract.
- B. Commercial General Liability. The Firm shall provide and maintain a Commercial General Liability insurance policy, which names LACERA as additional insured. Such policy shall cover legal liability for bodily injury and property damage arising out of the Firm's business operations and services that the Firm provides pursuant to this Agreement. Such policy shall include, without limitation, endorsements for Property Damage, Premises-Operations, Products/Completed Operations, Contractual, and Personal/Advertising Injury with a limit of at least \$2,000,000 per occurrence and an annual aggregate of at least 4,000,000. If such insurance is written on a Claims Made Form, such insurance shall be endorsed providing an extended reporting period of not less than five (5) years following termination or expiration of this Agreement.
- C. Auto Liability. The Firm shall provide and maintain a comprehensive auto liability insurance policy endorsed for all "owned", "non-owned", and "hired" vehicles, or coverage for any "auto", with a combined single limit of not less than One Million Dollars (\$1,000,000) per accident.
- D. Workers' Compensation. The Firm shall bear sole responsibility and liability for furnishing Workers' Compensation benefits to the Firm's employees for injuries arising from or connected with any services provided to LACERA under this Agreement. The Firm shall provide and maintain a program of Workers' Compensation, in an amount and form to meet all applicable statutory requirements. In all cases, worker's compensation insurance also shall include Employer's Liability Insurance with limits of not less than \$1,000,000, each accident, and \$1,000,000, disease, covering all of the Firm's employees.
- E. Cyber Liability Insurance. The Firm shall carry and maintain, at its own expense including any applicable deductibles or retention, Cyber Liability insurance with limits of not less than \$1,000,000 for each occurrence and an annual aggregate of \$2,000,000 covering claims involving privacy violations, information theft, damage to or destruction of electronic information, intentional and/or unintentional release of private information,

alteration of electronic information, extortion and network security. This coverage shall cover the costs of notifying third parties and LACERA members potentially affected by a data breach.

Upon execution of this Agreement and annually thereafter as well as upon LACERA's request, the Firm shall provide evidence of such insurance in the form of a certificate of insurance, which certificate shall describe the nature, amount and term of the insurance provided, and shall further provide that LACERA shall be given at least thirty (30) days advance written notice of any material modification of such insurance, or any termination of such insurance initiated by the insurer. The Firm shall provide at least thirty (30) days advance written notice of termination of such insurance initiated by the Firm. Delivery of a notice of termination of insurance shall not relieve the Firm of its obligation to provide and maintain the insurance provided for in this Section 7.

8. TERM AND TERMINATION

This agreement will have a term of five (5) years, and two (2) one-year extensions in LACERA's sole discretion. However, LACERA will have the right to terminate the Firm's representation and this Agreement at any time and for any reason by giving the Firm written notice of termination, which may be effective or at such future date as may be specified in LACERA's sole discretion. Subject to the Firm's responsibilities under applicable ethical rules, the Firm will also have the right to terminate this Agreement by giving LACERA written notice if LACERA fails to cooperate with the Firm or to pay its bills when due, or if the Firm determines that continuing to represent LACERA would be unethical or improper. Except as otherwise specifically provided in this Agreement, all duties and obligations of both LACERA and the Firm shall cease upon termination or expiration of this Agreement except that (1) each party shall remain liable for any rights, obligations, or liabilities arising from activities carried on by it under this Agreement prior to the effective date of the termination or expiration and (2) the Firm will return all LACERA records to LACERA or its designee within 30 days of request and shall cooperate promptly fully to affect an orderly transfer of services. The provisions of Section 5 (Fees, Expenses, and Invoices), Section 7 (Insurance), Section 9 (Confidentiality), Section 11 (Attorney's Fees, Costs, and Expenses), Section 15 (Record Retention), and Section 16 (Controlling Law and Jurisdiction) shall survive termination of this Agreement.

9. CONFIDENTIALITY

While performing legal services under this Agreement, the Firm may have access to confidential information concerning LACERA, its Boards, staff, and members. The Firm agrees not to disclose any such information unless LACERA has given its prior written consent or unless required to by subpoena or other legal process. The Firm further agrees to notify LACERA as soon as possible upon receipt of any such subpoena or other legal process. The Firm will refrain from discussing LACERA matters with the media unless specifically authorized in advance. Any inquiries from the media must be referred to LACERA. The Firm will use best

efforts to protect the confidentiality of all information provided to it by LACERA, or its vendors or representatives, in any media or format, including but not limited to hard copy, electronic, or any other media or format.

For clarification, this Agreement does not prevent the Firm, including the Authorized Attorneys, from speaking at conferences, publishing articles, or otherwise commenting publicly on information of public interest that is not confidential.

10. EXPERTS/CONSULTANTS

The Firm shall obtain LACERA written approval before retaining experts or consultants. The Firm will ensure that any expert or consultant retained by the Firm complies with the terms of this Agreement.

11. ATTORNEY'S FEES, COSTS, AND EXPENSES

In any legal proceeding which arises out of or relates to this Agreement (whether in contract, tort, or any other legal theory whatsoever), the party not prevailing shall pay to the prevailing party all reasonable costs and expenses incurred therein by the prevailing party including, without limitation, reasonable attorney's fees, court costs, expert witness fees and costs, travel time and associated costs, copy costs, deposition costs, exhibit costs, costs on appeal, fees and costs associated with execution upon any judgment or order, special transcript costs, the appointment of a Special Master or discovery referee, and any mediator or settlement official. These expenses shall be in addition to any other relief to which the prevailing party may be entitled and shall be included in and as part of the judgment or decision rendered in such proceeding.

12. WAIVER

The waiver by either party of any breach of any term, covenant or condition contained in this Agreement, or any default in the performance of any obligations under this Agreement shall not be deemed to be a waiver of any other breach or default of the same or any other term, covenant, condition, or obligation. No waiver of any incident of breach or default shall constitute a continuing waiver of the same. Any modification, cancellation, or waiver of any of the provisions of this Agreement must be in writing, signed by the party against whom such modification, cancellation or waiver is sought.

13. LEGAL REQUIREMENTS

The Firm acknowledges that LACERA is subject to the provisions of the conflict and ethics laws of California (including but not limited to Government Code Section 81000 et seq. and all regulations adopted thereunder, including but not limited to California Code of Regulations section 18700 et seq.), and the Firm shall comply promptly with any requirements thereunder, including the filing of an annual Form 700, and will ensure that at all times it, and its attorneys and staff, comply with applicable law.

The Firm will comply with applicable California law concerning the practice of law in California.

14. NOTICE OF PROCEEDINGS

The Firm will promptly notify LACERA in writing of any investigation, examination, or other proceeding involving the Firm, or any Key Person or List of Authorized Attorneys, commenced by any regulatory agency. This reporting obligation also applies to any criminal, civil, regulatory or administrative investigation, examination of proceeding relating to the practice of law or their honesty and integrity.

15. RECORD RETENTION

The Firm shall keep accurate books and records in connection with its performance of this Agreement. Such books and records shall be kept in a secure location and shall be available for inspection and copying by LACERA and its representatives at any time. Notwithstanding any other obligations imposed by law, the Firm shall maintain all files in its possession relating to the legal services performed pursuant to this Agreement for ten years after the closure of any matter. The Firm agrees to make all records held by the Firm available immediately upon receipt of written request from LACERA.

16. INDEMNIFICATION

The Firm will defend and indemnify LACERA from all damages, losses, actual attorney's fees and costs (including expert witness fees), and other costs and sums incurred or due on account of any breach of this Agreement by the Firm or the Firm's negligence or misconduct of any kind. This clause includes amounts incurred or suffered by LACERA itself resulting from the above causes and amounts due to third parties by way of damages or other payments.

17. CONTROLLING LAW AND JURISDICTION

This Agreement shall be administered, construed, and enforced according to the laws of the State of California (without regard to any state or federal conflict of laws provisions or principles). Any suit brought hereunder shall be brought in a state or federal court sitting in Los Angeles, California, the parties hereby waiving any claim or defense that such forum is not convenient or proper. Each party agrees that any such court shall have in personam and subject matter jurisdiction over it and its attorneys and staff and any dispute between the parties, and consents to service of process in any manner authorized by California law.

18. AGREEMENT APPLICABLE UNTIL CHANGED IN WRITING

This Agreement will apply to all matters the Firm agrees to undertake on LACERA'S behalf, unless the parties hereto enter into an express written agreement reflecting an alternate arrangement.

19. NOTICES

All notices permitted or required pursuant to this Agreement shall exclusively by the persons and be sent to the addresses provided below by electronic email with “hard” original to follow by first class mail, postage prepaid, or by a reputable overnight courier. Addresses may be changed by either party from time to time by written notice in compliance with this provision.

LACERA:

FIRM:

Steven P. Rice
Chief Counsel
LACERA
300 N. Lake Avenue, Suite 600
Pasadena, CA 91101
Email: srice@lacera.gov

20. COMMUNICATION

[NAME]_____ is hereby designated by the Firm as the “Lead Attorney.” The Lead Attorney may not be changed without the consent of LACERA, which LACERA may not unreasonably withhold. The Lead Attorney shall be the primary relationship as a whole on an ongoing basis and shall maintain regular contact (at twice per month) with LACERA to discuss any issues arising from the relationship. All contacts between the Firm and LACERA shall be through LACERA’s Chief Counsel unless otherwise agreed in writing. Where other partners and associates are utilized, the Lead Attorney retains responsibility for the end product and no duplication of effort or increased costs will be paid by LACERA.

21. SELF-ASSESSMENT

The Firm will provide LACERA with a written self-assessment report on or before November 1 of each year of this Agreement, at no charge to LACERA, summarizing the projects performed by the Firm, results, areas for improvement in the relationship, and other relevant information to allow the Boards and staff to evaluate and assess the Firm’s work.

22. TRAINING AND SEMINARS

In the event the Firm conducts seminars, training sessions or similar events which are generally made available to the Firm's clients, LACERA shall be invited to attend upon the same terms and conditions as such other clients.

If required by LACERA, the Firm agrees that the Lead Attorney, or their delegate, if approved by LACERA in advance, shall provide training and educational sessions about legal developments regarding fiduciary duties to LACERA trustees and staff at LACERA’s offices (or such other place as mutually agreed upon) at least once every calendar year at a mutually agreeable time.

23. RFP INCORPORATION

The Firm acknowledges that LACERA selected the Firm based upon its **[DATE]** Response to Request for Proposals for Fiduciary Counsel Services to LACERA's **[DATE]** Request for Proposals for Fiduciary Counsel Legal Services (the "RFP"), its **[DATE]** PowerPoint Presentation of Qualifications for Fiduciary Counsel Services, and its **[DATE]** Presentation of Qualifications for Fiduciary Counsel Services. The Firms' three responses as described in the preceding sentence are collectively referred to as the "Response." The RFP and the Firm's Response are hereby incorporated by reference into and made part of this Agreement. This Agreement, the RFP, and the Response shall be read together and, in the event of a conflict, interpreted in LACERA's favor to provide for the broadest scope of terms, duties, and responsibilities on the part of the Firm as stated among the documents so as to benefit LACERA to the maximum extent.

24. AMENDMENTS

This Agreement may be amended or modified only by a written instrument executed by both parties hereto and making specific reference to this Agreement and the intent of the parties that it be modified or amended by such writing.

25. AUTHORITY TO SIGN AGREEMENT

LACERA and the Firm have duly authorized, executed and delivered this Agreement. The individuals signing this Agreement on behalf of LACERA and the Firm have the authority to bind and act on behalf of the party for which they sign below.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers on the dates below effective as of **[DATE]**.

LACERA:

By: _____

Name: Steven P. Rice

Title: Chief Counsel

Date: _____

FIRM:

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

LIST OF AUTHORIZED ATTORNEYS

	Optional Extension						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7

EXHIBIT B

BILLING AND EXPENSE GUIDELINES

The purpose of these guidelines is to achieve (1) high quality legal representation that produces maximum value, (2) the most efficient use of resources, and (3) cost-effective results. To achieve these results, LACERA requires that the following practices and procedures be followed in all billing activities.

Invoices

1. A separate invoice shall be provided for each matter assigned and sent to LACERA. Invoices sent to advisors or consultants will not be paid until LACERA receives and approves them.
2. Invoices shall be segregated into (a) legal fees and (b) expenses and disbursements.
3. Invoices shall be submitted monthly for payment in a timely manner, but in no event later than 15 days after the end of the month in which the service was rendered, the expense incurred, or the transaction completed. LACERA reserves the right not to pay invoices submitted past such 15-day period.
4. Time shall be charged in increments of one-tenth (0.10) of an hour.
5. Descriptions of blocks, batches of activities or tasks under one charge (i.e., block billing) is not allowed. Invoices must set forth in detail the related professional, the distinct tasks and activities performed by each professional, the time expended, and fees charged for that work in separate time entries. Duplicative entries for similar tasks performed by more than one attorney are not allowed unless reasonably necessary for the performance of LACERA's work.
6. The Firm's invoices must include the following information:
 - Invoice date.
 - Invoice number.
 - The Firm's Federal Employee Tax Identification Number (EIN).
 - Firm matter number.
 - The full matter name (Fiduciary Counsel Services).
 - Beginning and ending date of services covered.
 - For each entry, the first and last name and position with the Firm of the timekeeper performing the services, a full description of each separate task within the entry, the hourly rate, and the total fees for that entry.
 - A timekeeper summary reflecting the total time spent by each timekeeper by first and last name, on the matter for the billing period, the hourly rate, and the total amount charged, shall appear at the end of each invoice.
 - Itemized expenses.

- Total amount of billing for the matter (1) for the billing period, (2) for the current year to date, and (3) from beginning of the representation to date.
- Any outstanding balances listed on the invoices should include (1) the invoice date, (2) invoice number and (3) invoice amount. Further, outstanding balances should be reflected at the end of the invoice and not included in the amount due for the month.
- Invoices must be submitted by email to the Chief Counsel, srice@lacera.gov.

When the Firm submits a bill to LACERA, it is certifying that:

- The legal services and disbursements reflected on the bill were in fact performed and incurred as described;
- The fees are reasonable for the legal matter involved and necessary for the proper provision of legal services; and
- The Firm has complied with these Billing Guidelines.

Budgets

LACERA may request, and the Firm will provide, written budgets for certain projects. The budget is expected to represent the Firm's best judgment, rendered after careful consideration, of the required tasks and of the costs associated with those tasks. LACERA should be informed as soon as it is anticipated that a matter may go over the agreed upon budget. Each budget and update will be reviewed for approval by LACERA. If the budget for the matter has been exceeded, invoices cannot be paid unless and until the budget has been adjusted and mutually agreed upon. LACERA considers the development of accurate budgets to be an essential planning tool to effectively manage legal resources. It is equally unacceptable for a budget to be too high as it is for the budget to be too low. Consistent material departures from the budget will negatively impact LACERA's evaluation of the Firm with respect to future assignments.

Retainers

LACERA does not pay an advance retainer or otherwise issue pre-payment deposits.

Expenses

1. In all cases, the Firm's invoice to LACERA for expenses must reflect the Firm's actual cost without any mark-up. Actual cost is defined as the amount paid, net of any discounts, to a third-party provider of goods or services. LACERA does not pay for the Firm's overhead, such as secretarial time, overtime, overtime meals, office operation expenses, fax charges, library or online legal research service charges (except actual database charges for a LACERA search), and similar items.

2. Photocopies by the Firm may be billed at \$0.10 per page and the number of pages should be included in the bill entry, unless an outside vendor is used, in which case billing should be at actual cost charged by the vendor.

Travel

Travel expenses will be paid in accordance with LACERA's Staff Travel Policy in effect at the time of the travel. All travel must be approved by LACERA in writing and in advance.

Exhibit C –
2020 Fiduciary Counsel
Policy

FIDUCIARY COUNSEL POLICY

1. PURPOSE

This policy confirms the role of outside fiduciary counsel and parameters for use of fiduciary counsel by LACERA and its Board of Retirement and Board of Investments (each, a Board), Board Committees, individual Board Members, and LACERA staff.

2. LEGAL AUTHORITY

Under Article XVI, Section 17 of the California Constitution, the Boards have "sole and exclusive responsibility to administer" LACERA. Under Government Code Section 31529.6, the Boards "may contract with attorneys in private practice for legal services and advice. The boards shall pay reasonable compensation for the legal services and advice. The compensation shall be considered a cost of administration of the system." Under this authority, the Boards may engage outside fiduciary counsel to provide assistance in the exercise of fiduciary duties by LACERA and the Boards. The Boards, collectively and as individual Board Members, must satisfy their fiduciary duties in all matters they consider, all decisions they make, and all aspects of their conduct on behalf of LACERA.

3. POLICY STATEMENT

3.1 *Retention.* The Boards acting jointly shall retain one or more outside fiduciary counsel to represent the interests of LACERA and provide advice to the Boards and LACERA staff in connection with fiduciary issues under the terms of this policy.

3.2 *Scope of Services.* The services provided by outside fiduciary counsel shall include:

3.2.1 *Meeting Attendance.* An outside fiduciary counsel, selected from the list of Board approved and retained counsel, shall, upon request by a Board Chair, Committee Chair, any other Board Member, the Chief Executive Officer, or Chief Counsel, attend any Board of Retirement, Board of Investments, and Committee meeting to provide advice concerning fiduciary issues when such attendance appears relevant and helpful to an issue before a Board or Committee. Fiduciary counsel may also attend any meeting when, in counsel's view after consultation with relevant Board Members, the Chief Executive Officer, or Chief Counsel, attendance is appropriate. In considering whether fiduciary counsel will attend a meeting, but without limiting attendance when appropriate, consideration shall be given to the cost of attendance as well as cost-effective and efficient alternatives to attendance, such as a

telephonic consultation prior to the meeting, appearance by telephone or video at a meeting, or a written opinion.

3.2.2 Advice to the Board Chairs and Other Board Members Outside Noticed Meetings. Outside fiduciary counsel shall provide such advice concerning fiduciary issues as may be requested by the Chairs and officers of the Boards or any Committee in the setting of Board and Committee agendas and in fulfilling their duties and responsibilities. Outside fiduciary counsel shall also, without limitation, provide advice in connection with fiduciary issues to any individual Board Member who requests it. Board Members are encouraged to seek counsel from LACERA's Chief Counsel or from outside fiduciary counsel on any fiduciary issues that may arise; however, without limiting the right of individual Board Members to contact outside fiduciary counsel, individual Board Members should be mindful of costs and issues of the attorney-client privilege and confidentiality (as outlined in Sections 3.3 and 3.4 of this policy) in determining whether to seek advice from outside fiduciary counsel on a given issue. Board Members are encouraged to discuss any questions regarding privilege and confidentiality with outside fiduciary counsel before beginning a substantive discussion or requesting specific advice.

3.2.3 Consultation with Staff. LACERA's Chief Executive Officer (CEO) and Chief Counsel, or their designees, may seek advice on fiduciary issues from outside fiduciary counsel. The Chairs shall be copied on staff's written communications, and promptly advised of staff's oral communications, with fiduciary counsel. Chief Counsel, in coordination with the CEO, shall provide the Board Chairs with a privileged monthly written report of staff written and verbal contacts, which shall also be copied to all Board Members.

3.2.4 Other Projects. Outside fiduciary counsel shall be available to perform any other work concerning fiduciary issues as may be requested from time to time by the Boards.

3.3 *Privilege and the Confidentiality of Communications.* LACERA is the client for which outside fiduciary counsel provides services. The Boards jointly are the highest authorities within LACERA overseeing outside fiduciary counsel. The confidentiality of communications between LACERA, acting by and through the Boards, and outside fiduciary counsel is subject to the attorney-client privilege under applicable California law, including the California Bar's Rules of Professional Conduct for attorneys.

The Boards jointly control the attorney-client privilege, which may not be waived except by joint action of both Boards. Communications with and information disclosed to or by fiduciary counsel during proceedings of one Board or Committee are subject to disclosure to all Boards and Committees, subject to the requirements of the Brown Act with respect to disclosures in closed session. Communications between any individual member of the Board or LACERA staff and outside fiduciary counsel are subject to disclosure to the Boards and other Board Members. Outside fiduciary counsel does not have an attorney-client relationship with individual Board Members or with LACERA staff.

Communications between Board Members and LACERA staff, on the one hand, and outside fiduciary counsel, on the other hand, about the business of LACERA, should be maintained as confidential as to third parties, unless and until the Boards jointly determine otherwise. In order to avoid waiver of the attorney-client privilege, individual Board Members and LACERA staff shall not disclose communications with outside fiduciary counsel to persons outside LACERA without the authority of both Boards, or their designated representatives.

3.4 Professional Responsibilities. In representing LACERA, outside fiduciary counsel shall have such duties and responsibilities as are set forth in the California Rules of Professional Conduct.

3.5 Oversight. LACERA's relationship with outside fiduciary counsel shall be managed by the Board Chairs, subject to the Scope of Services described above, with the Boards jointly having ultimate oversight. In the event advice is required from outside fiduciary counsel on a matter concerning a Board Chair, the Vice Chair of each respective Board shall manage such work. In the event a matter concerns both a Board Chair and Vice Chair, fiduciary counsel shall be overseen on such matter as determined by a majority vote of a quorum of the Board or Boards, with the Board Chairs and Vice Chairs excluded from the quorum count and vote.

3.6 Evaluation. The Boards shall evaluate outside fiduciary counsel annually. Counsel may provide a self-evaluation in the process.

4. DEFINITION OF "FIDUCIARY ISSUES"

For purposes of this policy, "fiduciary issues" is defined to include all issues as to which the Boards, the Audit Committee, other Board Committees, individual Board Members, and LACERA staff may seek advice from independent counsel in the performance of their fiduciary duties, including but not limited to:

- 4.1 Fiduciary duties under the California Constitution, the County Employees Retirement Law of 1937, the California Public Employees' Pension Reform Act of 2013, and other applicable law.
- 4.2 Ethical issues, under LACERA's Code of Ethical Conduct, the Political Reform Act, California Government Code Section 1090 and other provisions of the California Government Code, Fair Political Practices Commission (FPPC) Regulations, FPPC and California Attorney General Opinions, and other applicable laws and LACERA policy relating to conflicts of interest and ethics of Board Members, LACERA staff, and/or LACERA vendors.
- 4.3 Board governance.
- 4.4 LACERA's organizational structure.
- 4.5 Disputes by and between Board Members.
- 4.6 Negotiation and drafting of contracts.
- 4.7 Actuarial and financial matters.
- 4.8 Employment-related matters.
- 4.9 Benefit-related matters, including service retirement, disability retirement, retiree healthcare benefits, and other benefit issues.
- 4.10 Investment-related matters.
- 4.11 Investigations.

5. SCOPE

This policy applies broadly to all matters that may be addressed by the Boards, Board Committees, individual Board Members, or LACERA staff with outside fiduciary counsel concerning fiduciary issues. This policy does not limit the ability of one or both of the Boards, in the exercise of their plenary authority to administer the retirement system, to engage separate outside fiduciary counsel to represent their interests as a Board or Boards in the event of a conflict of interest or in connection with special projects relating to fiduciary issues.

History:

Adopted as Revised June 13, 2018 by Board of Retirement and Board of Investments

Adopted November 2, 2017 by Board of Investments and November 9, 2017 by Board of Retirement

Exhibit D –
2020 Fiduciary Counsel
Policy Clean Redlined

FIDUCIARY COUNSEL POLICY

1. **PURPOSE**

This policy confirms the role of outside fiduciary counsel and parameters for use of fiduciary counsel by LACERA and its Board of Retirement and Board of Investments (each, a Board), Board Committees, individual Board ~~Trustees~~Members, and LACERA staff.

2. **SCOPE**

This policy applies broadly to all matters that may be addressed by the Boards, Board Committees, individual Board Members, or LACERA staff with outside fiduciary counsel concerning fiduciary issues. This policy does not limit the ability of one or both of the Boards, in the exercise of their plenary authority to administer the retirement system, to engage separate outside fiduciary counsel to represent their interests as a Board or Boards in the event of a conflict of interest or in connection with special projects relating to fiduciary issues.

~~2.3.~~ **LEGAL AUTHORITY**

Under Article XVI, Section 17 of the California Constitution, the Boards have "sole and exclusive responsibility to administer" LACERA in a manner that will assure prompt delivery of benefits and related services to members and their beneficiaries. Under Government Code Section 31529.6, the Boards "may contract with attorneys in private practice for legal services and advice. The boards shall pay reasonable compensation for the legal services and advice. The compensation shall be considered a cost of administration of the system." Under this authority, the Boards may engage outside fiduciary counsel to provide assistance in the exercise of fiduciary duties by LACERA and ~~its~~the Boards. The Boards, collectively and as individual Board ~~Trustees~~Members, must satisfy their fiduciary duties in all matters they consider, all decisions they make, and all aspects of their conduct on behalf of LACERA.

~~3.4.~~ **POLICY STATEMENT**

3.14.1 Retention. The Boards acting jointly shall retain one or more outside fiduciary counsel to represent the interests of LACERA and provide advice to the Boards and LACERA staff in connection with fiduciary issues under the terms of this policy.

3.24.2 Scope of Services. The services provided by outside fiduciary counsel shall include:

3.2.14.2.1 Meeting Attendance. An outside fiduciary counsel, selected from the list of Board approved and retained counsel, shall, upon request by a Board Chair, Committee Chair, any other Board ~~TrusteeMember~~, the Chief Executive Officer, or Chief Counsel, ~~or their designee~~, attend any Board of Retirement, Board of Investments, and Committee meeting to provide advice concerning fiduciary issues when such attendance appears relevant and helpful to an issue before a Board or Committee. Fiduciary counsel may also attend any meeting when, in counsel's view after consultation with relevant Board ~~TrusteesMembers~~, the ~~CEO~~~~Chief Executive Officer~~, or Chief Counsel, attendance is appropriate. In considering whether fiduciary counsel will attend a meeting, but without limiting attendance when appropriate, consideration shall be given to the cost of attendance as well as cost-effective and efficient alternatives to attendance, such as a telephonic consultation prior to the meeting, appearance by telephone or video at a meeting, or a written opinion.

3.2.24.2.2 Advice to the Board Chairs and Other Board ~~TrusteesMembers~~ Outside Noticed Meetings. Outside fiduciary counsel shall provide such advice concerning fiduciary issues as may be requested by the Chairs and officers of the Boards or any Committee in the setting of Board and Committee agendas and in fulfilling their duties and responsibilities. Outside fiduciary counsel shall also, without limitation, provide advice in connection with fiduciary issues to any individual Board ~~TrusteeMember~~ who requests it. Board ~~TrusteesMembers~~ are encouraged to seek counsel from LACERA's Chief Counsel or from outside fiduciary counsel on any fiduciary issues that may arise; however, without limiting the right of individual Board ~~TrusteeMembers~~ to contact outside fiduciary counsel, individual Board ~~TrusteesMembers~~ should be mindful of costs and issues of the attorney-client privilege and confidentiality (as outlined in Sections ~~4.33.3~~ and ~~4.43.4~~ of this policy) in determining whether to seek advice from outside fiduciary counsel on a given issue. Board ~~TrusteesMembers~~ are encouraged to discuss any questions regarding privilege and confidentiality with outside fiduciary counsel before beginning a substantive discussion or requesting specific advice.

3.2.34.2.3 Consultation with Staff. LACERA's ~~CEO~~~~Chief Executive Officer~~ (CEO) and Chief Counsel, or their designees, may seek advice on fiduciary issues from outside fiduciary counsel. ~~The Chairs~~

~~shall be copied on staff's written communications, and promptly advised of staff's oral communications, with fiduciary counsel.~~ Chief Counsel, in coordination with the CEO, shall provide the Board Chairs with a privileged monthly written report of staff written and verbal contacts, which shall also be copied to all Board ~~Trustees~~^{Members}, ~~which shall include the following information: (a) a summary of fiscal year-to-date billings, broken down by staff contact and projects, attendance at and preparation for Board, Committee, and other meetings and contacts with the Board Chairs or other Trustees and direct-Trustee assignments; (b) fiscal year-to-day billings by each firm; (c) lead fiduciary counsel hourly rates; (d) and itemized schedule of fees and costs for attending and preparing for Board and Committee meetings, with a statement of the reason for fiduciary counsel's attendance; and (e) a daily breakdown of staff and Trustee contacts with fiduciary counsel during the previous month, with a summary of the issue.~~

3.2.44.2.4 Other Projects. Outside fiduciary counsel shall be available to perform any other work concerning fiduciary issues as may be requested from time to time by the Boards, or their designated representatives, and agreed upon by fiduciary counsel.

3.34.3 Privilege and the Confidentiality of Communications. LACERA is the client for which outside fiduciary counsel provides services. The Boards jointly are the highest authorities within LACERA overseeing outside fiduciary counsel. The confidentiality of communications between LACERA, acting by and through the Boards, and outside fiduciary counsel is subject to the attorney-client privilege under applicable California law, including the California ~~Bar's~~ Rules of Professional Conduct for attorneys.

The Boards jointly control the attorney-client privilege, which may not be waived except by joint action of both Boards. Communications with and information disclosed to or by fiduciary counsel during proceedings of one Board or Committee are subject to disclosure to all Boards and Committees, subject to the requirements of the Brown Act with respect to disclosures in closed session. Communications between any individual member of the Board or LACERA staff and outside fiduciary counsel are subject to disclosure when they reveal conduct constituting a violation of law or, in the judgment of fiduciary counsel, warrant disclosure to the Board Chairs or Chairs, the CEO, and/or Chief Counsel, as appropriate, because they raise institutional or related concerns. ~~to the Boards and other Board Members.~~ Outside fiduciary counsel does not have an attorney-client relationship with individual Board ~~TrusteesMembers~~ or with LACERA staff, except in the context of their attorney-client relationship with LACERA and its Boards.

Communications between Board ~~TrusteesMembers~~ and LACERA staff, ~~on the one hand,~~ and outside fiduciary counsel, ~~on the other hand,~~ about ~~the business of~~ LACERA business, should be maintained as confidential as to third parties, unless and until the Boards jointly determine otherwise. In order to avoid waiver of the attorney-client privilege, individual Board ~~TrusteesMembers~~ and LACERA staff shall not disclose communications with outside fiduciary counsel to persons outside LACERA without the authority of both Boards, or their designated representatives.

4.4 ***Professional Responsibilities.*** In representing LACERA, outside fiduciary counsel shall have such duties and responsibilities as are set forth in the California Rules of Professional Conduct [link added]. Lead Counsel shall be licensed to practice law in the State of California. All advice on matters of California law shall be given by Lead Counsel or other attorneys admitted in California. Attorneys not licensed to practice in California may advise on matters of Federal Law or national trends.

3.44.5 ***Conflict of Interest.*** Fiduciary Counsel must notify LACERA's Chief Counsel of any actual or potential conflicts of interest in their representation of LACERA on any specific matter or where their expertise is limited such that counsel recommends engagement of another counsel. If LACERA's Chief Counsel has a conflict in the exercise of any responsibility under this policy, such responsibility will be referred to LACERA's CEO or designee.

3.54.6 ***Oversight.*** LACERA's relationship with outside fiduciary counsel shall be managed by the Board Chairs, subject to the Scope of Services described above, with the Boards jointly having ultimate oversight. In the event advice is required from outside fiduciary counsel on a matter concerning a Board

Chair, the Vice Chair of each respective Board shall manage such work. In the event a matter concerns both a Board Chair and Vice Chair, fiduciary counsel shall be overseen on such matter as determined by a majority vote of a quorum of the Board or Boards, with the Board Chairs and Vice Chairs excluded from the quorum count and vote.

3.64.7 Evaluation. The Boards shall evaluate outside fiduciary counsel annually. Counsel may provide a self-evaluation in the process.

4.5. DEFINITION OF "FIDUCIARY ISSUES"

For purposes of this policy, "fiduciary issues" is defined to include all issues as to which the Boards, the Audit, Compliance, Risk, and Ethics (ACRE) Committee, other Board Committees, individual Board TrusteesMembers, and LACERA staff may seek advice from independent counsel in the performance of their fiduciary duties, and representation in litigation and otherwise, regarding such topics, including but not limited to:

4.45.1 Fiduciary duties under the California Constitution, the County Employees Retirement Law of 1937, the California Public Employees' Pension Reform Act of 2013, and other applicable law.

4.25.2 Ethical issues, under LACERA's Code of Ethical Conduct, the Political Reform Act, California Government Code Section 1090 and other provisions of the California Government Code, Fair Political Practices Commission (FPPC) Regulations, FPPC and California Attorney General Opinions, and other applicable laws and LACERA policy relating to conflicts of interest and ethics of Board TrusteesMembers, LACERA staff, and/or LACERA vendors.

4.35.3 Board governance.

4.45.4 LACERA's organizational structure.

4.55.5 Disputes by and between Board Members.

4.65.6 Negotiation and drafting of contracts.

4.75.7 Actuarial and financial matters.

4.85.8 Employment-related matters.

4.95.9 Benefit-related matters, including service retirement, disability retirement, retiree healthcare benefits, and other benefit issues.

4.105.10 Investment-related matters.

5.11 Investigations.

4.115.12 Litigation by or against LACERA or its representatives.

5.1. SCOPE

~~This policy applies broadly to all matters that may be addressed by the Boards, Board Committees, individual Board Members, or LACERA staff with outside fiduciary counsel concerning fiduciary issues. This policy does not limit the ability of one or both of the Boards, in the exercise of their plenary authority to administer the retirement system, to engage separate outside fiduciary counsel to represent their interests as a Board or Boards in the event of a conflict of interest or in connection with special projects relating to fiduciary issues.~~

6. REVIEW

This policy shall be reviewed by the Boards every three years.

History:

Adopted _____, 2025 by the Board of Retirement and _____, 2025, by the Board of Investments.

~~Adopted as Revised June 13, 2018 by Board of Retirement and Board of Investments~~

~~Adopted November 2, 2017 by Board of Investments and November 9, 2017 by Board of Retirement~~

Exhibit E –
2025 Proposed
Fiduciary Counsel Policy

FIDUCIARY COUNSEL POLICY

1. PURPOSE

This policy confirms the role of outside fiduciary counsel and parameters for use of fiduciary counsel by LACERA and its Board of Retirement and Board of Investments (each, a Board), Board Committees, individual Board Trustees, and LACERA staff.

2. SCOPE

This policy applies broadly to all matters that may be addressed by the Boards, Board Committees, individual Board Trustees, or LACERA staff with outside fiduciary counsel concerning fiduciary issues. This policy does not limit the ability of one or both of the Boards, in the exercise of their plenary authority to administer the retirement system, to engage separate outside fiduciary counsel to represent their interests as a Board or Boards in the event of a conflict of interest or in connection with special projects relating to fiduciary issues.

3. LEGAL AUTHORITY

Under Article XVI, Section 17 of the California Constitution, the Boards have “sole and exclusive responsibility to administer” LACERA in a manner that will assure prompt delivery of benefits and related services to members and their beneficiaries. Under Government Code Section 31529.6, the Boards “may contract with attorneys in private practice for legal services and advice. The boards shall pay reasonable compensation for the legal services and advice. The compensation shall be considered a cost of administration of the system.” Under this authority, the Boards may engage outside fiduciary counsel to provide assistance in the exercise of fiduciary duties by LACERA and its Boards. The Boards, collectively and as individual Board Trustees, must satisfy their fiduciary duties in all matters they consider, all decisions they make, and all aspects of their conduct on behalf of LACERA.

4. POLICY STATEMENT

4.1 *Retention.* The Boards acting jointly shall retain one or more outside fiduciary counsel to represent the interests of LACERA and provide advice to the Boards and LACERA staff in connection with fiduciary issues under the terms of this policy.

4.2 *Scope of Services.* The services provided by outside fiduciary counsel shall include:

4.2.1 *Meeting Attendance.* An outside fiduciary counsel, selected from the list of Board approved and retained counsel, shall, upon request by a Board Chair, Committee Chair, any other Board Trustee, the Chief Executive Officer (CEO), Chief Counsel, or their designee,

attend any Board of Retirement, Board of Investments, and Committee meeting to provide advice concerning fiduciary issues when such attendance appears relevant and helpful to an issue before a Board or Committee. Fiduciary counsel may also attend any meeting when, in counsel's view after consultation with relevant Board Trustees, the CEO, or Chief Counsel, attendance is appropriate. In considering whether fiduciary counsel will attend a meeting, but without limiting attendance when appropriate, consideration shall be given to the cost of attendance as well as cost-effective and efficient alternatives to attendance, such as a telephonic consultation prior to the meeting, appearance by telephone or video at a meeting, or a written opinion.

4.2.2 Advice to the Board Chairs and Other Board Trustees Outside Noticed Meetings.

Outside fiduciary counsel shall provide such advice concerning fiduciary issues as may be requested by the Chairs and officers of the Boards or any Committee in the setting of Board and Committee agendas and in fulfilling their duties and responsibilities. Outside fiduciary counsel shall also, without limitation, provide advice in connection with fiduciary issues to any individual Board Trustee who requests it. Board Trustees are encouraged to seek counsel from LACERA's Chief Counsel or from outside fiduciary counsel on any fiduciary issues that may arise; however, without limiting the right of individual Board Trustees to contact outside fiduciary counsel, individual Board Trustees should be mindful of costs and issues of the attorney-client privilege and confidentiality (as outlined in Sections 4.3 and 4.4 of this policy) in determining whether to seek advice from outside fiduciary counsel on a given issue. Board Trustees are encouraged to discuss any questions regarding privilege and confidentiality with outside fiduciary counsel before beginning a substantive discussion or requesting specific advice.

4.2.3 Consultation with Staff.

LACERA's CEO and Chief Counsel, or their designees, may seek advice on fiduciary issues from outside fiduciary counsel. Chief Counsel, in coordination with the CEO, shall provide the Board Chairs with a privileged monthly written report of staff written and verbal contacts, which shall also be copied to all Board Trustees, which shall include the following information: (a) a summary of fiscal year- to-date billings, broken down by staff contact and projects, attendance at and preparation for Board, Committee, and other meetings and contacts with the Board Chairs or other

trustees and direct-trustee assignments; (b) fiscal year-to-date billings by each firm; (c) lead fiduciary counsel hourly rates; (d) an itemized schedule of fees and costs for attending and preparing for Board and Committee meetings, with a statement of the reason for fiduciary counsel's attendance; and (e) a daily breakdown of staff and trustee contacts with fiduciary counsel during the previous month, with a summary the issue.

4.2.4 Other Projects. Outside fiduciary counsel shall be available to perform any other work concerning fiduciary issues as may be requested from time to time by the Boards, or their designated representatives, and agreed upon by fiduciary counsel.

4.3 *Privilege and the Confidentiality of Communications.* LACERA is the client for which outside fiduciary counsel provides services. The Boards jointly are the highest authorities within LACERA overseeing outside fiduciary counsel. The confidentiality of communications between LACERA, acting by and through the Boards, and outside fiduciary counsel is subject to the attorney-client privilege under applicable California law, including the California Rules of Professional Conduct for attorneys.

The Boards jointly control the attorney-client privilege, which may not be waived except by joint action of both Boards. Communications with and information disclosed to or by fiduciary counsel during proceedings of one Board or Committee are subject to disclosure to all Boards and Committees, subject to the requirements of the Brown Act with respect to disclosures in closed session. Communications between any individual member of the Board or LACERA staff and outside fiduciary counsel are subject to disclosure when they reveal conduct constituting a violation of law or, in the judgment of fiduciary counsel, warrant disclosure to the Board Chair or Chairs, the CEO, and/or Chief Counsel, as appropriate, because they raise institutional or related concerns. Outside fiduciary counsel does not have an attorney-client relationship with individual Board Trustees or with LACERA staff, except in the context of their attorney-client relationship with LACERA and its Boards.

Communications between Board Trustees and LACERA staff, and outside fiduciary counsel about LACERA business, should be maintained as confidential as to third parties, unless and until the Boards jointly determine otherwise. In order to avoid waiver of the attorney-client privilege, individual Board Trustees and LACERA staff shall not disclose communications with outside fiduciary counsel to persons outside LACERA without the authority of both Boards, or their designated representatives.

- 4.4 Professional Responsibilities.** In representing LACERA, outside fiduciary counsel shall have such duties and responsibilities as are set forth in the California Rules of Professional Conduct ([Rules of Professional Conduct](#)). Lead Counsel shall be licensed to practice law in the State of California. All advice on matters of California law shall be given by Lead Counsel or other attorneys admitted in California. Attorneys not licensed to practice in California may advise on matters of Federal Law or national trends.
- 4.5 Conflict of Interest.** Fiduciary Counsel must notify LACERA's Chief Counsel of any actual or potential conflicts of interest in their representation of LACERA on any specific matter or where their expertise is limited such that counsel recommends engagement of another counsel. If LACERA's Chief Counsel has a conflict in the exercise of any responsibility under this policy, such responsibility will be referred to LACERA's CEO or designee.
- 4.6 Oversight.** LACERA's relationship with outside fiduciary counsel shall be managed by the Board Chairs, subject to the Scope of Services described above, with the Boards jointly having ultimate oversight. In the event advice is required from outside fiduciary counsel on a matter concerning a Board Chair, the Vice Chair of each respective Board shall manage such work. In the event a matter concerns both a Board Chair and Vice Chair, fiduciary counsel shall be overseen on such matter as determined by a majority vote of a quorum of the Board or Boards, with the Board Chairs and Vice Chairs excluded from the quorum count and vote.
- 4.7 Evaluation.** The Boards shall evaluate outside fiduciary counsel annually. Counsel may provide a self-evaluation in the process.

5. DEFINITION OF "FIDUCIARY ISSUES"

For purposes of this policy, "fiduciary issues" is defined to include all issues as to which the Boards; the Audit, Compliance, Risk, and Ethics (ACRE) Committee; other Board Committees, individual Board Trustees, and LACERA staff may seek advice from independent counsel in the performance of their fiduciary duties, and representation in litigation and otherwise, regarding such topics, including but not limited to:

- 5.1** Fiduciary duties under the California Constitution, the County Employees Retirement Law of 1937, the California Public Employees' Pension Reform Act of 2013, and other applicable law.
- 5.2** Ethical issues, under LACERA's Code of Ethical Conduct, the Political Reform Act, California Government Code Section 1090 and other provisions of the California Government Code, Fair Political Practices Commission (FPPC) Regulations, FPPC and California Attorney General

Opinions, and other applicable laws and LACERA policy relating to conflicts of interest and ethics of Board Trustees, LACERA staff, and/or LACERA vendors.

- 5.3 Board governance.
- 5.4 LACERA's organizational structure.
- 5.5 Disputes by and between Board Trustees.
- 5.6 Negotiation and drafting of contracts.
- 5.7 Actuarial and financial matters.
- 5.8 Employment-related matters.
- 5.9 Benefit-related matters, including service retirement, disability retirement, retiree healthcare benefits, and other benefit issues.
- 5.10 Investment-related matters.
- 5.11 Investigations
- 5.12 Litigation by or against LACERA or its representatives.

6. **REVIEW**

This policy shall be reviewed by the Boards every three years.

History:

Adopted _____, 2025 by the Board of Retirement and _____, 2025 by the Board of Investments.