

**Highway Patrol Retirement System
Report on Ohio-Qualified Agents
and Investment Managers**

Ohio Retirement Study Council

September 15, 2010



**Daniel K. Weiss, CPA, JD
Executive Director/Chief Investment Officer**

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614-431-0781
www.ohprs.org



September 24, 2010

The Honorable Todd Book, Chair
The Honorable Kirk Schuring, Vice Chair
Ohio Retirement Study Council
88 East Broad Street, Suite 1175
Columbus, OH 43215-3506

Dear Chairperson Book and Senator Schuring:

The following report represents the progress made by the Highway Patrol Retirement System, during the reporting period of July 1, 2009 to June 30, 2010, to implement the goals established in Senate Bill 133 (2004) regarding the use of Ohio-qualified and minority/female-owned investment managers and brokers.

This report represents the efforts of HPRS and the other Ohio public pension plans, working collaboratively, to implement systems and programs to provide business opportunities for Ohio-qualified and minority/female-owned investment managers and brokers. Throughout the reporting period, HPRS has consistently made investment and brokerage decisions based on sound fiduciary principals, while attempting to increase the level of business with these firms. Please contact me if you need additional information.

Sincerely,

Daniel K. Weiss, CPA, JD
Executive Director/Chief Investment Officer
dweiss@ohprs.org

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Executive Summary

In response to Substitute Senate Bill 133, the five Ohio retirement systems collaborated to develop forms and processes in order to certify Ohio-qualified agents and managers.

A comparison of Ohio-qualified utilization between the year ending June 30, 2010 and the baseline period, the year ending June 30, 2004, yields the following results:

- **Ohio-Qualified U.S. Equity Brokers (pages 20-21)**
 - 13.7% increase in the percentage of total value of shares traded, from 13.1% to 14.9%
 - 48.9% increase in the percentage of total commissions paid, from 13.9% to 20.7%.

- **Ohio-Qualified U.S. Fixed-Income Brokers**

Since all fixed income investments are in commingled accounts, HPRS does not use fixed income brokers.

- **Ohio-Qualified Managers (pages 22-23)**
 - 21.6% increase in value under management, from \$83.9 to \$102.0 million
 - 21.1% increase in dollars under management as a percentage of all externally-managed assets, from 13.3% to 16.1%
 - 21.2% increase in dollars under management as a percentage of total fund assets, from 13.2% to 16.0%
 - 4.9% increase in fees paid, from \$448.5 to \$470.6 thousand
 - 29.3% decrease in the percentage of total fees paid, from 15.7% to 11.1%

Ohio-Qualified Agent Certification Process

- The Ohio Public Employees Retirement System (OPERS) is responsible for maintaining documentation of Ohio-Qualified Agents and Ohio-Qualified Minority-Owned Agents that have completed and submitted an Ohio-Qualified Agent Certification (Certification) to OPERS.
- The Certification establishes that the agent meets the Ohio-Qualified Agent or the Ohio-Qualified Minority-Owned Agent statutory criteria mandated under Ohio law, R. C. 145.114, 742.114, 3307.152, 3309.157 and 5505.068.
- Agents are required to submit a Certification annually.
- OPERS contacts agents who have filed a Certification in the prior year but have not completed a Certification for the current period.
- The Certification form is posted to the OPERS website (www.OPERS.org), so that additional eligible agents may complete the Certification and become qualified.
- The Ohio Retirement Systems Ohio-Qualified Agent Listing (Listing) is posted to the OPERS website. The Listing is updated as changes occur throughout the year.
- Each of the Ohio retirement systems may access the website to determine if a particular agent is certified as an Ohio-Qualified Agent or an Ohio-Qualified Minority-Owned Agent.
- The Listing is used to report utilization to the Ohio Retirement Study Council annually.
- Periodically, updates and modifications are made to the Certification process and form by OPERS in conjunction with the other Ohio pension systems.

Ohio Retirement Systems

Ohio-Qualified Agent Certification

General Information

Under Ohio law, R. C. 145.114, 742.114, 3307.152, 3309.157, and 5505.068, each Ohio retirement system is required to:

1. Establish a policy with the goal to increase the use of Ohio-qualified agents for the execution of domestic equity and fixed income trades when an Ohio-qualified agent offers quality, services, and safety comparable to other agents otherwise available to the systems and meets certain criteria;
2. Adopt a policy to establish criteria and procedures used to select agents to execute securities transactions;
3. Designate an agent as an Ohio-qualified agent if the agent meets certain criteria; and,
4. Make certain reports to the Ohio Retirement Study Council concerning Ohio-qualified agents and minority business enterprises.

Each retirement system's policy may be viewed on its web site.

The statutory criteria for an Ohio-qualified agent are that the agent:

1. Is subject to taxation under R.C. Chapter 5725 (financial institutions and insurance), 5733 (corporation franchise tax), or 5747 (income tax);
2. Is authorized to conduct business in Ohio;
3. Maintains a principal place of business in Ohio and employs at least five Ohio residents; and,
4. Is a licensed dealer under Ohio securities laws or comparable laws of another state or the U.S.

"Principal place of business" means an office in which the agent regularly provides securities or investment advisory services and solicits, meets with, or otherwise communicates with clients.

"Dealer" means every person, other than a salesperson, who engages or professes to engage, in Ohio, for either all or part of the person's time, directly or indirectly, either in the business of the sale of securities for the person's own account, or in the business of the purchase or sale of securities for the account of others in the reasonable expectation of receiving a commission, fee, or other remuneration as a result of engaging in the purchase and sale of securities. "Dealer" does not mean any of the following:

(a) Any issuer, including any officer, director, employee, or trustee of, or member or manager of, or partner in, or any general partner of, any issuer, that sells, offers for sale, or does any act in furtherance of the sale of a security that represents an economic interest in that issuer, provided no commission, fee, or other similar remuneration is paid to or received by the issuer for the sale;

(b) Any licensed attorney, public accountant, or firm of such attorneys or accountants, whose activities are incidental to the practice of the attorney's, accountant's, or firm's profession;

(c) Any person that, for the account of others, engages in the purchase or sale of securities that are issued and outstanding before such purchase and sale, if a majority or more of the equity interest of an issuer is sold in that transaction, and if, in the case of a corporation, the securities sold in that transaction represent a majority or more of the voting power of the corporation in the election of directors;

(d) Any person that brings an issuer together with a potential investor and whose compensation is not directly or indirectly based on the sale of any securities by the issuer to the investor;

(e) Any bank;

(f) Any person that the division of securities by rule exempts as a dealer. Ohio securities licensing laws may be found in R.C. Sections 1701.01 through 1701.45.

A minority business enterprise is defined under Ohio law as an individual who:

1. Is a United States citizen
2. Owns and controls a business, a partnership, corporation, or joint venture of any kind that is owned and controlled by United States citizens, who:
 - a. Are residents of Ohio, and
 - b. Are members of one of the following economically disadvantaged groups: Blacks or African Americans, American Indians, Hispanics or Latinos, and Asians.

"Owned and controlled" means that at least fifty-one per cent of the business, including corporate stock if a corporation, is owned by persons who belong to one or more of the groups listed above. These owners must have control over the management and day-to-day operations of the business and an interest in the capital, assets, and profits and losses of the business proportionate to their percentage of ownership. In addition, the business must have been owned and controlled by those persons at least one year prior to being awarded a contract.

You may obtain additional and/or current copies of this form, lists of Ohio-qualified agents and minority business enterprises, and information on use of agents by contacting each system or viewing its web site.

In order to comply with Ohio law, the retirement system requests that your firm submit this certification.

Instructions (This form may be duplicated)

1. Complete, sign and return an original of this form to the:

Ohio Public Employees Retirement System of Ohio (OPERS)
Attn: William Miller, Deputy Director - Investments
277 East Town Street Columbus, Ohio 43215-4642
www.opers.org

Returning this form to OPERS will serve as filing for all five state retirement systems. The other retirement systems are:

School Employees Retirement System, www.ohsers.org

State Teachers Retirement System of Ohio, www.strsoh.org

Ohio Police and Fire Pension Fund, www.op-f.org

Ohio State Highway Patrol Retirement System, www.ohprs.org.

2. A new, completed form must be submitted by June 30th each year, or when information on a previously filed form changes.

Certification

I. Firm Information

Firm legal name: _____
Street address: _____
City, State and Zip Code: _____
Contact person's name: _____
Telephone number: _____
E-mail address: _____

II. Agent Information

I certify that the firm is (mark each that applies):

- An Ohio-qualified agent because all of the following conditions are met:
- Subject to taxation under R.C. Chapter 5725 (financial institutions and insurance companies), 5733 (corporation franchise tax), or 5747 (income tax);
 - Is authorized to conduct business in Ohio;
 - Maintains a principal place of business in Ohio and employs at least five Ohio residents; and,
 - Is a licensed dealer under Ohio securities laws or comparable laws of another state or the U.S.
- A minority business enterprise as defined by Ohio law and described on page 2.

III. Signature

I, the undersigned, state that:

1. I have read and completed the above Certification;
2. I am authorized to execute this Certification on behalf of the firm;
3. I certify the information provided in this Certification is complete and true to the best of my knowledge and belief;
4. I certify that if any information in this Certification changes, the firm will submit a new Certification;
5. I understand that completion and submission of this Certification does not obligate any Ohio retirement system to enter into any contract with the firm; and,
6. I understand that if any information provided on this form is false, any offer of a contract may be withdrawn, or any contract entered into may be terminated without any penalty to the retirement system.

By: Signature _____ Date: _____

Printed Name _____

Title _____

OHIO RETIREMENT SYSTEMS
Ohio-Qualified Agents and Minority Business Enterprises
For the Reporting Period July 1, 2009 to June 30, 2010

	Agent / Brokerage Firm	Contact Name	Minority Business Enterprise?
1	Amherst Securities Group, L.P.	Michael Talabach	No
2	Ancora Securities, Inc.	Christopher R. Barone	No
3	Baker & Co., Incorporated	Melissa Henahan	No
4	Bartlett & Co. (RIA subsidiary of Legg Mason, Inc.)	Laura Humphrey	No
5	Blaylock Robert Van, LLC	Stephen Washington	No
6	Broadpoint Securities, Inc.	John Macklin	No
7	Capital City Securities, LLC	Robert Corgin	No
8	Capital Planners Inc.	Greg Morris	No
9	Citigroup Global Markets Inc.	Marilyn Clark	No
10	Conners & Co., Inc.	Daniel Burke	No
11	Cowen And Company, LLC	Allen Gerard	No
12	Fairway Securities (Division of Horwitz & Associates, Inc.)	Virginia Hayes	No
13	Fifth Third Securities, Inc.	James A. Miehl	No
14	Financial America Securities, Inc.	John D. Rukenbrod	No
15	First Command Financial Services, Inc. (First Command Financial Planning, Inc.)	John L. Draper	No
16	FTN Equity Capital Markets Corp.	Robert Curtin	No
17	Huntington Investment Company (The)	Steve Conn	No
18	Independence Capital Co., Inc.	David W. Toetz	No
19	International Strategy & Investment Group Inc.	Kim-Marie Hasson	No
20	J.P. Morgan Securities, Inc.	Peter Bachmore	No
21	Keefe Bruyette & Woods, Inc.	Craig Gingold	No
22	KeyBanc Capital Markets Inc.	Lara DeLeone	No
23	Lineweaver Financial Group	James S. Lineweaver	No
24	Longbow Securities, LLC	Matthew Griswold	No
25	Merrill Lynch, Pierce, Fenner & Smith Incorporated	Jennifer Gentile	No
26	Morgan Stanley & Co. Incorporated	Paul Fitzgerald	No
27	Munn Wealth Management	David Munn	No
28	Oppenheimer & Co. Inc.	Dennis McNamara	No
29	Pacific American Securities, LLC	McCullough Williams, III	Yes
30	Raymond James & Associates, Inc.	John Walsh	No
31	RBC Capital Markets Corporation	David Stuczynski	No
32	Robert W. Baird & Co., Inc.	Matt Turner	No
33	Ross, Sinclair & Associates, LLC	Omar Ganoom	No
34	SBK-Brooks Investment Corp.	Eric Small	Yes
35	Soleil Securities Corporation	Mary Owen	No
36	Stifel, Nicholas & Company Inc.	Kevin Kaiser	No
37	U.S. Brokerage, Inc. (U.S. Discount Brokerage, Inc.)	Gregory Randall	No
38	UBS Securities LLC	Peter Reed	No
39	Wells Fargo Advisors, LLC	Dan Tapia	No
40	Voyager Institutional Services, LLC (Division of Western International Securities, Inc.)	Dianne Iannarino/John Schoger	No
41	William Blair & Company LLC	Mike Besenjak	No

Development of the Ohio-Qualified Manager List

- The Ohio pension funds jointly designed the Ohio-Qualified Manager Certification Form.
- The Form included criteria from SB133 necessary to qualify as an Ohio-Qualified Manager, instructions for completing the Form, and mailing instructions.
- SERS agreed to maintain the official list of Ohio-Qualified Managers for all of the Ohio pension funds.
- A Notice was placed in the January 10, 2005 edition of *Pensions & Investments* announcing the availability of the Certification Form.
- SERS mailed copies of the Certification Form to each of the Investment Managers currently retained by any of the Ohio pension funds.
- Additionally, SERS also mailed copies of the Certification Form to firms who had expressed an interest in receiving the Form.
- Each of the Ohio pension funds posted a copy of the Certification Form on their respective websites.
- SERS collected all of the returned Certification Forms and compiled a list of Ohio-Qualified Managers.
- The Ohio-Qualified Manager list is used to report utilization to ORSC annually.
- Currently, there are 80 firms on the Ohio-Qualified Manager list.
- The Certification Forms remain on each of the Ohio pension fund websites and additional managers can complete the Forms and become qualified at any time.
- Annually in June, each manager is required to certify that they continue to meet the criteria necessary to qualify as an Ohio-Qualified Manager.

Ohio Retirement Systems Ohio-Qualified Manager Certification

General Information

Under Ohio law, R. C. 145.116, 742.116, 3307.154, 3309.159, and 5505.0610, each Ohio retirement system is required to:

1. Establish a policy with the goal to increase the use of Ohio-qualified investment managers when an Ohio-qualified investment manager offers quality, services, and safety comparable to other investment managers otherwise available to the systems and meets certain criteria;
2. Designate an investment manager as an Ohio-qualified investment manager if the investment manager meets certain criteria;
3. Develop a list of Ohio-qualified investment managers and their investment products;
4. Make certain reports to the Ohio Retirement Study Council concerning Ohio-qualified investment managers; and,
5. Give public notice to Ohio-qualified investment managers of a search for a system investment manager.

Each retirement system's policy may be viewed on its web site.

The legal criteria for an Ohio-qualified manager are that the manager, and/or a parent, affiliate or subsidiary:

1. Is subject to taxation under R.C. Chapter 5725 (financial institutions and insurance companies), 5733 (corporation franchise tax), or 5747 (income tax), and
2. Meets one of the following:
 - a. maintains its corporate headquarters or principal place of business in Ohio, or
 - b. employs at least 500 individuals in Ohio, or
 - c. maintains a principal place of business in Ohio and employs at least 20 Ohio residents.

"Principal place of business in the State of Ohio" means an office in Ohio in which the investment manager regularly provides securities or investment advisory services and solicits, meets with, or otherwise communicates with clients.

A minority business enterprise is defined under Ohio law as an individual who:

1. Is a United States citizen
2. Owns and controls a business, a partnership, corporation, or joint venture of any kind that is owned and controlled by United States citizens, who:
 - a. Are residents of Ohio, and
 - b. Are members of one of the following economically disadvantaged groups:
Blacks or African Americans, American Indians, Hispanics or Latinos, and Asians.

"Owned and controlled" means that at least fifty-one per cent of the business, including corporate stock if a corporation, is owned by persons who belong to one or more of the groups listed above. These owners must have control over the management and day-to-day operations of the business and an interest in the capital, assets, and profits and losses of the business proportionate to their percentage of ownership. In addition, the business must have been owned and controlled by those persons at least one year prior to being awarded a contract.

You may obtain additional and/or current copies of this form, lists of Ohio-qualified managers, and information on any investment manager searches by contacting each system or viewing its web site.

In order to comply with Ohio law, the retirement system requests that your firm submit this certification.

Instructions (This form may be duplicated.)

1. **Complete, sign and return an original** of this form only to the:

School Employees Retirement System of Ohio (SERS)
Attn: Investment Department, 300 East Broad Street Suite 100 Columbus, Ohio 43215-3746
www.ohsers.org

Returning this form to SERS will serve as filing for all five state retirement systems. The other retirement systems are:

- Ohio Public Employees Retirement System, www.opers.org
- State Teachers Retirement System of Ohio, www.strsoh.org
- Ohio Police and Fire Pension Fund, www.op-f.org
- Ohio State Highway Patrol Retirement System, www.ohprs.org

2. If additional pages are needed to complete the information, each page must be attached and numbered.
3. A new completed form must be submitted by June 30th each year, or when information on a previously filed form changes.

Certification

I. Firm Information

Firm name: _____

Street address: _____

City, State and Zip Code: _____

Contact person's name: _____

Telephone number: _____

Fax number: _____

E-mail address: _____

II. Manager Information

I certify that the firm is an Ohio-Qualified Investment Manager because the following conditions are met (mark each that applies):

- Subject to taxation under R.C. Chapter 5725 (financial institutions and insurance companies), 5733 (corporation franchise tax), or 5747 (income tax), [REQUIRED], and,

Meets one of the following (mark each that applies):

- Maintains its corporate headquarters or principal place of business in Ohio.
- Employs at least 500 individuals in Ohio.
- Maintains a principal place of business in Ohio and employs at least 20 Ohio residents.

For informational purposes (mark if applies):

- A minority business enterprise as defined by Ohio law and described on page 1.

III. Product Information

Firm Products	Years of Track Record	Assets under Management
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

IV. Signature

I, the undersigned, state that:

1. I have read and completed the above Certification;
2. I am authorized to execute this Certification on behalf of the firm;
3. I certify that the information provided in this Certification is complete and true to the best of my knowledge and belief;
4. I certify that if any information in this Certification changes, the firm will submit a new Certification;
5. I understand that completion and submission of this Certification does not obligate any Ohio retirement system to enter into any contract with the firm; and,
6. I understand that if any information provided on this form is false any offer of a contract may be withdrawn, or any contract entered into may be terminated without any penalty to the retirement system.

By: Signature _____
Printed Name _____
Title _____

OHIO RETIREMENT SYSTEMS
OHIO-QUALIFIED MANAGERS and Minority Business Enterprises
For the Reporting Period July 1, 2009 to June 30, 2010

	Manager	Contact	City	State	Minority Business
1	AFA Financial	Don Schmidt	North Royalton	OH	
2	Allegiant Asset Management Company	David J. Gorny	Cleveland	OH	
3	AllianceBernstein	Colin Burke	New York	NY	
4	Ancora Advisors LLC	Fred DiSanto	Cleveland	OH	
5	Andrews Advisors Inc.	Michael Andrews	Akron	OH	
6	Apex Capital Management	Jan Terbrueggen	Dayton	OH	X
7	Ascent Advisors, LLC	Carlos Reison, Jr.	West Chester	OH	X
8	Athenian Venture Partners	William E. Tanner	Athens	OH	
9	Bahl & Gaynor Investment Counsel	Matthew McCormick	Cincinnati	OH	
10	Berlin Financial, Ltd.	Tina Griffith	Cleveland	OH	
11	BlackRock Financial Management, Inc.	Donald Perault	New York	NY	
12	Blue Chip Venture Company	Steve Engelbrecht	Cincinnati	OH	
13	Blue Point Capital Partners	David Given	Cleveland	OH	
14	Bowling Portfolio Management	Kathleen Wayner	Cincinnati	OH	
15	Boyd Watterson Asset Management, LLC	Susan Simi	Cleveland	OH	
16	Brantley Partners	Robert Pinkas	Beachwood	OH	
17	Broadleaf Partners, LLC	Jeff Travis	Hudson	OH	
18	Capital Works, LLC	Katy Speer	Cleveland	OH	
19	Charles Schwab Investment Management	Tod Perry	Richfield	OH	
20	CID Capital	Ann Ciccirelli	Indianapolis	IN	
21	Cleveland Capital Management LLC	Wade Massad	Rocky River	OH	
22	Connors & Co., Inc.	John Connors	Cincinnati	OH	
23	Cranwood Capital Management LLC	Ferenc Sanderson	Rocky River	OH	
24	Custer Management, Inc. dba Level Partners	Martha Kashner	New Albany	OH	
25	Dayton Development Coalition	Christina Howard	Dayton	OH	
26	Dean Investment Associates, LLC	Stacy Miller	Dayton	OH	
27	Diamond Hill Capital Management, Inc.	James Laird	Columbus	OH	
28	Elessar Investment Management LLC	Mitch Krahe	Cleveland	OH	
29	Eubel, Brady & Suttman Asset Management	William Hazel	Dayton	OH	
30	FAF Advisors, Inc.	Clint Doroff	Minneapolis	MN	
31	Faubel Financial Group	Roger Faubel	Youngstown	OH	
32	Fidelity Investments	Elizabeth Pathe	Smithfield	RI	
33	Fifth Third Asset Management, Inc.	Mark Valentine	Cleveland	OH	
34	First Fiduciary Investment Counsel, Inc.	Mary Anderson	Cleveland	OH	
35	Fort Washington Investment Advisors, Inc.	Michele Hawkins	Cincinnati	OH	
36	Foundation Medical Partners	Lee R. Wrubel, M.D.	Rowayton	CT	
37	Fund Evaluation Group, LLC	William Goslee	Cincinnati	OH	
38	Goode Investment Management, Inc.	Bruce T. Goode	Cleveland	OH	X
39	Gratry & Company	Robert Tynes	Shaker Heights	OH	
40	Harloff Capital Management	Dr. Gary J. Harloff	Westlake	OH	
41	Hendrix Capital Management, Ltd.	Ross Hendrix	Columbus	OH	
42	Isabella Capital LLC	Margaret Wyant	Cincinnati	OH	
43	J.P. Morgan Investment Management, Inc.	Deborah Glover	New York	NY	
44	James Investment Research	Barry R. James	Xenia	OH	
45	JDM Investment Counsel, LLC	Erick Zanner	Columbus	OH	X
46	Johnson Investment Counsel	Kurt Terrien	Cincinnati	OH	
47	Kirtland Capital Partners	Michael DeGrandis	Beachwood	OH	
48	LanderNorth Asset Management, LLC	Jack Gecovich	Beachwood	OH	
49	Linsalata Capital Partners	Stephen Perry	Mayfield Heights	OH	
50	Madison Square Investors LLC	Walter Lindsay	New York	NY	

OHIO RETIREMENT SYSTEMS
OHIO-QUALIFIED MANAGERS and Minority Business Enterprises
For the Reporting Period July 1, 2009 to June 30, 2010

	Manager	Contact	City	State	Minority Business
51	Manning & Napier Advisors, Inc.	Charles Stamey	Dublin	OH	
52	Mayfield & Robinson, Inc. (River Cities Capital Funds)	Daniel Fleming	Cincinnati	OH	
53	MCM Capital Partners	Kevin Hayes	Beachwood	OH	
54	Meeder Financial	Ruth Kirkpatrick	Dublin	OH	
55	Mench Financial, Inc.	Thomas Mench	Cincinnati	OH	
56	Moore & Company Capital Management	Steven Moore	Columbus	OH	X
57	Morgan Stanley Investment Management, Inc.	Teresa E. Martini	New York	NY	
58	Morgenthaler Venture Partners	Theodore Laufik	Cleveland	OH	
59	New York Life Investment Management LLC (NYLIM)	Michael Pagano	New York	NJ	
60	Opus Capital Management, Inc.	Jakki Haussler	Cincinnati	OH	X
61	Parlan Financial Corp.	Bill Haupricht	Toledo	OH	
62	Primus Capital Partners, Inc.	Dominic Offredo	Cleveland	OH	
63	Renaissance Investment Management	Paul Radomski	Cincinnati	OH	
64	Reservoir Venture Partners	Curtis Crocker	Columbus	OH	
65	Riverpoint Capital Management Investment Advisors	Pamela Schmitt	Cincinnati	OH	
66	Robert W. Baird & Co., Inc.	Michael Perrini	Columbus	OH	
67	RockBridge Capital, LLC	Brett Alexander	Columbus	OH	
68	Sovereign Asset Management	Donald Sazdanoff	Mansfield	OH	
69	Stifel, Nicolaus & Company, Incorporated	Michael Conley	St. Louis	MO	
70	Summit Investment Partners, Inc.	Gary Rodmaker	Cincinnati	OH	
71	Sunbridge Partners, Inc.	John Gannon	Beachwood	OH	
72	The Investlinc Group, LLC	Robert W. Williams	Chagrin Falls	OH	
73	The Riverside Company	Béla Schwartz	Cleveland	OH	
74	Tillar-Wenstrup Advisors, LLC	Stephen Wenstrup	Dayton	OH	
75	Trend Dynamics Inc.	John Webb	Beachwood	OH	
76	Triathlon Medical Ventures, LLC	Steve Englebrecht	Cincinnati	OH	
77	Victory Capital Management Inc.	Lori Swain	Cleveland	OH	
78	Western Asset Management Co.	Joseph Carieri	Pasadena	CA	
79	Winfield Associates	Christopher Baker	Cleveland	OH	
80	Winslow Asset Management	Kara Lewis	Beachwood	OH	



HIGHWAY PATROL RETIREMENT SYSTEM

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Investments

If you have an investment proposal for HPRS, please forward it to the HPRS investment consultant.

Mr. John Morgan, Senior Consultant & Director of Investment Research
Hartland & Co.
1100 Superior Avenue East, Suite 1616
Cleveland, Ohio 44114
www.hartlandco.com
(216) 621-1090
morgan@hartlandco.com

Hartland & Co. has access to the following databases for manager information:

- eVestment Alliance
- Morningstar Direct
- Bloomberg

• General Information

- [Ohio Reporting & Registration Requirements](#)
- [Declaration of Material Assistance](#)
- [Investment Policy](#)

• Ohio-Qualified Agents & Managers

- [Ohio-Qualified Agent Certification](#)
- [Ohio-Qualified Manager Certification](#)
- [Ohio-Qualified Agent List](#)
- [Ohio-Qualified Manager List](#)

• Requests for Proposals

- [US Micro RFP, Jun 2010](#)
- [HPRS Micro RFP](#)

A quiet period will be in effect from the time an RFP is issued until the Board makes a final decision.

Reporting and Registration Requirements under Ohio Law

The operation of the Ohio public pension plans is governed by specific statutes under Ohio law. These can be found in Chapters 101 , 102, 145, 742, 3307, 3309 and 5505 of the Ohio Revised Code.

Persons/entities doing business, or seeking to do business, with any of the Ohio public pension plans or making campaign contributions to, or on behalf of, a Board member or candidate for a Board position are governed by, and may be required to register or file reports with, the Joint Legislative Ethics Committee, the Ohio Ethics Commission, and/or the Ohio Secretary of State. The Ohio public pension plans cannot provide guidance about these requirements. To determine if these provisions apply to you, please contact the following agencies:

Joint Legislative Ethics Committee
50 West Broad Street, Suite 1308
Columbus, Ohio 43215
614-728-5100
<http://www.jlec-olig.state.oh.us>

Ohio Ethics Commission
8 East Long Street, 10th Floor
Columbus, Ohio 43215
614-466-7090
<http://www.ethics.ohio.gov>

Ohio Secretary of State
30 East Broad Street, 14th Floor
Columbus, Ohio 43266
614-466-4980
<http://www.state.oh.us/sos/>

The Ohio public pension plans advocate full compliance with all applicable laws, registration and reporting requirements. The duty to comply, and to register or report as applicable, is the sole responsibility of the individual or entity conducting the activities described above.

** See also R.C. §101.97 below as to persons engaged to influence public pension plan decisions or to conduct lobbying.*

R.C. §101.97. Retirement system lobbyists and employers - conflicts of interest.

(A) Except as provided in division (B) of this section, no person shall engage any person to influence retirement system decisions or conduct retirement system lobbying activity for compensation that is contingent in any way on the outcome of a retirement system decision and no person shall accept any engagement to influence retirement system decisions or conduct retirement system lobbying activity for compensation that is contingent in any way on the outcome of a retirement system decision.

(B) Division (A) of this section does not prohibit and shall not be construed to prohibit any person from compensating the person's sales employees pursuant to an incentive compensation plan, such as commission sales, if the incentive compensation plan is the same plan used to compensate similarly situated sales employees who are not retirement system lobbyists.

Highway Patrol Retirement System Investment Management and Brokerage Program

Introduction

The Highway Patrol Retirement System (“HPRS”) externally manages its investment portfolio. This portfolio is diversified across many investment classes, including domestic/international equity, domestic fixed income, and real estate. Several of these investments are in commingled funds and others are in index funds. Other investments are managed by active managers.

For several years Ohio law has provided that equal consideration be given to Ohio-based, minority and female-owned investment managers that provide quality, services and safety comparable to other investment managers otherwise available to the Board. The HPRS has always selected managers according to sound fiduciary principles and has applied the equal consideration provisions of the law. Within the HPRS investment portfolio are several managers that were selected under this program.

With the enactment of Senate Bill 133 the HPRS was required to annually adopt a policy with a goal to increase the utilization of Ohio-qualified investment managers and brokers. It is the policy of the HPRS to implement a program that encourages Ohio-qualified, minority and female-owned investment managers and brokers to participate in searches that are conducted by the HPRS. It is also the policy of the HPRS to base the selection of such managers and brokers on sound fiduciary principles while giving equal consideration to Ohio-qualified, minority and female-owned investment managers and brokers.

Brokers

In commingled and index accounts the HPRS is unable to direct brokerage to Ohio-qualified, minority or female-owned brokers. In fixed income accounts the HPRS has directed its investment managers to use Ohio-qualified, minority and female-owned brokers when they provided quality, services and safety comparable to other brokers available to that manager.

With regard to domestic equity trading, the HPRS investment managers are required to use brokers that are contracted to the HPRS to provide execution-only brokerage. This brokerage business was made available for public bid and brokers were selected according to sound fiduciary principles. Ohio-qualified, minority and female-owned brokers were given equal consideration during this process and several were hired. This program results in a significant annual savings for the HPRS while maintaining total execution quality in the first or second quartile nationally.

The HPRS worked in conjunction with the other Ohio public pension plans to design and implement an Ohio-qualified and minority/female broker certification process.

Investment Managers

When investment management services are needed, typically due to the opening of a new asset class or the removal of an existing investment manager, the following steps are taken:

- HPRS issues a Request for Proposal. The RFP is posted on the HPRS website and is published in three nationally recognized investment trade journals.
- Proposals meeting RFP requirements are sent to the HPRS investment consultant for due diligence analysis.

- Due diligence analysis reports are reviewed by the Investment Committee and finalists are selected for interviews.
- The Committee interviews and recommends to the Board the investment manager to be hired.
- On-site due diligence of the selected manager is completed and a contract is negotiated.

Provisions of Ohio law requiring that equal consideration be given to Ohio-based, minority and female-owned investment managers have been applied in previous searches and resulted in the selection of qualified managers. Under Senate Bill 133 the HPRS implemented a strategy to address the typical impediments for entry of Ohio-based, minority and female-owned investment managers, including the level of assets under management, the longevity of the investment team, and the longevity of the investment experience of the investment manager. The new strategy was implemented in the investment management searches initiated since September 2004.

Highway Patrol Retirement System
 Domestic Equity Agents
 Current Year: July 1, 2009 - June 30, 2010

Broker/Dealer Retained by Public Fund	Check if Ohio-Qualified Broker/Dealer	Check if Ohio-Qualified Minority Broker/Dealer	\$ Amount Trades Executed with Ohio-Qualified Broker/Dealers	\$ Amount Of Trades Executed with All Broker/Dealers	% Of Total \$ Trades Executed Through Ohio-Qualified Broker/Dealers	Commissions Paid To Ohio-Qualified Broker/Dealers	Commissions Paid To All Broker/Dealers	% of Total Commissions Paid to Ohio-Qualified Broker-Dealers
American Technology Research				\$ 8,365			\$ 9	
Aqua Securities L.P.				10,747			16	
Barclays Capital LE				430,991			828	
BMO Capital Markets				48,280			-	
BNY Convergenx / LJR				22,726,727			6,646	
Cabrera Capital Markets				82,019,211			32,062	
Capital Institutional Services Inc				29,271,593			20,068	
Chigroup Global Markets Inc	X		730,731		0.3%	339		0.3%
Cowen & Co., LLC	X		13,640		0.0%	58		0.0%
Credit Suisse Securities, Inc				9,936,392			4,639	
CSI US Institutional				7,827			4	
Deutsche Bank Securities, Inc				6,146,920			1,994	
Fox River Execution				988,687			343	
Friedman Billings & Ramsey				311,986			480	
Goldman, Sachs & Co				7,765,231			3,401	
Guzman & Co.				3,274,535			1,637	
Instinet				5,643,859			3,985	
Investment Technology Group				2,867,059			1,165	
J.P. Morgan Securities, Inc	X		317,481		0.1%	476		0.4%
Jannay Montgomery Scott Inc				1,691			4	
Jefferies & Co.				7,199,383			3,057	
JNK Securities Inc				24,487			192	
Jones Trading Institutional Service				114,719			558	
Keefe Bruyette and Woods Inc	X		12,373		0.0%	-		0.0%
KayBanc Capital Markets Inc	X		37,598		0.0%	-		0.0%
Knight Equity Markets, L.P.				312,211			468	
Leerink Swann & Co				64,856			76	
Liquidnet Inc.				714,225			635	
MacQuarie Securities (USA) Inc				10,919			20	
Merrill Lynch	X		11,006,045		4.3%	2,786	2,786	2.3%
Morgan Keegan & Co Inc				12,205			128	
Morgan Stanley & Co., Inc.	X		73,148		0.0%	9	9	0.0%
National Financial Services Co				21,736			44	
Oppenheimer & Co Inc	X		-		0.0%	-	-	0.0%
Pipeline Trading Systems LLC				33,258			9	
Piper Jaffray				38,815			20	
Pulse Trading LLC				87,177			36	
Raymond James & Associates, Inc	X		205,218		0.1%	112	112	0.1%
RBC Capital Markets	X		22,375		0.0%	16	16	0.0%
Robert W. Baird & Co.	X		20,302,519		8.0%	19,058	19,058	15.7%
Rosenblatt Securities Inc.				5,129,536			2,565	
State Street				67,370			164	
Stephens, Inc				99,616			236	
Stifel, Nicolaus & Co., Inc.	X		99,602		0.0%	50	50	0.0%
Thomas Weisel Partners LLC				76,583			60	
UBS Securities LLC	X		4,981,164		2.0%	2,357	2,357	1.9%
Weeden & Co.				30,514,119			10,635	
William Blair & Co. LLC	X		103,615		0.1%	12	12	0.0%
Total			\$ 37,905,509	\$ 253,886,826	14.9%	\$ 25,273	\$ 121,457	20.7%

Highway Patrol Retirement System
 U.S. Equity / Internal and External (combined)
 Base Year: July 1, 2003 - June 30, 2004

Broker/Dealer Retained by Public Fund	Check If Ohio-Qualified Broker/Dealer	Check If Ohio-Qualified Minority Broker/Dealer	\$ Amount Trades Executed with Ohio-Qualified Broker/Dealers	\$ Amount Of Trades Executed with All Broker/Dealers	% Of Total \$ Trades Executed Through Ohio-Qualified Broker/Dealers	Commissions Paid To Ohio-Qualified Broker/Dealers	Commissions Paid To All Broker/Dealers	% of Total Commissions Paid to Ohio-Qualified Broker-Dealers
Abel Noser Corporation				\$ 111,358,100			\$ 37,128	
Advest, Inc.				52,447			70	
BNY Brokerage Inc.				2,716,377			1,119	
Broadcourt Capital				2,840,858			1,557	
Brown Alex & Sons				1,017,925			522	
Cantor Fitzgerald & Co				6,766			-	
Capital Institutional Sves				63,668,980			55,342	
Citigroup Global Markets Inc.	X		23,987,527	23,987,527	8.4%	18,327	18,327	9.3%
Credit Research				7,355			5	
Deutsche Bank Securities, Inc.				2,600,645			1,282	
Donaldson & Company				7,678,796			33,520	
Execution Services Inc.				119,869			132	
First Boston Corp New York				30,600			-	
Friedman, Billings & Ramsey				740,097			1,393	
Gerard, Klauer, Mattison & Co				240,510			280	
Goldman, Sachs & Co.				107,049			62	
Griswold Company				171,213			105	
Guzman & Company				5,506,618			3,269	
Instinet				48,036			38	
Investment Technology Grp Inc				63,599			44	
Jefferies & Company				45,223			28	
Jones & Associates, Inc.				79,640			88	
Lehman Brothers Inc.				423,098			683	
Liquidnet Inc				207,983			146	
Lynch Jones & Ryan Inc.	X		357,092	357,092	0.1%	342	342	0.2%
Merrill Lynch	X		951,092	951,092	0.3%	482	482	0.2%
Montgomery Securities				253,060			392	
Oppenheimer				176,230			272	
Other/Unassigned				1,734,803			930	
Pershing LLC				117,312			63	
Prudential Equity Group, Lic.	X		8,514,049	8,514,049	3.0%	5,835	5,835	3.0%
Raymond James & Assoc Inc.	X		103,551	103,551	0.0%	200	200	0.1%
S.G. Cowen & Co., LLC	X		227,924	227,924	0.1%	483	483	0.2%
Salomon Smith Barney				26,905,682			20,445	
SBC Cap Mkts				2,553,067			1,370	
UBS Securities Lic	X		3,277,242	3,277,242	1.2%	1,674	1,674	0.9%
Wagner Stott & Co				196,323			447	
Wedbush Morgan Inc				232,558			468	
Weeden&Co/Fin/CI Clt&Ser Corp				15,621,245			8,162	
TOTAL			\$ 37,418,477	\$ 284,942,541	13.1%	27,343	196,705	13.9%

Highway Patrol Retirement System
Investment Managers - Domestic Equity/International/Fixed Income/Real Estate/Private Equity
Current Year: July 1, 2009 - June 30, 2010

Investment Manager	Indication If Firm Is An Ohio-Qualified Investment Manager	Total Assets Under Management	Assets Managed by Ohio-Qualified Investment Mgmt Firms As % of Total HPRS Assets	Assets Managed by Ohio-Qualified Investment Mgmt Firms As % of All Investment Managers Under Contract With HPRS	Compensation Paid to All Managers Under Contract With HPRS	Compensation Paid To All Ohio-Qualified Investment Managers	% of Total Compensation Paid that is Paid to Ohio-Qualified Investment Managers
Ario Global Mgmt		\$ 21,721,085			\$ 221,253		
Brandywine		22,617,067			133,931		
Credit Suisse		9,267,793			110,488		
DePrince, Race & Zollo		21,229,058			153,125		
DFA		12,613,855			86,027		
DFA - Intl		12,541,628			48,185		
Evanston - Weatherlow Fund		17,540,354			172,127		
Feingold O'Keefe		5,281,481			98,262		
Fidelity Investments	X	1,739,393	0.3%	0.3%	77,176	77,176	1.8%
Fred Alger		13,010,783			127,026		
GAM		14,668,738			179,136		
Henderson		2,807,042			4,695		
INTECH		29,581,043			120,934		
JP Morgan Investment Mgmt	X	64,672,376	10.1%	10.2%	188,113	188,113	4.5%
Kayne Anderson		8,914,719			345,915		
LB Offshore Div. Arbitrage II		840,351			-		
LSV Asset Mgmt		30,607,967			96,193		
Manning & Napier		21,467,451	3.4%	3.4%	161,398	161,398	3.8%
Mellon Global Alpha II	X	-			-		
Oaktree PPPP		1,150,197			-		
Oaktree Real Estate		8,504,746			173,395		
Pantheon USA Fund VII		7,505,519			150,000		
Protégé		9,498,732			95,917		
Sankaty		2,353,750			34,471		
SEIX		5,822,478			408,069		
State Street		43,881,294			14,021		
Timbervert		40,054,952			306,243		
Vanguard		5,000,000			5,275		
Wellington		32,949,638			194,584		
Wells Capital		50,672,732			148,740		
Western Asset - High Yield	X	14,146,388	2.2%	2.2%	43,933	43,933	1.0%
Westfield Capital Mgmt		21,780,764			220,025		
World Asset Management		44,216,165			44,730		
World Asset Management - Intl		34,209,450			29,538		
TOTAL		\$ 632,868,989	16.0%	16.1%	\$ 4,192,925	\$ 470,620	11.1%

Highway Patrol Retirement System
Investment Managers - Domestic Equity/International/Fixed Income/Real Estate/Private Equity
Base Year: July 1, 2003 - June 30, 2004

Investment Manager	Indication If Firm Is An Ohio-Qualified Investment Manager	Total Assets Under Management	Assets Managed by Ohio-Qualified Investment Mgmt Firms		Assets Managed by Ohio-Qualified Investment Mgmt Firms		Compensation Paid To All Ohio-Qualified Investment Managers	% of Total Compensation Paid that is Paid to Ohio-Qualified Investment Managers
			As % of Total HPRS Assets	As % of All Investment Managers Under Contract With HPRS	As % of Total HPRS Assets	As % of All Investment Managers Under Contract With HPRS		
S&P 500		\$ 37,905,413						
Oak Assoc	X	17,191,113	2.7%	2.7%	16,657	50,532	50,532	1.8%
MacKay Shields		54,408,482			245,267			
Pinnacle		11,370,138			56,878			
Brandwyne		54,429,875			350,766			
EBS	X	16,497,792	2.6%	2.6%	75,540	75,540	75,540	2.7%
INTECH		69,482,236			271,562			
Russell 2500 (WAM)		11,190,909			15,330			
DePrince, Race & Zollo		56,238,247			233,376			
Westfield Capital Mgmt		20,549,862			114,932			
Munder		108,038,612			157,704			
Western Asset		31,720,515			120,103			
JP Morgan Fleming	X	50,165,594	7.9%	8.0%	322,468	322,468	322,468	11.3%
Bank of Ireland		41,362,608			243,108			
WAM-PEF		0.0			-			
Fidelity Real Estate (FREEM III)		770,958			32,805			
Fidelity Real Estate (FREG I)		11,928,878			206,420			
Fidelity Real Estate (FREG II)		387,433			1,817			
Timbervest		20,371,734			152,687			
MedLife		16,534,617			181,174			
TOTAL		\$ 630,545,016	13.2%	13.3%	\$ 2,849,126	\$ 448,540	\$ 448,540	15.7%