



The Los Angeles County Employees Retirement Association (LACERA) invites proposals from qualified firms in response to this Request for Proposals (RFP) to provide securities litigation monitoring services and for approved securities litigation counsel.

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. LACERA operates as an independent governmental entity separate and distinct from Los Angeles County. LACERA is governed by a Board of Retirement and Board of Investments with plenary authority and fiduciary responsibility for investment of moneys and administration of the retirement system. Through its boards and approximately 380 employees, LACERA invests and administers retirement, disability, and death benefits for nearly 185,000 active and retired members, and also administers the County's retiree health benefits program. With over \$75 billion in assets, LACERA is the largest county retirement system in the country.

LACERA's staff includes a Legal Division consisting of ten (10) lawyers, a Legislative Affairs Officer, and other professional support staff, with expertise in governance, benefits, disability, investments, litigation, and legislative matters. Additional background information about LACERA may also be found at www.LACERA.com.

I. SCOPE OF SERVICES AND CORE SKILLS

In March 2001, LACERA's Board of Investments adopted a Securities Litigation Policy to formalize the Legal Office's securities class action monitoring and evaluation function, and implement procedures designed to enhance LACERA's recovery of damages from corporate wrongdoers. As a result of its efforts and success over the past two decades, LACERA is widely viewed as a leader in this area and its Policy has served as a model for public pension funds throughout the country.

After the United States Supreme Court's decision in *Morrison v. National Australia Bank Ltd.*, 130 S.Ct. 2869 (2010), the Board of Investments acted quickly to adopt a "global" policy to ensure LACERA continues to meet its fiduciary duty by identifying, monitoring and evaluating securities actions in which the fund has an interest, both foreign and domestic, and pursuing such claims when and in a manner the Board determines is in the best interest of the fund. A copy of the Policy is attached.

To assist LACERA in its continuing effort to identify, evaluate, and monitor securities actions in which the fund may have an interest, the Legal Office is looking to retain one or more firms to provide securities litigation monitoring services. This RFP is not limited to law firms. The firm(s) selected may include law firms, consulting firms, or a combination thereof (hereinafter collectively referred to as "Firms"). LACERA also recognizes the value of small and emerging Firms and will consider Firms of all sizes.

The Firm(s) selected to provide securities litigation monitoring services will be expected to:

1. Obtain LACERA's securities trading and holdings information directly from its custodial bank, State Street Bank and Trust Company;
2. Identify, monitor and provide timely notice to LACERA of securities class actions filed in the United States, and provide an analysis of its estimated loss, if any, in the affected security or securities in each action;
3. Identify, monitor and provide timely notice to LACERA of securities actions that are filed or may be filed outside the United States in foreign jurisdictions, and provide an analysis of its estimated loss, if any, in the affected security or securities in each action;
4. Identify, evaluate and provide timely notice and analysis of those potential and pending U.S. and non-U.S securities actions (collectively, "Securities Actions") in which the Firm determines LACERA may have a significant financial interest and where active participation may be necessary and warranted;
5. Assist LACERA in joining and filing claims in non-U.S securities actions in which the Board of Investments or its approved delegee approves active participation, including obtaining, assisting in the review and negotiation, and submission of engagement agreements, third-party funder agreements, and insurance agreements.

Core skills include comprehensive knowledge and understanding of relevant securities laws and the U.S. and non-U.S. securities markets, experience advising, representing and/or providing securities litigation monitoring services for public pension public pension systems and/or institutional investors, 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 Scope of Services does not include representation as attorney of record in connection with a Securities Action or any other type of legal action. LACERA will solicit and obtain such representation as necessary on a case by case basis through a separate RFP for litigation counsel as required and approved in advance by the Board of Investments. However, any law firm selected to provide securities litigation monitoring services will not be excluded or foreclosed from being considered or selected to serve as litigation counsel.

II. RFP PROCESS

This RFP and other relevant information related to the RFP, including addenda, modifications, answers to questions, and other updates, may be posted on LACERA's "RFPs" page at www.LACERA.com, and the website for the National Association of Public Pension Attorneys at www.NAPPA.org.

A. Calendar

Issuance of RFP:	Issue/Due Date November 14, 2022
Written Questions/Requests for Clarification:	November 21, 2022, 5:00 P.M. PDT
Responses to Questions:	November 30, 2022, 5:00 P.M. PDT
Proposals Due:	December 14, 2022, 5:00 P.M. PDT
Finalist Interviews Period:	January 17 – January 27, 2023
Estimated Final Selection and Approval:	February 2023

B. Communication and Questions

Except for communications expressly permitted by this RFP and communications in the normal course of ongoing business, communications by respondents with LACERA staff or Members of its Boards regarding this RFP are prohibited from the date of this RFP through the date LACERA completes or terminates the RFP process, as publicly disclosed by LACERA. Respondents violating the communications prohibition may be disqualified in LACERA's discretion. Respondents having current business with LACERA must limit their communications to the subject of such business.

Respondents are encouraged to communicate any questions regarding this RFP by the deadline stated above in the RFP Calendar. Questions should be sent in writing via email to mherrera@lacera.com. Questions and answers will be communicated to all respondents 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 mherrera@lacera.com. 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 may be posted on www.LACERA.com.

E. Delivery of Submissions

Submissions must be delivered in PDF or Microsoft Word format via email to mherrera@lacera.com 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 and address the areas described in this section. 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 provide securities litigation monitoring services.

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 provide securities litigation monitoring services.

Experience and Approach

The proposal must provide a detailed statement of the respondent's experience in providing securities litigation monitoring services for public pension systems and/or institutional investors. LACERA's goal in the RFP process is to understand each respondent's experience and approach in identifying, monitoring and evaluating Securities Actions. LACERA is also interested in how the respondent differentiates themselves from other firms offering similar services.

Assigned Professionals

LACERA values diversity, equity, and inclusion ("DEI"), and believes that effectively accessing and managing diverse talent leads to improved outcomes. LACERA takes a broad view of diversity, inclusive of varied backgrounds including, but not limited to, age, experience, race, ethnicity, sexual orientation, gender, gender identity, disability status, national origin, and culture. Consistent with the LACERA Board of Investment's commitment to promoting principles of DEI, we will also evaluate and consider each respondent's commitment to, adherence with, and track record of accessing and retaining a diverse and inclusive workforce.

The proposal must set forth the 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. Please also include a description of the diversity of the team that will support your firm's work for LACERA.

References

In this section, the proposal must identify at least three (3) references for which the respondent has provided securities litigation monitoring services and/or served as approved securities litigation counsel, with at least one (1) of the references being a public pension system. Please include for each reference the individual point of contact, a summary of the work performed, and the length of time the respondent provided this service.

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, if any, that would apply assuming a three (3) to five (5) year initial duration of the engagement as well as any additional 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 public pension fund and/or institutional investor 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.

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 expects to require one or more interviews with or personal presentations by finalists to be conducted with staff, Board members, and/or the full Board of Investments.

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

1. Experience and quality of work in representing and/or providing securities litigation monitoring services for other public pension systems and/or institutional investors.
2. Experience, relationships and affiliations with firms in non-U.S. foreign jurisdictions;
3. Experience assisting/representing investors in non-U.S. foreign jurisdictions;
4. Quality of the team proposed to provide services to LACERA.
5. Commitment to, adherence with, and track record of accessing and retaining a diverse and inclusive workforce.
6. Information provided by references.
7. Communications skills.
8. Pricing and value.
9. Team work, both internally and with LACERA.
10. Level of investment and commitment to the LACERA relationship.

11. 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.

I. Engagement Agreement

LACERA will propose an engagement agreement to successful respondent(s), which will contain such terms as LACERA in its sole discretion may require.

III. 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.

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.

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

The information submitted in response to this RFP may 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.

LACERA's engagement of any respondent, including the terms and reasons for the engagement, may appear on a publicly posted agenda and in supporting materials for public meetings of the Boards.

B. 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.

C. 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.

D. Valid Period of Proposal

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

E. Cost of Proposal

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