



**SB 133 Update**  
**Report to the**  
**Ohio Retirement Study Council**

**Richard A. Curtis, Executive Director/CIO**  
**Highway Patrol Retirement System**  
**6161 Busch Boulevard, Suite 119**  
**Columbus, OH 43229-2553**  
**614-431-0781**



## Highway Patrol Retirement System

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September 30, 2008

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

Dear Chairperson Schuring:

The following report represents the progress made by the Highway Patrol Retirement System, during the reporting period of July 1, 2007 to June 30, 2008, 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 the HPRS and the other Ohio public pension plans, working collaboratively, to implement systems and programs that provide opportunity for Ohio-qualified and minority/female-owned investment managers and brokers to do business with the pension plans. Throughout the reporting period, the 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 or have other questions.

Sincerely,

Richard A. Curtis  
Executive Director & CIO  
[rcurtis@ohprs.org](mailto:rcurtis@ohprs.org)

## **Table of Contents**

	Page
Executive Summary for the Highway Patrol Retirement System.....	4
Ohio-Qualified Agent Certification Process, Form, and List .....	5
Ohio-Qualified Investment Manager Certification Process, Form, and List .....	11
Information Posted on HPRS website, www.ohprs.org.....	16
Lobbyist Notice.....	19
HPRS Investment Management & Brokerage Program .....	20
Domestic Equity Agents, Current Year: 7/1/07-6/30/08 .....	22
Domestic Equity Agents, Base Year: 7/1/03-6/30/04.....	23
Investment Managers, Current Year: 7/1/07-6/30/08 .....	24
Investment Managers, Base Year: 7/1/03-6/30/04.....	25

## 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, 2008 and the baseline period, the year ending June 30, 2004, yields the following results:

- **Ohio-Qualified U.S. Equity Brokers (pages 23-24)**
  - 400.6% increase in value of shares traded, from \$34.1 to \$170.7 million
  - 193.3% increase in the percentage of total value of shares traded, from 12.0% to 35.2%
  - 171.3% increase in commissions paid, from \$26.5 to \$71.9 thousand
  - 137.0% increase in the percentage of total commissions paid, from 13.5% to 32.0%.
  - Trades executed through Ohio-qualified minority broker/dealers increased from zero to 11.8%
  
- **Ohio-Qualified U.S. Fixed-Income Brokers**

The separately-managed fixed income portfolio was liquidated prior to this reporting period and converted to commingled investments. Accordingly, HPRS no longer utilizes fixed income brokers.
  
- **Ohio-Qualified Managers (pages 25-26)**
  - 84.7% increase in value under management, from \$83.9 to \$155.0 million
  - 56.4% increase in dollars under management as a percentage of all externally-managed assets, from 13.3% to 20.8%
  - 55.3% increase in dollars under management as a percentage of total fund assets, from 13.2% to 20.5%
  - 42.4% increase in fees paid, from \$448.5 to \$638.6 thousand
  - 8.3% decrease in the percentage of total fees paid, from 15.7% to 14.4%

## **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 to OPERS. The certification establishes that the agent meets the Ohio-Qualified Agent and/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 annual certifications.

In 2008, OPERS contacted (via letter, email, and telephone) all of the agents who completed a certification in 2007 but did not complete certifications for the current period. Most of the agents had overlooked the need to complete the certifications annually, but subsequently submitted the certifications after the reminder. The agents that did not complete the certifications for 2008 indicated that they were no longer in business, were purchased by other agents, or no longer met the statutory requirements.

The Ohio Retirement Systems Ohio-Qualified Agents Listing is posted to the OPERS Website ([www.OPERS.org](http://www.OPERS.org)). Each of the Ohio retirement systems access the Website to determine if a particular agent is Ohio-Qualified. The list is updated periodically.

## **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 their web sites.

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 employees 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, which citizen or citizens:
  - 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 their web sites.

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

**Instructions**

- 1. This form may be duplicated.
- 2. **Complete, sign and return an original of this form to the:**

**Ohio Public Employees Retirement System of Ohio (OPERS)**  
**Attn: William P. Miller II, Senior Investment Officer, Fund Management,**  
**277 East Town Street Columbus, Ohio 43215-4642**  
[www.opers.org](http://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](http://www.ohsers.org)

State Teachers Retirement System of Ohio, [www.strsoh.org](http://www.strsoh.org)

Ohio Police and Fire Pension Fund, [www.op-f.org](http://www.op-f.org)

Ohio State Highway Patrol Retirement System, [www.ohprs.org](http://www.ohprs.org).

3. If additional pages are needed to complete the information, each page must be attached, numbered, signed and notarized.

4. A new completed form must be submitted by June 30<sup>th</sup> 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. Agent Information

A. Mark all of the information below which apply to your firm.

- 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 employees at least five Ohio residents.
- Is a licensed dealer under Ohio securities laws or comparable laws of another state or the U.S.
- Meets the criteria of a minority business enterprise as defined by Ohio law.

B. I certify that the firm is (mark all which apply):

- An Ohio-qualified agent;
- A minority business enterprise.



**III. Affidavit**

State of \_\_\_\_\_

County of \_\_\_\_\_

Being duly sworn, 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; and,
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.

By:

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

Sworn and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_.

Notary Public \_\_\_\_\_

My commission expires \_\_\_\_\_

**Brokerage Firms Who Were Ohio-Qualified  
At Some Point During the Period July 1, 2007 to June 30, 2008  
Ohio Retirement Systems Ohio-Qualified Agent Listing**

Ohio Retirement Systems Ohio-Qualified Agent Listing			
Brokerage Firms	Contact Name	Minority Owned	
		Yes	No
A.G. Edwards & Sons	David J. Schaub		X
B B & T Capital Markets	Lou Willott		X
Baker & Company, Inc.	Melissa Henahan		X
Bartlett & Co.	Laura Humphrey		X
Butler, Wick & Co., Inc.	Mark Evans		X
Cabrera Capital Markets, Inc.	George Dychton	X	
Citigroup	Marilyn Clark		X
Cowen & Co., LLC	Allen Gerard		X
Edward Jones	Greg Dosmann		X
Fairway Securities, Division of Horwitz & Associates, Inc.	Virginia Hayes		X
Finacorp Securities *	Eduardo Prado		X
Fifth Third Securities, Inc. **	James Rowlette		X
Freimark Blair and Company, Inc. *	Donald H. Freimark		X
Financial America Securities, Inc.	John Rukenbrod		X
FTN Midwest Securities Corp.	Robert Curtin		X
Faubel Financial Group/Gunn Allen Financial, Inc.	Roger Faubel		X
Huntington Capital Corp.	John Grant		X
Jeffries & Company	Nora Shearer		X
J.P. Morgan Securities, Inc.	Peter Bachmore		X
Keefe Bruyette & Woods *	Jim Healey		X
KeyBank National Association	Lara DeLeone		X
Lincoln Financial **	Tabitha Fox	X	X
Longbow Securities, LLC	Steve Wank		X
Lynch Jones & Ryan Great Lakes Review	Elliott Schlang		X
McDonald Investments, Inc.	Shelly Goering		X
Merrill Lynch	James Schade		X
Morgan Stanley	Richard Alexander		X
NatCity Investments, Inc. **	Christopher Moroz		X
Pacific American Securities	McCullough Williams, III	X	
Raymond James & Associates, Inc.	John Walsh		X
RBC Capital Markets	David Stuczynski		X
Regis Securities Corporation **	Duke Dahlen		X
Robert W. Baird & Co., Inc.	Matt Turner		X
Sanders Morris Harris **	Jim Smith		X
SBK Brooks Investment Corp.	Eric Small	X	
Seasongood & Mayer LLC **	R. Lee Mairose		X
Soleil Securities Corporation	Kenneth Dengler		X
Sterne, Agee & Leach, Inc. **	David Simpson		X
Stifel, Nicolaus & Co. Inc.	Kurt Lalomia		X
Strayer Group *	Robert L. Strayer		X
SunTrust Capital Markets, Inc. **	Philip Hintze		X
UBS Securities LLC	Peter Reed		X
U.S. Brokerage, Inc **	Gregory Randall		X
Western International Securities/Voyager Institutional Services LLC	Stephen Hess		X
Williams Capital Group *	Melissa Rowe		X

\* Firms that are new for this period

\*\* Firms that were discontinued during the period

## **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.
- Currently, there are 77 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 their web sites.

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, which citizen or citizens:
  - 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 their web sites.

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

**Instructions**

- 1. This form may be duplicated.
- 2. **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](http://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](http://www.opers.org)

State Teachers Retirement System of Ohio, [www.strsoh.org](http://www.strsoh.org)

Ohio Police and Fire Pension Fund, [www.op-f.org](http://www.op-f.org)

Ohio State Highway Patrol Retirement System, [www.ohprs.org](http://www.ohprs.org).

- 3. If additional pages are needed to complete the information, each page must be attached, numbered and notarized.
- 4. A new completed form must be submitted by June 30<sup>th</sup> 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**

- A.** Mark all of the items below which apply to your firm.
  - Subject to taxation under R.C. Chapter 5725 (financial institutions and insurance companies), 5733 (corporation franchise tax), or 5747 (income tax).
  - 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.
  - Meets the criteria of a minority business enterprise as defined above.

**B.** I certify that the firm is (mark all which apply):

- An Ohio-qualified investment manager;
- A minority business enterprise.

**III. Product Information**

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

**IV. Affidavit**

State of \_\_\_\_\_

County of \_\_\_\_\_

Being duly sworn, 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; and,
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.

By:

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

Sworn and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

Notary Public \_\_\_\_\_

My commission expires \_\_\_\_\_

Ohio Retirement Systems  
Ohio-Qualified Manager Listing

<b>Company</b>	<b>City</b>	<b>State</b>
AFA Financial	North Royalton	OH
Allegiant Asset Management Company	Cleveland	OH
AllianceBernstein	New York	NY
Andrews Advisors Inc.	Akron	OH
Apex Capital Management	Dayton	OH
Athenian Venture Partners	Athens	OH
Bahl & Gaynor Investment Counsel	Cincinnati	OH
Berlin Financial, Ltd.	Cleveland	OH
BlackRock Financial Management, Inc.	New York	NY
Blue Chip Venture Company	Cincinnati	OH
Blue Point Capital Partners	Cleveland	OH
Bowling Portfolio Management	Cincinnati	OH
Boyd Watterson Asset Management, LLC	Cleveland	OH
Brantley Partners	Beachwood	OH
Broadleaf Partners, LLC	Hudson	OH
Butler, Wick & Co., Inc.	Youngstown	OH
Capital Works, LLC	Cleveland	OH
Charles Schwab Investment Management	Richfield	OH
CID Capital	Indianapolis	IN
Cleveland Capital Management LLC	Rocky River	OH
Custer Management, Inc. dba Level Partners	New Albany	OH
Dayton Development Coalition	Dayton	OH
Dean Investment Associates, LLC	Dayton	OH
Diamond Hill Capital Management, Inc.	Columbus	OH
Elessar Investment Management LLC	Cleveland	OH
Eubel, Brady & Suttman Asset Management	Dayton	OH
Faubel Financial Group	Youngstown	OH
Fidelity Investments	Boston	MA
First Fiduciary Investment Counsel, Inc.	Cleveland	OH
Fort Washington Investment Advisors, Inc.	Cincinnati	OH
Foundation Medical Partners	Rowayton	CT
Goode Investment Management, Inc.	Cleveland	OH
Harloff Capital Management	Westlake	OH
Isabella Capital LLC	Cincinnati	OH
J.P. Morgan Investment Management, Inc.	New York	NY
James Investment Research	Xenia	OH
JDM Market Counsel	Columbus	OH
Johnson Investment Counsel	Cincinnati	OH
Kirtland Capital Partners	Beachwood	OH
LanderNorth Asset Management, LLC	Beachwood	OH
Linsalata Capital Partners	Cleveland	OH
Manning & Napier Advisors, Inc.	Dublin	OH
Mayfield & Robinson, Inc. (River Cities Capital Funds)	Cincinnati	OH
MCM Capital Partners	Beachwood	OH
Meeder Financial	Dublin	OH
Mench Financial, Inc.	Cincinnati	OH
Morgan Stanley Investment Management, Inc.	New York	NY
Morganthaler Venture Partners	Cleveland	OH
New York Life Investment Management LLC (NYLIM)	Parsippany	NJ
Opus Capital Management, Inc.	Cincinnati	OH
Peppertree Partners, LLC	Cleveland	OH
Primus Venture Partners	Cleveland	OH
Renaissance Investment Management	Cincinnati	OH
Reservoir Venture Partners	Columbus	OH
Riverpoint Capital Mangement Investment Advisors	Cincinnati	OH
Robert W. Baird & Co., Inc.	Columbus	OH
RockBridge Capital, LLC	Columbus	OH
Sovereign Asset Management	Mansfield	OH
Summit Investment Partners	Cincinnati	OH
Sunbridge Partners, Inc.	Beachwood	OH
The Investlinc Group, LLC	Chagrin Falls	OH
The Riverside Company	Cleveland	OH
Tillar-Wenstrup Advisors, LLC	Dayton	OH
Trend Dynamics Inc.	Beachwood	OH
Triathlon Medical Ventures, LLC	Cincinnati	OH
Victory Capital Management Inc.	Cleveland	OH
Western Asset Management Co.	Pasadena	CA
Winfield Associates	Cleveland	OH



# Ohio Highway Patrol Retirement System

[Home](#)
[Newsletters](#)
[Forms](#)
[Board Minutes](#)
[Annual Report](#)
[Links](#)
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## Forms

Most of the following forms are available to view and print as PDF files online. In order to view and print these forms you must have Adobe® Acrobat®. **You may print out the forms and then mail or fax them back to HPRS.**



Download Acrobat!

### • Active Members

- [Direct Transfer Of Prior Service Credit From HPRS](#)
- [Application for Refund of Accumulated Contributions](#)
  - [Application For Refund Of Accumulated Contributions](#)
  - [Refund Tax Information](#)
- [Beneficiary Change Form](#)
- [Request for Prior Service Cost Form by Payroll Deduction](#)
- [Application, Certification for the Purchase of Prior Service Credit Form](#)
- [Change of Address Form](#)
- [Request for Pension Estimate, Cost for Prior Service Form](#)
- [Direct Transfer of Prior Service to HPRS](#)

### • Retired Members

- [OSHP Beneficiary Form-Benefit Fund](#)
- [Tax Withholding Form](#)
- [Electronic Deposit Sign-Up Form](#)
- [Change of Address](#)
- [Benefit Recipient Biographical Data](#)
- [Healthcare Coverage Enrollment Form](#)
- [Disability Employment Form](#)

### • Other

- [Release of Benefit or Account](#)
- [Expense Record 2nd Half](#)
- [Division of Property Order](#)

### • Campaign

- [Candidacy Form](#)
- [Candidate Campaign Finance Requirement](#)
- [Campaign Finance Report & Instructions](#)
- [Statement of Contribution Received & Instructions](#)
- [Statement of Other Income & Instructions](#)
- [In-Kind Contributions Received](#)
- [Statement of Expenditures](#)
- [Statement of Loans Received](#)
- [Statement of Outstanding Debts](#)

### • Vendors

- [Ohio-Qualified Agent Listing](#)
- [Ohio-Qualified Manager Listing](#)
- [Ohio Retirement Systems Ohio-Qualified Agent Certification](#)
- [Ohio Retirement Systems Ohio-Qualified Manager Certification](#)



- [Reporting & Registration](#)

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[\*Back to top\*](#)



# Ohio Highway Patrol Retirement System

[Home](#)

[Newsletters](#)

[Forms](#)

[Board Minutes](#)

[Annual Report](#)

[Links](#)

[Contact](#)

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## REQUEST FOR PROPOSAL

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[Investment Management & Brokerage Program](#)

[Investment Policy](#)

## 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, 2007 - June 30, 2008

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	\$ Amount Trades Executed with Ohio-Qualified Minority Broker/Dealers	% Trades Executed Through Ohio-Qualified Minority Broker/Dealers
Abel Noser Corp				\$ 9,294,014			\$ 6,521			
Banc of America Securities LLC				157,501			404			
Bear, Stearns Securities Corp				435,002			1,008			
BNY Convergenx / LJR				6,252,708			2,343			
Broadcort Cap Corp				22,727,577			7,138			
Cabera Capital Markets	X	X	\$ 57,037,861	57,037,861	11.8%	22,598	22,598	10.1%	57,037,861	12%
Capital Institutional Services Inc				62,785,437			40,993			
Cantor Fitzgerald & Co				955,007			1,107			
CIBC World Markets Corp				315,702			288			
Citigroup Global Markets Inc	X		2,214,263	2,214,263	0.5%	683	683	0.3%		
Cowen & Co., LLC	X		438,475	438,475	0.1%	688	688	0.3%		
Craig-Hallum				6,036			12			
Credit Suisse Securities, Inc				18,178,171			8,192			
Deutsche Bank Securities, Inc				15,753,664			8,008			
Donaldson & Co Inc.				52,834,870			21,014			
Friedman Billings & Ramsey				543,775			652			
Goldman, Sachs & Co				5,068,645			2,517			
Guzman & Co.				19,675,031			9,837			
Instinet				34,512,926	0.00%		13,712			
Investment Technology Group				1,260,012			666			
J.P. Morgan Securities, Inc	X		896,455	896,455	0.2%	628	628	0.3%		
Jefferies & Co.	X		30,518,265	30,518,265	6.3%	10,678	10,678	4.7%		
JMP Securities				35,841			96			
Jones Trading Institutional Service				674,643			596			
KeyBanc Capital Markets Inc	X		182,865	182,865	0.0%	320	320	0.1%		
Lehman Brothers Inc.				794,646			560			
Liquidnet Inc.				1,050,010			850			
Lynch Jones & Ryan Inc.	X		65,245	65,245	0.0%	25	25	0.0%		
Magna Securities Corp				2,818,004			2,977			
Merrill Lynch	X		23,917,983	23,917,983	4.9%	6,308	6,308	2.8%		
Morgan Stanley & Co., Inc.	X		1,993,212	1,993,212	0.4%	1,805	1,805	0.8%		
Oppenheimer & Co Inc				61,373			128			
Pershing LLC				33,547			12			
Piper Jaffray				7,204			72			
RBC Capital Markets	X		124,821	124,821	0.0%	300	300	0.1%		
Robert W. Baird & Co.	X		29,988,446	29,988,446	6.2%	17,877	17,877	8.0%		
Rosenblatt Securities Inc.				20,474,141			10,237			
Sanford C Bernstein & Co., LL				13,581			24			
Stephens, Inc				26,816			60			
Thomas Weisel Partners LLC				830,972			840			
UBS Securities LLC	X		23,353,753	23,353,753	4.8%	9,969	9,969	4.4%		
Wachovia				89,101			580			
Weeden & Co.				36,139,513			11,389			
William Blair & Co, LLC				50,917			100			
<b>Total</b>			<b>\$ 170,731,643</b>	<b>\$ 484,588,029</b>	<b>35.2%</b>	<b>\$ 71,878</b>	<b>\$ 224,808</b>	<b>32.0%</b>	<b>\$ 57,037,861</b>	<b>11.8%</b>

Highway Patrol Retirement System  
Domestic Equity Agents  
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				\$ 111,358,099			\$ 37,129	
ADVEST, INC.				52,447			70	
BNY BROKERAGE INC.				2,716,377			1,119	
BROADCOURT CAPITAL/161				2,840,858			1,557	
BROWN ALEX & SONS 573				1,017,925			522	
CANTOR FITZGERALD & CO 696				6,766			-	
CAPITAL INSTITUTIONAL SVCS				63,668,980			55,342	
CITIGROUP GLOBAL MARKETS INC.	X		\$ 23,987,527	23,987,527	8.4%	\$ 18,327	18,327	
CREDIT RESEARCH				7,355			5	
DEUTSCHE BANK SECURITIES, INC.				2,600,645			1,282	
DONALDSON & COMPANY				7,678,796			33,520	
EXECUTION SERVICES INC 0100				119,869			132	0.0%
FIRST BOSTON CORP NEW YORK 355				30,600			-	
FRIEDMAN, BILLINGS & RAMSEY				740,097			1,393	0.0%
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	
LQUIDNET INC				207,983			146	
LYNCH JONES & RYAN INC	X		357,092	357,092			342	
MERRILL LYNCH,PIERCE,FENNER &	X		951,092	951,092			482	
MONTGOMERY SECURITIES 773				253,060			392	
OPPENHEIMER 438				176,230			272	
OTHER/UNASSIGNED				1,734,803			930	
PERSHING LLC				117,312			63	
PRUDENTIAL EQUITY GROUP, LLC.	X		8,514,049	8,514,049			5,835	
RAYMOND JAMES & ASSOC INC 725	X		103,551	103,551			200	
S.G. COWEN & CO., LLC	X		227,924	227,924			483	
SALOMON SMITH BARNEY				26,905,682			20,445	
SBC CAP MKTS				2,553,067			1,370	
UBS SECURITIES LLC	X			3,277,242			1,674	
WAGNER STOTT & CO 551				198,323			447	
WEDBUSH MORGAN INC 0103				232,558			468	
WEEDEN&CO/FIN'CL CLR&SER CORP				15,621,245	0.0%	8,162	8,162	4.1%
<b>TOTAL</b>			<b>\$34,141,235</b>	<b>\$284,942,541</b>	<b>12.0%</b>	<b>\$26,489</b>	<b>\$196,705</b>	<b>13.5%</b>

Highway Patrol Retirement System

Investment Managers - Domestic Equity/International/Fixed Income/Real Estate/Private Equity

Current Year: July 1, 2007 - June 30, 2008

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
Brandywine		\$ 25,859,414			\$ 204,767		
DePrince, Race & Zollo		35,550,950			235,793		
EBS	X	0.0	0.0%	0.0%	14,467	\$ 14,467	0.3%
Fidelity Investments	X	4,511,021	0.6%	0.6%	61,907	22,326	0.5%
INTECH		41,250,606			302,298		
JP Morgan Investment Mgmt-bond	X	48,916,787	6.5%	6.6%	123,211	123,211	2.8%
Artio Global Mgmt		53,187,654			400,888		
State Street		64,522,163			20,698		
Timbervest		38,626,589			283,744		
Wells Capital	X	46,799,328	6.2%	6.3%	131,285	131,285	3.0%
Western Asset	X	27,091,634	3.6%	3.6%	143,053	143,053	3.2%
Westfield Capital Mgmt		28,223,991			262,270		
World Asset Management		53,166,014			46,284		
World Asset Management - Intl		44,898,890			37,543		
Manning & Napier	X	27,637,543	3.7%	3.7%	204,223	204,223	4.6%
PIMCO All Asset		11,540,203			170,082		
PanAgora Global Asset Allocation		0.0			149,947		
Pantheon USA Fund VII		1,552,371			119,094		
Credit Suisse		7,286,465			112,500		
Evanston - Weatherlow Fund		18,150,299			457,084		
LB Offshore Div. Arbitrage II		15,758,337			159,449		
Mellon Global Alpha II		12,009,595			145,423		
LSV Asset Mgmt		37,389,070			97,650		
Feingold O'Keefe		4,148,138			39,889		
Kayne Anderson		11,892,033			72,864		
Protégé		10,439,591			33,699		
Sankaty		3,571,261			26,756		
SEIX		4,314,484			46,303		
Wellington		38,891,918			90,547		
Oaktree Real Estate		304,920			94,158		
Fred Alger		13,351,685			106,351		
DFA		13,037,557			37,771		
TOTAL		\$ 743,880,513	20.5%	20.8%	\$ 4,432,000	\$ 638,565	14.4%
			\$ 755,818,620				



Highway Patrol Retirement System

Investment Managers - Domestic Equity/International/Fixed Income/Real Estate/Private Equity

Base Year: July 1, 2003 - June 30, 2004

Investment Management Firm Retained by HPRS	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
S&P 500		\$37,905,413			\$16,657		
Oak Assoc	X	17,191,113	2.7%	2.7%	50,532	50,532	1.8%
MacKay Shields		54,408,482			245,267		
Pinnacle		11,370,138			56,878		
Brandywine		54,429,875			350,765		
EBS	X	16,497,792	2.6%	2.6%	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		108,038,611			157,704		
Western Asset		31,720,515			120,103		
JP Morgan Fleming	X	50,165,594	7.9%	8.0%	322,468	322,468	11.3%
Bank of Ireland		41,362,608			243,108		
WAM - FEF		0			0		
Fidelity Real Estate (FEAM 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		
MetLife		16,534,617			181,174		
TOTAL		\$630,545,016	13.2%	13.3%	\$2,849,126	448,540	15.7%
			\$ 637,145,016				