

ARKANSAS TEACHER RETIREMENT SYSTEM

April 4, 2024

1400 West Third Street

BOARD ROOM

Little Rock, AR 72201

Board of Trustees - CALLED Meeting

4:15 p.m.

Trustees

Danny Knight, Chair

Shawn Higginbotham, Vice Chair

Kelsey Bailey

Anita Bell

Susan Ford

Keri Hamilton

Dr. Mike Hernandez

Michael Johnson

Bobby G. Lester

Chip Martin

Jeff Stubblefield

Ex Officio Trustees

Susannah Marshall, State Bank Commissioner

Jacob Oliva, Secretary, Dept. of Education

Honorable Dennis Milligan, State Auditor

Honorable Larry Walther, State Treasurer

AGENDA
ARKANSAS TEACHER RETIREMENT SYSTEM
BOARD OF TRUSTEES - CALLED

April 4, 2024

4:15 p.m.

1400 West Third Street
Little Rock, AR 72201

- I. ***Call to Order/Roll Call.** page 1.
- II. ***Motion for Excused Absences.**
- III. ***Adoption of Agenda.** page 2.
- IV. Executive Summary. *Mark White, Executive Director* (Attachment No. 1) page 3.
- V. ***Potential Securities Litigation.** *Mark White, Executive Director and Jennifer Liwo, General Counsel*
- VI. Other Business.
- VII. ***Adjourn.**

* Action Item

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EXECUTIVE SUMMARY

TO: Board of Trustees - CALLED
FROM: ATRS Staff
RE: Executive Summary
DATE: April 4, 2024

V. *Potential Securities Litigation. *Mark White, Executive Director and Jennifer Liwo, General Counsel*

One of our contracted securities monitoring law firms is Bleichmar Fonti & Auld LLP. They have been investigating a corporate merger involving New Relic, Inc., a tech company that develops software for analytics and tracking of website and mobile app usage. As of the effective date of the merger, ATRS owned about 94,000 shares of New Relic worth about \$8 million.

The Bleichmar firm has been investigating the merger because it appears the New Relic board accepted a merger proposal that undervalued New Relic while benefiting certain insiders at the company. We don't yet know for sure just how much the company was undervalued, but by one estimate the lower merger price deprived ATRS of \$750,000.

As stockholders in New Relic, we have the right to obtain certain internal company documents related to the merger to assist in our law firm's investigation. The law firm made that request on our behalf, but after 5 months of negotiation New Relic is still refusing to hand over certain documents to which we are entitled. They have now stopped communicating with our law firm.

The next step is for our law firm to file a lawsuit in Delaware to force New Relic to hand over these records. If the court grants our request, this should allow us to confirm whether or not the company was undervalued and whether there is basis for a larger lawsuit against the company on behalf of all shareholders.

The Bleichmar firm is recommending that you authorize them to file suit to obtain the records, and staff concurs with their recommendation.

This is an action item.

VI. Other Business.