

**PARK EMPLOYEES’ AND RETIREMENT BOARD EMPLOYEES’
ANNUITY AND BENEFIT FUND OF CHICAGO**

Request for Proposal for Securities Litigation Counsel and Portfolio Monitoring Services

A. Introduction

The Retirement Board (“Board”) of the Park Employees’ and Retirement Board Employees’ Annuity and Benefit Fund of Chicago (the “Fund”) issues this Request for Proposal, also referred to as a Search for Securities Litigation Counsel (“RFP”) from qualified Firms to provide Securities Litigation Counsel and Portfolio Monitoring services (“Firms”). All forms needed for submitting a response to this RFP are available on the Fund’s website at <https://www.chicagoparkpension.org/request-for-proposal/>. **Firms are responsible for monitoring the Fund’s website for information pertaining to the RFP, while the RFP is outstanding.**

It is the public policy of the State of Illinois to encourage the Board to increase the racial, ethnic, and gender diversity of its vendors to the greatest extent feasible within the bounds of financial and fiduciary prudence. In furtherance of this public policy and pursuant to the Fund’s Non-Investment Procurement Policy, dated June 17, 2021, and can be found on the Fund’s website (<https://www.chicagoparkpension.org/about-us/policies/>), the Board encourages the selection of and will actively consider Firms that are minority-owned businesses, women-owned businesses and businesses owned by a person with a disability (“MWDBE”) that meet the required capabilities for this RFP. If a Firm is an MWDBE and meets the criteria in the RFP, then that Firm will receive an invitation to present as a finalist. If there are multiple MWDBE Firms that meet the criteria set forth in the RFP, then the Board may choose the most qualified Firm or Firms to present. MWDBE Firms must provide documentation establishing their status as a certified MWDBE.

Established in 1919, the Fund is a defined benefit, public pension fund that provides disability and retirement benefits to certain employees, and their survivors and beneficiaries, of the Chicago Park District. As of December 31, 2021, the Fund had \$432,754,036 of total assets, 2,694 active participants, 2,104 retired employees, and 639 surviving spouses’ annuitants. More Fund information and statistics is available on the Fund’s website at: <https://www.chicagoparkpension.org/about-us/annual-reports/>

B. RFP Timeline

Date of RFP Issue:	March 20, 2023
RFP Response Due Date:	April 21, 2023
Finalist Interviews:	May 15, 2023
Selection:	June 15, 2023
Contract Completion:	July 1, 2023

C. Scope of Services

The Fund is seeking Firms to provide the following services in accordance with the Fund's Securities Litigation and Portfolio Monitoring Policy, which can be located at <https://www.chicagoparkpension.org/about-us/policies/>. The services requested will include, but not be limited to:

1. Monitor the Board's invested assets for any losses that may have occurred as a result of a violation or potential violation of Federal, State, and foreign securities laws, including but not limited to violations of the Private Securities Litigation Reform Act of 1995 ("PSLRA"), shareholder derivative litigation, anti-trust litigation, and breach of any agreement or duty owed to the Board or the Fund ("Securities Litigation").
2. Provide the Board with ongoing comprehensive US and international securities monitoring and administration service that will afford the Board expert legal advice, counsel, and litigation-related services involving all aspects of Securities Litigation, including but not limited to monitoring, reporting, and advising the Board on pending class action securities litigation settlements.
3. Use internal and external resources to identify and monitor Securities Litigation in which the Board may have an interest.
4. Advise the Board of the existence of situations where litigation or arbitration may be warranted, including an assessment of likely outcome, whether there is ongoing Securities Litigation to which the Board should be a party, whether the Board should apply to be lead plaintiff or seek to join the lead plaintiff group, whether the Board should remain in the plaintiff class or opt out, various deadlines that affect the Board's rights, and other factors, as appropriate, to enable the Board to make an informed decision as to how to proceed.
5. Be responsive to and available on an "as needed" basis to confer with and provide recommendations to the Board regarding case status, strategies, and potential settlement or other resolution of cases.
6. On at least a quarterly basis, the selected Firm(s) shall issue a report on the status of any pending or potential Securities Litigation relative to the Board's investments.

Proposers are expected to familiarize themselves with the Fund, its investment policies, the fiduciary duties and responsibilities of the Board, and relevant provisions of the Illinois Pension Code and State law, without cost to the Fund.

Note: The Fund is not seeking to engage Securities Litigation counsel to represent it in any matter at this time. Representation with respect to any specific matter will be subject to a separate engagement agreement.

D. Proposal Submission

Firms should submit an electronic copy of the proposal **on or before, 5:00 p.m. CST April 21, 2023**, to:

Park Employees' Annuity and Benefit Fund of Chicago
c/o Steve Swanson, Executive Director
steve@chicagoparkpension.org

Proposals received after the deadline will not be considered. **Proposals must contain the following documents:**

1. **Transmittal Letter.** A transmittal letter must be submitted on the Firm's official business letterhead. The letter must identify all documents provided collectively as a response to the RFP and must be signed by an individual authorized to bind the Firm contractually. **An unsigned proposal will be rejected.** The letter must also contain the following:
 - Statement that the proposal is being made without fraud or collusion; that the Firm has not and will not offer or receive any contingent or placement fees (finder's fees), inducements, or any other form of remuneration, monetary or non-monetary, from any individual or entity relating to the RFP or the Firm's proposal, or the selection of a finalist.
 - Statement that discloses any current business relationship or any current negotiations for prospective business with the Fund or any Fund Trustee or Fund Staff. Trustees and Staff are listed on the Fund's website (<https://www.chicagoparkpension.org/about-us/trustees-administrative-staff/>).
2. **Minimum Qualification Certification.** Firms must certify that they meet the Minimum Qualifications in Section F, below, and provide all supporting documentation, including but not limited to the completed Exhibit A disclosures and diversity table.
3. **Response to Section G – Information Required from all Firms.**

E. Disclosure and Use of Submitted Proposals

Neither this RFP nor any response to this RFP should be construed as a legal offer. Acceptance of a proposal does not commit the Fund to award a contract to any Firm, even if the Firm satisfied all requirements stated in this RFP. Publication of this RFP does not limit the Fund's right to negotiate for the services described in this RFP. The Fund reserves the right to reject any or all proposals submitted, to solicit additional proposals, and to not enter into an agreement with any of the Firms. All material submitted in response to the RFP will become the property of the Fund and the Fund may use any ideas in a proposal, regardless of whether the Firm is ultimately selected as the Fund's Independent Auditor. The Fund is not responsible for any costs incurred by the Firms in responding to this RFP. Submission of a proposal indicates acceptance of the conditions contained in this RFP.

If it becomes necessary to revise any part of the RFP, or if additional information is necessary for a clarification of provisions within this RFP, prior to the due date for proposals, a supplement will be provided to all known Firms and posted on the Fund's website. If a supplement is necessary, the Fund may extend the due date and time of the proposals to accommodate any additional information requirements.

Firms are advised that the Fund is a public body subject to, and proposal materials are subject to, the Illinois Freedom of Information Act (5 ILCS 140). After completion of the RFP, selection by the Fund and successful negotiation of a contract, if any, all proposals may be viewed and copied by any member of the public, including news agencies and competitors. Firms claiming a statutory exception to the Illinois Freedom of Information Act for information within the Firm's proposals must identify relevant language as confidential and identify in the email transmission of the proposal whether confidential information is included. Further, each page of confidential documentation must be labeled as such. Firms must also specify which statutory exemption applies for each piece of confidential information. The Freedom of Information Act can be found at the Illinois General Assembly's website (<http://www.ilga.gov/>).

The Fund reserves the right to make determinations of confidentiality. If the Fund disagrees with a Firm's confidential designation, it may either reject the proposal or discuss its interpretation of the exemptions with the Firms. If agreement can be reached, the proposal will be considered. If agreement cannot be reached, the Fund will remove the proposal from consideration.

F. Minimum Qualifications

1. The Firm's principal attorneys assigned to the Fund must have a minimum of five (5) years of professional experience in the portfolio monitoring or Securities Litigation field.
2. Within the five (5) years preceding the RFP, the Firm, or its principal attorneys while at other law Firms, must have concluded a minimum of five (5) Securities Litigation lawsuits and overseen the distribution of the settlement proceeds to all class members, with a minimum settlement amount of one million dollars (\$1,000,000) per case.
3. The Firm or its assigned attorneys must have provided portfolio monitoring and Securities Litigation services to other public retirement systems or corporate pension plans which are at least the size and complexity of the Fund.
4. The Firm must be able to demonstrate the capacity to finance litigation and the resolution of large, complex, lengthy, and contentious Securities Litigation cases.
5. The Firm must be able to maintain an electronic data processing interface with the Fund's custodian bank, the Northern Trust Bank to obtain the Fund's periodic portfolio holdings and trading records directly from the Northern Trust and maintain such holdings and records securely as confidential information that is the Fund's property.
6. The Firm must demonstrate a commitment to a contingent fee that recognizes the Fund's obligation to reduce attorneys' fees and costs.
7. The Firm must demonstrate a commitment that any proposed case with multiple lead plaintiffs or with multiple law Firms acting as lead plaintiff's (s') counsel must be in the best interest of the Fund and that the Fund's negotiated fee arrangement shall, if lower, prevail over any other fund's negotiated fee arrangement.

8. The Firm must provide portfolio monitoring of US and international securities and Securities Litigation monitoring and evaluation services to the Fund at no cost and with reimbursement of all Fund costs and attorneys' fees incurred.
9. The Firm shall acknowledge that no placement fee, bonus, or other compensation has been or will be paid by or on behalf of the Firm or any of its affiliates to any placement agent, finder or other analogous entity in connection with the engagement of the Firm by the Fund.
10. Firm and its proposed team have all authorizations, permits, licenses and certifications required by federal and state laws and regulations to perform the services specified in this RFP at the time Firm submits a response to the RFP.
11. Firm must agree to comply at all times with the Fund's Ethics Policy, which can be found on the Fund's website (<https://www.chicagoparkpension.org/about-us/policies/>).
12. Firm acknowledges that this RFP is being conducted pursuant to the Fund's Non-Investment Procurement Policy and Firm agrees to comply with the Non-Investment Procurement Policy.
13. Firm shall provide in its response to this RFP the disclosures required by Exhibit A to this RFP.
14. Firm must provide a draft contract or engagement letter, which is subject to negotiation.
15. Firm agrees to provide the services as detailed in the Scope of Services section of this RFP and any other requirements as stated in this RFP.

G. Information Required from All Firms

1. Scope of Services: Identify and describe the services that you typically provide to employee benefit fund clients as well as the experience you have in providing services to governmental pension funds. If there are any limitations on the services that you can or will provide, please describe those limitations in detail.
2. Organization: Please describe your organization including its size, the range of services that you provide your personnel and their capabilities, philosophy of client service, and client service capabilities, your clientele, your Firm's history, and future business plans.
 - a) Personnel/Credentials: Please identify (by name and office location) the individuals who will be primarily and secondarily responsible for the engagement. Please include their biographical information, professional credentials, the roles that they will have in the audit, other clients that they service, tenure with your Firm, tenure with their major clients, and whether they have an ownership interest in your Firm.
 - (i) Please certify that these individuals are currently legally authorized to provide the proposed services.

- (ii) Please disclose whether they have ever been the subject of investigation or charges by their respective professional registration or credentialing body and whether their licenses or credentials have ever been suspended, withdrawn, or revoked.
 - (iii) Specifically describe your Firm's (and the individuals who will service the Fund) experience with pension funds.
 - (iv) Please also provide a copy of your Firm's most recent Peer Review report including any Letter of Comments.
 - b) Organization: Is your Firm qualified as a MWDBE Firm and, if so, in what jurisdiction? What is the turnover ratio for your professional staff in the last 2 years? Please identify any professional staff who have joined or left your Firm in the past 2 years. What is the ownership structure of your Firm?
 - c) Subcontracting and Outsourcing: Do you currently subcontract or outsource any of the services that you propose to provide to the Fund? If so, please describe those arrangements in detail and describe the qualifications of any subcontractor. In the course of providing services to the Fund, we expect that your Firm will provide all services unless you advise us of any outsourcing in advance and receive our advanced approval. If you are not a MWDBE Firm, the Fund promotes the use of MWDBE Firms as subcontractors. We also require that you disclose all financial arrangements with such third-party vendors.
 - d) Number of Clients: How many clients do you currently service? How many of those are employee benefit plans? How many are governmental pension plans?
 - e) Client Turnover: Have you added or lost any benefit fund clients in the last 5 years? If so, please identify the clients. If it is a client that you lost, please indicate the stated reason(s) or circumstance for termination. Of the clients added or lost, how many were either defined benefit or governmental funds?
 - f) Name, address, telephone, e-mail address and website of your Firm.
3. References: Please provide a list of three client references and their contact information. In providing such information, you consent to and hereby release the Fund from any liability that may arise from contacting your references and communicating with such references about your current or prior engagements and soliciting an opinion regarding the work performed for such reference.
4. Case History.

- a) Identify the domestic Securities Litigation cases the Firm has handled in the past five years. For each case, describe generally the issues, the procedural posture, the jurisdiction, results achieved, and whether the Firm's client was a public pension plan.
- b) Identify the international Securities Litigation cases the Firm has handled in the past five years. For each case, describe generally the issues, the procedural posture, the jurisdiction, results achieved, and whether the Firm's client was a public pension plan.

5. International Jurisdictions.

- a) Describe the primary challenges for institutional investors attempting to recover losses in international markets, and the Firms' approach to addressing those challenges.
- b) Identify the international jurisdiction in which the Firm is the most experienced, and the basis for that experience.

6. Insurance/Indemnity: Please identify all insurance coverage that you have that relates to the services that you propose to provide to the Fund, including general liability insurance, professional liability insurance, and cyber liability insurance. Please include the limit(s) of liability, deductibles, insurance carrier(s), and each carrier's A.M. Best rating. Will your Firm agree to indemnify the Fund and its Trustees for any losses from the negligence, errors, omissions, or wrongful acts of your Firm, your employees, contractors, or third-party vendors? Does coverage for liability, due to your negligence, continue for a period following termination of the contract? If so, for how long?

- a) Have any notice of potential claim or claims been made to you or to your insurance carrier in the past ten years? If so, please describe such claim(s).
- b) Is your Firm aware of any claims or notices of potential claims at this time? If so, please describe.

7. Interface with the Fund's Custodian. Discuss the Firm's ability to maintain a secure exchange of the Fund's confidential holdings and transactional information with custodians (in particular, the Fund's current custodian the Northern Trust) as authorized by the Fund. Clearly describe security protocols and internal resources and assurances that may be available.

8. IT and Cyber Security:

- a) Describe your Firm's disaster recovery and business continuity plans.
- b) Provide the most recent date and the numbers of times you have practiced and tested your disaster recovery procedures in the past five (5) years, and the results of those exercises.
- c) Describe your back-up capabilities and/or offsite location, in the event your primary office location was inaccessible.

- d) Describe the Firm's security environment. Specifically cover the physical, digital security, and policy measure safeguards that you have put in place to control access to portfolio reporting systems and client account information.
 - e) Do your Firm's information technology systems meet or exceed industry best practices related to cyber-security, including but not limited to the U.S. Department of Labor's Cybersecurity Program Best Practices and the requirements of the State of Illinois Cybersecurity Strategy and the NIST Cybersecurity Framework? If no, please explain why.
 - f) Describe your Firm's approach to securing stored documents.
 - g) How does your Firm defend against cyber-attacks?
 - h) Have you had your security assessed by a third party? If so, when was this last completed and by which provider?
 - i) Has your Firm ever had a data security breach? If so, describe the incident as well as the corrective actions.
 - j) Have you had a cybersecurity audit? If so, provide a copy of your most recent AICPA Service Organization Control 1 and/or 2 reports.
9. Conflict of Interest: Please identify any potential conflict of interest in providing services to the Fund. Describe the Firm's process for handling conflicts of interest.
10. Agreement: Please provide a copy of the proposed agreement, the terms of which must be negotiable.
11. Legal:
- a) Has any principal, partner, employee, or agent ever been the subject of an examination, investigation, disciplinary proceedings, or legal action by any governmental or regulatory agency in the last ten years? If so, please provide details including the government or regulatory agency involved, the nature of the examination, etc., and its disposition.
 - b) Has your Firm been involved in a lawsuit in the last ten (5) years involving any professional services provided by the Firm? If so, please provide details, including a description of the lawsuit and the disposition.

H. Proposal Evaluation

The Fund will award the contract to the Firm whose proposal it considers to be the best of those submitted, and with whom the Fund is able to negotiate a fair agreement and reasonable fee structure. The following guidelines will be used to analyze and evaluate all proposals. The Fund reserves the right to evaluate all factors deemed appropriate, whether or not such factors have been stated in this section.

- 1. Qualification and ability to perform the services requested.
- 2. Content of the Responses to the Proposal; and

3. Presentation to the Executive Director.

Award of the contract(s) resulting from this RFP will be based upon the Firms whose offer, in the sole discretion of the Board of Trustees, is the most advantageous to the Fund. If the Fund is unable to negotiate an agreement with the selected Firms, the Fund reserves the right to select and negotiate with the next most qualified Firm.