



BETTY T. YEE
California State Controller

August 10, 2020

Mr. Henry Jones, President
Board of Administration
California Public Employees' Retirement System
400 Q Street
Sacramento, CA 95811

SUBJECT: Request for Immediate Board Action

Dear President Jones:

As a member of the Board of Administration, I take my fiduciary duty to safeguard CalPERS investments very seriously. To that point, I am deeply disappointed in the actions of former Chief Investment Officer (CIO) Ben Meng and what appears to be a blatant disregard of conflict-of-interest laws and policies. I also find it objectionable that this matter is not agendaized for Board discussion until August 17.

I believe the Board has an obligation to CalPERS members to determine whether Mr. Meng's carelessness violated any laws or caused financial and reputational damage to the pension system. While the CIO's resignation was appropriate, the Board's obligation to CalPERS members does not end there. Rather, it calls for a swift and thorough inquiry into this matter and potential actions needed.

Under the Bagley-Keene Open Meeting Act, a special meeting can be called at any time by the presiding officer or a majority of the members of the Board if the 10-day notice requirements "would impose a substantial hardship on the state body or where immediate action is required to protect the public interest" pursuant to California Government Code section 11125.4(a). A special meeting also may be called to consider the issuance of a legal opinion.

As such, I hereby request you immediately call a special CalPERS Board meeting within 48 hours of receipt of this letter for purposes of hearing from the Board's counsel and fiduciary counsel regarding potential violation of laws, adequacy of existing policies, safeguards that could prevent a recurrence of the situation, and the Chief Executive Officer's oversight and implementation of policies and safeguards.

Sincerely,

A handwritten signature in blue ink that reads "Betty T. Yee".

BETTY T. YEE

cc: Matthew G. Jacobs, General Counsel, California Public Employees' Retirement System
Richard J. Chivaro, Chief Counsel, State Controller's Office