

From: William Blume <WBlume@retirement.sc.gov>  
To: Pitts, TedTedPitts@gov.sc.gov  
Soura, ChristianChristianSoura@gov.sc.gov  
CC: Eckstrom, Richardreckstrom@cg.sc.gov  
Date: 11/6/2012 7:54:56 AM  
Subject: FW: call to IG

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As we have discussed with both of you, anything you can do to speed this along will be appreciated.

As I have repeatedly stated, which is in complete agreement with the State's Auditing firm, we have no knowledge that the "net asset value" of the reportable assets held in the Trust are not materially correct.

Thanks, Bill.

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From: Rey, Thomas [mailto:Thomas.Rey@cliftonlarsonallen.com]  
Sent: Monday, November 05, 2012 10:00 PM  
To: William Blume  
Subject: RE: call to IG

Bill:

I spoke with the IG this evening. He seemed like a reasonable gentlemen. I went over the audit approach and provided him with AICPA guidance which supports SCRS' valuation policy of using NAV as an estimate of fair value. It would seem based on my conversation with him that the Treasurer has not provided him any concrete information but rather conjecture and hearsay. I acknowledged that I appreciate the Treasurer's concerns surrounding these type of investments but that his facts and understanding of SCRS' responsibilities were misguided. He stated that he will be having a follow-up meeting with the Treasurer in the coming days in hopes of cajoling any further information that he may have and/or putting this matter to rest. While I doubt the Treasurer will move off his position, the IG's determination whether or not to pursue the matter further is necessary for us to move forward.

Kind regards,

T.R.

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From: William Blume [mailto:WBlume@retirement.sc.gov]  
Sent: Monday, November 05, 2012 2:02 PM  
To: Rey, Thomas  
Subject: RE: call to IG

We have enlisted Christian Soura who hired him for the Governor.

Let's see what happens.

Bill

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From: Rey, Thomas [mailto:Thomas.Rey@cliftonlarsonallen.com]  
Sent: Monday, November 05, 2012 1:49 PM  
To: William Blume  
Subject: RE: call to IG

Just left him another message.

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From: William Blume [mailto:WBlume@retirement.sc.gov]  
Sent: Monday, November 05, 2012 12:33 PM  
To: Rey, Thomas  
Subject: RE: call to IG

Please keep trying. We need to complete this asap.

Thanks, Bill

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From: Rey, Thomas [mailto:Thomas.Rey@cliftonlarsonallen.com]  
Sent: Monday, November 05, 2012 11:07 AM  
To: William Blume  
Subject: RE: call to IG

Bill:

We played phone tag on Friday. His last message on Friday was that he'd be working all weekend. I called him Saturday and Sunday. Still have not spoken to him as of this morning. Will hopefully connect this afternoon.

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From: William Blume [mailto:WBlume@retirement.sc.gov]  
Sent: Monday, November 05, 2012 9:42 AM  
To: Rey, Thomas  
Subject: call to IG

Have you had an opportunity to speak with the IG after our (CG Eckstrom/Holly Counsel/Rich Gilbert/David /Bill) discussion on Friday ?

If so, what info did he share ?

Bill