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Date: 11/9/2012 9:20:30 AM

Subject: FW: Letter from Treasurer Loftis

Attachments: 20121108 Williams and Commissioners - Question IC on Valuations.pdf

Ted, we are bordering on non-compliance with respect to publishing an SCRS financial statement which may have dire effects on the State's bond ratings. Unless the Governor and the Board step in to remedy this situation, the Auditor will not opine.

Both the Auditor and SCRS feel that the values of the Trust's assets are materially correct and that the required attestation procedures have been followed. The only hold-up is the Treasurer's comments to the SCRS auditor that "he knows something that the auditor does not know but he cannot tell him". This obviously raises a red flag with the auditor and the auditing procedures require the Treasurer to provide this information or, in the alternative, to disclose that he possesses no knowledge that would imply a material understatement of the Net Asset Values.

I urge you to request a meeting with the Governor, SCRS, the State Auditor and the Comptroller General's office to resolve this matter. I can, and would like to have the Audit Partner and/or his independent review partner available for this discussion.

Bill

From: Wright, Amy [mailto:amy.wright@sto.sc.gov]

Sent: Thursday, November 08, 2012 9:44 AM

To: agillespie@gnicapital.com; agillespie@ediadvisors.com; William Blume; Reynolds@willcoxlaw.com; engiobbe@hotmail.com; jim powers; Travis Pritchett

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Subject: Letter from Treasurer Loftis

Please find attached a letter from Treasurer Loftis.

Thanks,

Amy

Amy F. Wright

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