

1 through our asset classes. So does that impact how
2 effective we can be?

3 MR. INGRAM: So I think it's -- it's a really
4 helpful question, and a challenging one for the
5 organizations I've worked with and worked within. Perhaps
6 the hardest sort of element of all of this is linking back
7 the kind of engagement and stewardship work into the
8 investment process.

9 I think what we've seen over the past year, the
10 changes taking place with bringing that within, you know,
11 the equities team, I think we're seeing it all sort of
12 begin to bed down. New recruitment is coming in. I think
13 it's a constant challenge, and I think the team are doing
14 some great work.

15 We highlight one example of what we thought was
16 really great practice for CalPERS, which really I think
17 came forward last year was the ExxonMobil vote --

18 COMMITTEE MEMBER TAYLOR: Right.

19 MR. INGRAM: -- as a -- as a sort of the logical
20 conclusion to what started off as work around, from the
21 sustainable investment team, undertaking carbon
22 footprinting of the public equity asset class, and then in
23 a highly innovative move undertaking carbon footprinting
24 of fixed income, which hasn't, as you know, I don't think,
25 been done by many other asset owners.

1 COMMITTEE MEMBER TAYLOR: Hmm-um.

2 MR. INGRAM: That work led all the way through
3 to, you know, this really focused intensive engagement
4 work with carbon intensive companies. And I think to me
5 that's a very good example of thinking through a kind of
6 core strategic objective, going through the analysis
7 what's our exposure, all the way through to delivering
8 change at a particular company level, which has
9 repercussions across the industry.

10 And the more that we can kind of, you know, bring
11 all that together for other issues like the ones you're
12 talking around, around pay and others, I think that's
13 where we'll have full integration.

14 COMMITTEE MEMBER TAYLOR: Right. So basically
15 maybe break down those silos is what you're talking about,
16 because it sounds like the Exxon example you're giving us
17 did break down those silos, and they worked together with
18 the engagement proxy voting, and letter-writing campaigns.

19 So I think that's why we were so successful. So
20 I'd love to see us do that on our -- as we move forward on
21 sexual harassment or executive pay, if we can. But I
22 think this was a great way of outlining what we are doing,
23 so that we can see what we need to do moving forward. So
24 thank you very much.

25 CHAIRPERSON JONES: Okay. Mr. Costigan.

1 VICE CHAIRPERSON COSTIGAN: I'll be very quick,
2 because I know we have another item coming up. First, I
3 want to thank Chair -- Madam President Mathur for raising
4 the issue as it relates to those two individuals. I do
5 think it's one thing that we should be looking at. They
6 do have long-term implications when you go back and look
7 at settlements that occurred decades ago that suddenly
8 drive down the stock prices. And so that is something I
9 thank you -- thank Ms. Mathur for raising that.

10 A couple issues just on the report. And again, I
11 do like the report. One of the issues that I've raised
12 over the last couple years, I appreciate that we sent 504
13 letters on diversity. I really think the policy -- and at
14 some point as I've raised before, we have 25,000 Board
15 seats, not including those on private equity.

16 We really need to look into a policy. If you're
17 serving on more than three boards - I know it's an
18 informal process - you're getting voted out. I mean what
19 we're seeing is we use the word "diversity", then when you
20 peel back into it, you see it's similar individuals. The
21 other thing I also think is very important is educational
22 diversity. When you start looking back, they tend to be
23 from the same Ivy League, Stanford, Cal schools.

24 If we really want diversity, it's more than just
25 gender, it's more than just the color of skin. And I

1 would certainly hope that Ms. Mathur and Mr. Jones that we
2 would broaden it, because there are many qualified people
3 who have gone to other schools that I don't think are
4 given the opportunity to it.

5 But I really do think down the road, the policy,
6 rather than sending letters -- and I think Mr. Juarez and
7 I had this conversation several months ago. I was picking
8 on a certain individual on a financial services board.
9 And then he pointed out to me the skin color. And I said
10 that's exactly the point I was making, because that
11 individual was on six boards. That's not diversity when
12 it's the same individual.

13 So I would certainly hope we end up with a policy
14 with 25,000 people, or 25,000 board seats, not including
15 again those on our private equity, because I don't think
16 your report really addresses private equity boards, when
17 we start looking at the number of seats, and again going
18 back to the educational diversity.

19 So again, Ms. Mathur, I really appreciate it. I
20 do think we need to have form -- a more formal policy.
21 The Weinstein and the Wynn issues with the hundreds of
22 millions of dollars of equity that was wiped out once the
23 settlements came out. I'd like to know where the boards
24 were and what their obligation and responsibility were to
25 investors such as us.

1 Thank you.

2 CHAIRPERSON JONES: Okay. Mr. Miller.

3 COMMITTEE MEMBER MILLER: Yes. Thank you.

4 Appreciated the report. As a relatively new Board
5 member -- and I can only get away with qualifying my
6 statements that way for a little longer, so I'm going to
7 continue to do it as long as I can. But I think what I
8 would be interested in seeing, especially going forward
9 more is -- it will be, I'm sure, part of a dialogue
10 between staff, our leadership, and consultants, is we have
11 stood out as a leader. We have committed resources.
12 We're, you know, I think I would say well resourced.

13 But in terms of moving from aligning those
14 resources to really, you know, how do we really integrate
15 them, how do we get everything across the organization
16 kind of, you know, aligned and integrated to actually
17 function, and the impact that will have on efficiency and
18 effectiveness, which kind of makes that a moving target,
19 the resources.

20 So I'll be real interested going forward, I think
21 our attention, to how do we most effectively integrate as
22 we've aligned things to optimize, you know, where we put
23 our resources before we get too far down the line. At
24 some point, you know, we're building. Now, we need to
25 optimize before we, you know, throw in a lot more bricks

1 and mortar. So that's kind of what I'd like to see more
2 focus on as we go forward.

3 CHAIRPERSON JONES: Okay. Thank you very much.

4 We do have a request from the public to speak on
5 this item. Mr. Michael Ring from SEIU. If you can come
6 down to the speaker's bench, as we call it, and

7 MR. JUNKIN: While he's coming up, could I just
8 make one comment --

9 CHAIRPERSON JONES: Yes.

10 MR. JUNKIN: -- to Mr. Miller. I put it back on
11 the personnel slide for a minute, and they took it away.
12 And that's fine. You don't need to put it back up. I
13 think -- as part of that evolution that I see going on, I
14 think that slide will be impossible to do in 10 years. I
15 think ESG will be so integrated into what everyone does
16 across this Investment Office, and other investment
17 offices, not -- I don't think it's going to be CalPERS
18 specific. I think it's going to be hard to count FTEs
19 when with it's part of everybody's job, and it's fully
20 integrated.

21 CHAIRPERSON JONES: Okay. Thank you. Yeah, Mr.
22 Ring. You -- please State your organization or
23 association. And you will have three minutes, and the
24 timer is right here that you can help monitor your time.

25 MR. RING: Thank you, Mr. Jones. Thank you,

1 members of the Committee. Michael Ring with the Service
2 Employees International Union Capital Stewardship Program.

3 Three points I'd like to share with you. First,
4 I want to thank Wilshire for the report, and I want to
5 congratulate CalPERS Investment Committee, and the staff
6 for your leadership in the ESG area, and the three forms
7 of capital, and figuring out since the time you adopted
8 the Investment Beliefs, how you use your resources to
9 manage these most fundamental of systemic risks.

10 You know, CalPERS commitment to ESG to me in our
11 organization indicates that you understand that the
12 biggest risk to paying the benefits to our members is a
13 systemic risk. We can't have another market meltdown like
14 2008. We can't have an energy sector that can't deliver
15 energy going forward. We can't have workers who can't
16 make a living, because then they can't buy products from
17 the companies we're invested.

18 System risk is the one thing that actually could
19 threaten the future of this fund, as opposed to a lot of
20 other things that are said about it. So I really
21 appreciate the investment in this area, and our leaders do
22 as well.

23 Second, I want to note that while labor unions --
24 it might not be a surprise in that we feel that way, it's
25 not just us. I mean, Larry Fink, in his latest letter to

1 CEOs, indicated that social purpose is the fundamental
2 thing that companies must figure out. The World Economic
3 Forum, hardly noted as a progressive organization, rather
4 as a global elite, indicates that systemic risk is the
5 fundamental threat to the global economy.

6 So I don't think you're out on a limb. And as
7 Mr. Junkin indicated, this is where the world is going,
8 because we have to figure these things out in order for a
9 fund the size of CalPERS to be able to invest three,
10 hopefully four, hopefully five hundred billion dollars
11 inside the global economy.

12 Second, I want to support Wilshire's suggestions,
13 and -- that the staff, and the Board, and the Committee
14 continue to work to integrate and align the work. I think
15 this is challenging. You're going through a lot of
16 change. Mr. Eliopoulos has led a lot of transition that's
17 led to great integration. The one area that I think we
18 would flag is that it's really important that CalPERS
19 continue to dedicate resources to working and mobilizing
20 other investors.

21 There's no one investor that can manage systemic
22 risk. It's got to be a coalition of investors who share
23 the interest in long-term value.

24 And lastly, while there's way too many people to
25 recognize for CalPERS leadership in this area over the

1 years, I do have to recognize one person. I know for the
2 last decade that I've been paying attention to this fund,
3 that Anne Simpson has just done a marvelous job of
4 bringing innovation, creativity, and groundbreaking
5 thinking, not only to this fund, but to the world's
6 thinking in this area.

7 And there's a real opportunity and gift that
8 CalPERS has to have someone like Anne on staff. And I
9 think our leaders and our members really appreciate the
10 work she does to help make sure that the benefits will be
11 there when they retire. So personal and professional than
12 you to Anne and to all of you, and to Ted and his team.

13 Thank you very much.

14 CHAIRPERSON JONES: Thank you, Mike.

15 We are scheduled to take a break in about a
16 little over 30 minutes. And so this next item -- items is
17 certainly going to take some time. And in order to have
18 continuity, I'm going to take a break now for 10 minutes
19 and then we will reconvene. And that way when we start
20 the next item, we will have the continuity going forward.

21 (Off record: 10:26 a.m.)

22 (Thereupon a recess was taken.)

23 (On record: 10:38 a.m.)

24 CHAIRPERSON JONES: I'd like to reconvene the
25 Investment Committee meeting.

1 I'll wait until everyone takes their seat.

2 Before we move to the next items, I would like to
3 thank Controller Yee for her correspondence regarding
4 inadequate oversight of executive compensation, and
5 Treasurer Chiang for his correspondence regarding
6 investment with retailers who sell assault weapons.

7 Our investment team will address each of these
8 topics, but I wanted to provide an update to set the stage
9 for this important dialogue we will have today.

10 On the matter of executive compensation, new
11 language has been drafted within our Governance and
12 Sustainability Principles to address the issues raised by
13 the Controller.

14 Regarding the Treasurer Chiang's request, staff
15 identified five retailers that fit the parameters and have
16 engaged with all five. Through these efforts, meaningful
17 exchange, and change, and progress has been made. It's a
18 strong example of how CalPERS can use our size and
19 influence to make a real impact through our engagement
20 efforts.

21 Again, I will have -- excuse me. I will leave it
22 to our Investment team members to provide details, but I
23 wanted to make sure we started this item by acknowledging
24 and thanking both the Controller and the Treasurer.

25 This agenda item has several parts, but I'm going

1 to ask our investment team to present their work on
2 retailers that sell guns and assault weapons, and then I
3 want to see if there are questions from our Board members,
4 and then I will call on our State Treasurer for comments.

5 Following the Treasurer's remarks, we will take
6 public comment on this topic and then complete the
7 remainder of the item.

8 And when I call for public comments, we're going
9 to clear the bench here, and all those individuals that
10 are sitting in designated spaces, I'm going to ask you to
11 just come up and fill this row as we go forward. And so
12 we don't have to introduce every person. You will be
13 asked to introduce yourself by giving your name, and your
14 association. And each of you will have three minutes.
15 And there's a timer right below my name here that will
16 help guide you in terms your public comments and remarks.

17 So with that, we can now start. Mr. Eliopoulos,
18 you can begin.

19 CHIEF INVESTMENT OFFICER ELIOPOULOS: Great.
20 Terrific. Thank you, Mr. Chair, and members of the
21 Committee. This is Item 6b, our review of our five-year
22 strategic plan. I covered most of the introduction in
23 my -- in my other remarks. And I know we have many
24 members to speak, so I'm going to skip over a more
25 thorough introduction into the piece, and really

1 immediately hand it over to Anne to start with the
2 substance of the report.

3 INVESTMENT DIRECTOR SIMPSON: Thank you very much
4 Ted. Anne Simpson, CalPERS Sustainable Investments
5 Program. Thank you for the opportunity to update you on
6 this engagement. It's an extremely important issue for
7 CalPERS. As our presentation shows in 2013, the Board
8 directed CalPERS Investment staff to divest from two
9 manufacturers of assault style weapons that are illegal
10 for sale in California.

11 And in the wake of the Las Vegas shooting and
12 tragedies, the Treasurer wrote to staff and to the Board
13 asking for us to look at our exposure to companies which
14 sell such weapons to the public.

15 CalPERS has a total fund investment policy on
16 divestment, which actually highlights the responsibility
17 we have as owners of these companies to engage them in
18 order to have issues of concern to be addressed.

19 The first step for us using our resources through
20 our ICOR people was to identify companies which may be
21 within the scope of the Treasurer's letter. We looked at
22 online retailers, and identified that, for example,
23 Amazon, eBay, and others actually have written and public
24 policies that their boards have taken a view, that this
25 type of product will not be available to the public.

1 So we focused our attention on the high street
2 retailers and we've given you the details that we had at
3 the time of writing the report. We wrote, shortly after
4 the receipt of the Treasurer's letter, to those five
5 companies that we'd identified. And our intention was to
6 hold the boards accountable. I think this is our
7 appropriate role as the shareowners of these companies.

8 We ask the companies to carry out a review of
9 both the revenues, which are associated with the sale of
10 weapons banned for sale to the public in California, and
11 consider the risks to the company which are associated in
12 the light of the tragedies, as they were at the time of
13 Las Vegas.

14 Since then, we've had further horror to -- ahead
15 to review with the Florida shootings. And I'm glad to say
16 that each of the companies we approached indeed did have a
17 board review, and two of them were able to assure us that
18 the board had already taken a decision to not continue to
19 sell these types of weapons, but also so-called bump
20 stocks and other accessories that accelerate the ability
21 of such weapons to wreak havoc when misused.

22 And two companies announced at the time of our
23 engagement with them that they would be taking new steps,
24 and that was Dick's Sporting Goods. And I think what was
25 interesting in this is that the companies were not just

1 responding to what we asked for, but in more than one case
2 going further.

3 There's a final company which we hadn't spoken to
4 at the time of writing the report, that's Sportsman's
5 Warehouse. In terms of taking our request for a review
6 seriously, I can report that in the conversation, the
7 company provided the chair of the board, the CEO, and the
8 CFO to have the conversation with us. They did undertake
9 a review, and came to the conclusion that the company
10 would not alter its policy.

11 I would be happy to answer any questions on this
12 important and sensitive topic. But if there are no
13 questions, I'd be glad to hand over to Ted to address the
14 next -- the next point, which was raised at our last Board
15 meeting, which is to consider the pros and cons of
16 divestment.

17 Thank you.

18 CHAIRPERSON JONES: Okay. We have one question,
19 Ms. Simpson. Hold on.

20 Ms. Taylor.

21 COMMITTEE MEMBER TAYLOR: Yes. It's not really a
22 question. I just wanted to lift up the -- Anne's team's
23 work on this and the engagement that you have done in a --
24 As I mentioned earlier, I think engagement is an extremely
25 important process that we use. And I'm just wowed by the

1 results. I know that some of it has come on the heels of
2 other things. But I'm seeing here in the results that in
3 2016, we had, what was it, sporting -- where did it go?
4 Yeah, Big 5 Sporting Goods, through our engagement, had
5 done some work already, and Walmart had discontinued some
6 of this -- the sale of assault weapons in 2015.

7 And I just want to thank you all for the
8 engagement that you've done over the years as well as
9 currently on this. So again thank you very much.

10 CHAIRPERSON JONES: Okay. Thank you.

11 Mrs. Mathur.

12 COMMITTEE MEMBER MATHUR: Thank you. Thank you,
13 Mr. Chair, and thank you, Ms. Simpson and your whole team.
14 You know, as a mother of two school-aged children, the
15 issue of gun violence, particularly in our schools, you
16 know, hits me right in the heart. And I am, you know, so
17 moved and heartened by this student activism that has
18 arisen following the horrific and tragic shooting Marjory
19 Stoneman Douglas High School in Parkland, Florida. And,
20 of course, there have been many voices raised even before
21 that.

22 The compelling words and actions of the Parkland
23 students in particular has sparked a movement across this
24 country, and has elevated I think the public conversation
25 regarding the safety of our nation's children.

1 Momentum around this issue has also driven
2 consumer pressure around the sale of firearms, as well as
3 public policy conversations in many jurisdictions across
4 this country. And that is why I am particularly proud of
5 the efforts of our investment team headed -- and in this
6 case headed by Anne Simpson, that our team has undertaken
7 to engage these five largest retailers of five arms. And
8 through that engagement, as you so well articulated, we
9 have supported the students' efforts, and the efforts of
10 those who are advocating against gun violence in this
11 country, providing the investor voice regarding how this
12 issue is a real business issue. And I think that is a key
13 part of this conversation.

14 And as a result, partly I think in response to
15 our engagement efforts, four of these five retailers have
16 identified it as such, as a real business risk, and have
17 made significant policy changes along four -- I think,
18 four key dimensions as you identified, the discontinued
19 sale of assault weapons, if they sold them at all, the
20 discontinued sale of high capacity magazines, the
21 discontinued sale of accessories like bump stocks, there
22 raising of the age to acquire firearms and ammunition from
23 18 to 21, all really important, I think, progress.

24 And in the case, as you noted, of Dick's Sporting
25 Goods, they have also announced that they will move --

1 they will be more active in the public policy debate
2 around firearms.

3 And so I just wanted to really, you know, credit
4 our team for your really important efforts on this issue.
5 That obviously is a -- is a visceral human issues, but
6 also a truly relevant investment issue, and that our
7 engagement efforts is the right approach to really getting
8 to change on this issue.

9 So thank you very much.

10 CHAIRPERSON JONES: Okay. Thank you. Seeing --
11 at this time, I'd like to call on the Treasurer, Mr.
12 Chiang.

13 COMMITTEE MEMBER CHIANG: Thank you, Mr.
14 Chairman.

15 CHAIRPERSON JONES: Okay.

16 COMMITTEE MEMBER CHIANG: Thank you, Mr.
17 Chairman.

18 Chairman Jones and Investment Committee members,
19 just over a month ago on February 14th, a disturbed former
20 student armed with a AR-15 assault rifle was dropped off
21 by an Uber driver at Marjory Stoneman Douglas High School
22 in Parkland, Florida. It was 2:19 PM near dismissal time.
23 He proceeded to building 12, an instructional facility
24 containing 30 classrooms.

25 At 2:21 p.m., he pulled a fire alarm to start

1 confusion and then began firing at students and teachers.
2 From the moment the first round was fired to the time he
3 dropped his rifle and left the scene by blending in with
4 fleeing students, a mere six minutes had passed.

5 But was an eternity for the approximately 900
6 students and 30 teachers in building 12 who were
7 desperately fleeing the three-story structure, trying to
8 find cover, clinging to life, saying their last goodbyes.

9 Most Americans are shocked and deeply saddened by
10 the massacre that killed 17 innocent kids and teachers,
11 and injured 17 more.

12 But shock and remorse provide little consolation
13 to the families who had to bury a child, a sibling, a
14 spouse, or a loved one. If thoughts and prayers could be
15 converted into currency, our pension fund's \$139 billion
16 unfunded liability would have been zeroed out long ago.

17 When will bold action replace the hollow
18 platitudes?

19 Let me remind this Board that just in the first
20 two months and two weeks of this year, there have been 46
21 mass shootings killing 73 and wounding another 181. There
22 have been 14 - 14 shootings that have occurred on school
23 grounds since the year began. The time for empty promises
24 of never again are over. The time for reckless law makers
25 who promise fidelity to their constituents but remain

1 wholly-owned subsidiaries of the NRA are over.

2 If Congress and State houses are unwilling or
3 unable to deliver real change, then it is up to us to take
4 the fight to, borrowing from the notorious banker Willie
5 Sutton, to where the money is.

6 I call upon the nation's largest institutional
7 investors, BlackRock, Fidelity, Vanguard, Alliant, All
8 State, PIMCO, State Farm, and yes, CalPERS and CalSTRS to
9 use the power of their purse strings to prevent more of
10 the schools workplaces and places of worship from becoming
11 killing fields.

12 We have a responsibility now to do what needs to
13 be done, to be responsible public servants, to be
14 responsible investors, to be responsible citizens in a
15 nation besieged by gun violence unknown to any of the
16 other world's developed countries.

17 In 2013, this Board responsibly reacted to the
18 shootings at Sandy Hook Elementary School by divesting
19 from companies that manufacture firearm and ammunitions
20 that are illegal in California.

21 Now, I urge you to go further. I respectfully
22 call upon this Board to divest its holdings of wholesale
23 or retail sellers of these banned weapons. Neither
24 taxpayer funds nor the pension contributions of any of the
25 public servants we represent should be invested in the

1 purveyors of banned military-style assault weapons. This
2 includes bump stocks, slide fire devices, and other
3 accessories that can accelerate a semi-automatic rifle's
4 rate of fire.

5 These relatively easy-to-buy and inexpensive
6 after-market products allow semi-automatic weapons to
7 simulate automatic fire. A rifle that may normally fire
8 at a rate of 45 to 60 rounds per minute can now be altered
9 to release a torrent of devastation at 400 to 800 rounds
10 per minute.

11 The deadly efficiency of these senseless products
12 was on display at a Las Vegas outdoor concert last October
13 when 58 were killed, and more than 546 wounded in the span
14 of 10 short minutes. According to the ATF 12 bump stocks
15 were found on weapons recovered from the murderer's hotel
16 room.

17 Pension funds like those managed by CalPERS and
18 CalSTRS exist to provide for the economic security and
19 prosperity of our teachers, social workers, first
20 responders, and other public servants. It makes no sense
21 to pour taxpayer and pension fund members' dollars into
22 products that are not only illegal to possess or sell in
23 the state, but are snuffing out the lives of some of the
24 very real people we call our beneficiaries.

25 Divestment in such companies would be faithful to

1 CalPERS existing investment policy and uphold the Board's
2 fiduciary responsibilities to its members. I remind this
3 Board that current policy allows us to take harmful
4 external factors into account when determining the overall
5 return of an investment. External factors include such
6 things as reputational injury that could cause the stock
7 value of a company to fall, costly litigation, as well as
8 increased regulation and new laws that could restrict
9 sales.

10 Does anyone here really actually believe that
11 banned military grade assault weapons are not covered by
12 these factors?

13 Even red states like Florida are beginning to
14 heed the public's call to end gun violence. Some of our
15 countries largest companies, including Dick's Sporting
16 Goods, and Delta Airlines are disassociating themselves
17 from the toxicity of the NRA and its golden calf assault
18 weapons.

19 Tell me that our fiduciary standard of care
20 requires us to own the futures in bump stocks when the
21 Trump White House plans to circumvent Congress and ban
22 them through regulation.

23 As the Irish statesman and philosopher Edmund
24 Burke once wrote, the only necessary -- thing necessary
25 for the triumph of evil is for the good people to do

1 nothing. It's been 169 days since thoughts and prayers
2 were first expressed in the wake of the Las Vegas Mandalay
3 Bay massacre; 645 days since the Orlando Pulse Nightclub
4 shootings; 838 since San Bernardino; 1,006 since
5 Charleston, South Carolina; 1,921 since Sandy Hook, 3,990
6 since Virginia Tech; 6,908 since Columbine.

7 It's time. It's time for the good people who I
8 am proud to call my colleagues and friends on this Board,
9 to do more. If we don't do this, we'll be going against
10 the tide of history. I respectfully ask you to agendaize
11 my proposal for a vote at the next scheduled meeting of
12 this Board.

13 And Anne, thank you very much for the work that
14 you're doing.

15 CHAIRPERSON JONES: Okay. Thank you. And so the
16 next step is to hear from public speakers. So I'm going
17 to ask staff to vacate the bench. And I would invite the
18 speakers to come in and take seats along the front at the
19 bench here. And as you complete your comments, if you
20 would move back to your other seats so additional members
21 can come up and be prepared to make their comments.

22 And as I mentioned before, each speaker will have
23 three minutes, and the timer is right in front of me here.
24 And state your name and your association, or organization,
25 and then you can begin to speak. And once you begin to

1 speak the clock will start, and it will advise you as to
2 how much time you have left.

3 Okay. So in order to have some continuity, we'll
4 just start at this end and go to my left and your right.
5 And then we'll just move this way. And then as you
6 complete your comments, if you will vacate that seat, so
7 the next person can just automatically be prepared and
8 we'll keep going. So, sir, you want to begin.

9 MR. VELASCO: Yes, Mr. Chairman.

10 Good morning, Mr. Chairman, members of the Board.
11 Thank you for giving us this opportunity to speak to you
12 this morning.

13 My name is Robert Velasco. I am a retired
14 Lieutenant with the California Highway Patrol. And for 27
15 years I proudly served the people of this grate State of
16 California in various assignments throughout the southern
17 part of the State. I have been a CalPERS member since
18 September of 1988. That's when I began my career at the
19 CFP Academy not too far from here.

20 Yvette, the youngest of my daughters was only
21 five months old when I entered the academy. And her life
22 paralleled my career with the CHP, you see, because she
23 brutally -- she was brutally murdered two weeks and one
24 day after my first day of retirement.

25 On December 2nd, 2015, my precious daughter

1 Yvette was one of the 14 victims and the -- 14 innocent
2 and defenseless victims killed in the San Bernardino
3 terrorist attack. Yvette was attending a work-related
4 training day and holiday event at the Inland Regional
5 Center, when she and her co-workers were slaughtered by
6 two heavily armed heartless terrorist monsters wielding
7 semi-automatic assault rifles equipped with high-capacity
8 magazines. The rounds from these weapons are designed to
9 tear and destroy tissue inside the human body causing
10 maximum deadly tissue damage. And that is exactly what
11 they did to my -- to the inside of my baby daughter, who
12 was shot three times.

13 I am haunted by the terror that -- the thought of
14 the terror that she must have felt at that time. The
15 cowardly killers preyed on my beautiful daughter and her
16 co-workers using weapons designed for war, not for sport,
17 not for hunting, not for personal protection. They're
18 designed for one thing, and one thing only, for killing as
19 many people as possible in the shortest amount of time.

20 These same types of weapons were also used by the
21 killers in Sandy Hook, Orlando, Las Vegas, Sutherland
22 Springs, Parkland, Florida, and they were all purchased
23 legally.

24 And each time these mass shootings occur, my
25 family and I are heart broken, reliving that horrific day

1 of December 2nd, 2015, because we know the pain and
2 overwhelming heartache that the families of the victims
3 are experiencing. I am here before you today as a citizen
4 of this great country, as a retired law enforcement
5 officer, CalPERS member, but most importantly as a
6 grieving father of Yvette Velasco whose loving memory and
7 spirit will live inside of me and her mother for eternity.

8 I respectfully request and plead with you to
9 support, as I do, Treasurer John Chiang's proposal of not
10 investing CalPERS funds to -- in companies involved in the
11 production, and/or sale of military-style assault weapons
12 that are banned in the state of California.

13 I realize much needs to be done to prevent mass
14 killings in our country, but we need to start somewhere.
15 Your vote to divest California pension funds from these
16 companies will encourage other institutional investors to
17 do the same. It will send a powerful message to
18 Washington and state politicians who are unwilling to take
19 action to prevent mass killings in our country.

20 Thank you.

21 CHAIRPERSON JONES: Thank you.

22 MS. JONES: Good morning. I'm Akilah Jones. This
23 isn't my story. My life is relatively comfortable and
24 untouched by tragedy, but it could be mine. It could be
25 any of ours.

1 A youth appears in a school. It's Valentine's
2 day. The youth begins stalking students with an AR-15.
3 And AR-15 is a military style assault rifle. It fires 45
4 rounds per minute. The woman's husband does not flee with
5 the students. He heads towards the shooting, and is
6 gunned down. Here is his widow's letter to you.

7 "My name is Debra Hixon. I'm the wife of
8 Christopher Hixon. He was killed in the Marjory Stoneman
9 Douglas shooting on February 14th, 2018. Everyone wants
10 to know what they can do for me. Here is what I need from
11 you, the people of the United States, the politicians of
12 the United States, and the big institutional investors of
13 the United States, I need you to ban the sale,
14 manufacturing, and use of any weapons that are light
15 weight, magazine fed, gas operated, air cooled, shoulder
16 fired, incapable of semi-automatic fire such as the AR-15.

17 "I would also like you to ban rifles with pistol
18 grips, and barrels with at least -- with a length of 16
19 inches or less. And I need you to stop taking the
20 public's money and investing it in the companies that are
21 selling these weapons.

22 "Most people in America are in agreement with
23 this request. Those that are not say that it is an
24 infringement on their Constitutional right as per the
25 Second Amendment. The Second Amendment states quote, 'A

1 well-regulated militia being necessary to the security of
2 a free state, the right of the people to keep and bear
3 arms shall not be infringed', end quote.

4 Why does everyone skip the first three words,
5 quote, 'A well-regulated', end quote?

6 Our society has changed, and these weapons are
7 not being used to ensure the security of a free state.
8 They are being used to gun down innocent people for no
9 reason. Please, stop this insanity, and work towards
10 getting these weapons banned. Citizens of the United
11 States, you can vote for legislators that will work for us
12 and make new laws that will get these weapons off the
13 streets. If you're legislators, both State and federal,
14 are not doing what you ask, vote them out.

15 "Politicians of the United States, you can work
16 together to make laws that will ensure that everyone in
17 the U.S. is safe from this kinds of violence. Ban these
18 weapons.

19 "Institutional investors, stop putting your money
20 into the companies that sell these guns. Since many of
21 these weapons are already banned in California, you may be
22 asking what can you as pension board members do? You can
23 support Treasurer John Chiang's call to divest from retail
24 or wholesale sellers of these weapons. You can use your
25 financial clout to put pressure on the makers and sellers

1 of these military-style assault weapons and support the
2 national gun violence safety movement.

3 "This isn't a political issue. It's about what's
4 right and wrong. These weapons have no purpose in our
5 society and they must be removed. Once we can do this,
6 then you will have done all that you can do for me, and
7 maybe my family and I will find some piece".

8 Thank you.

9 CHAIRPERSON JONES: Thank you. Next.

10 MS. WETZEL: I just wanted to say thank you for
11 hearing us, first of all.

12 My name is Renee Wetzel. My husband, Mike
13 Wetzel, was murdered in the December 2nd terrorist attack
14 in San Bernardino. He was my best friend. He was my
15 favorite person in the whole world. I would have rather
16 spent time with him than anyone. And he's gone.

17 The people that murdered him and 13 others that
18 day used assault rifles that fired hundreds of bullets in
19 the few minutes they were in that room. They're extremely
20 destructive, and the add-ons that you can add to these
21 guns make them even more destructive.

22 They're designed to kill. If it had been any
23 other type of gun, he might have lived. The bullets that
24 these guns shot are designed to tear through bodies and
25 destroy organs, and leave no survivors behind.

1 His strong body that could spin our kids in
2 circles and do crazy gymnastic stunts with them was
3 totally destroyed. His life, and so many others before
4 and after December 2nd, have been taken, because there's
5 been no change. This is not a political issue. These
6 guns are designed to kill, and there's no need for these
7 type of guns to be in the hands of the public.

8 Sadly, a majority of lawmakers in this country
9 don't react to seeing the faces of the victims. They
10 don't care that people are being murdered at school, at
11 work, at church, at the movies at a nightclub. They just
12 offer their thoughts and prayers, which isn't helping to
13 solve the problem that this country has. The only thing
14 that seems to cause any change is money. We have to hit
15 them where it will hurt the most, and by doing so make
16 them realize that we, the families, the people that care,
17 are demanding change. We will not sit back and allow the
18 mass shootings to continue to occur without any resource.

19 I would like to urge you to refrain from
20 allocating investments of CalPERS and CalSTRS to benefit
21 the wholesale or retail sellers of the military style
22 assault weapons, and other add-on devices, such as bump
23 stocks, large capacity magazines that can accelerate the
24 semi-automatic weapon's rate of fire to be like an
25 automatic weapon.

1 Divestment in these companies that sell these
2 weapons and accessories will send a clear message that the
3 thoughts and prayers that are sent when these tragedies
4 occur are not enough, that the state of California is
5 demanding change.

6 Don't let my husband's death be in vain. Let us
7 use his memory to make a change. Let California say no
8 more. When are people's lives going to be more important
9 than the right to own a gun.

10 CHAIRPERSON JONES: Okay. Thank you.

11 Sir. Sir, are you -- you're not going to speak.

12 MR. HEIM: We're going to go this way, if you
13 don't mind. If you don't mind?

14 MR. FEDDERMAN: We're going to go this way.

15 One, two, three, four.

16 CHAIRPERSON JONES: Okay.

17 MR. FEDDERMAN: Thank you.

18 MS. HEIM: It's a coordinated speech.

19 Hello. My name is Natalie Heim. Thank you for
20 having us here.

21 I'm here as a Marjory Stoneman Douglas alumni,
22 and I'm joined by my fellow alumni who will focus on our
23 specific support of the Treasurer's initiative. But I
24 would like to take this opportunity to remember why I have
25 come before you today.

1 For the past two years, I've been a Los Angeles
2 resident. But not long before that, I was a student at
3 Stoneman Douglas, graduating with class of 2012.
4 Parkland, Florida was where I grew up. Parkland, Florida
5 was a place that no one had ever heard of when they asked
6 me where I'm from.

7 Parkland was named the safest town in the state
8 until February 14th, 2018. On that date, Parkland,
9 Florida became a national headline. On that date, Marjory
10 Stoneman Douglas became the site of one of the worst
11 school shootings in American history. Seventeen people
12 shot in a school in my quaint little town, 17 people at
13 the hands of an assault rifle. Why is it easy for an 18
14 year old to get an assault rifle? Why?

15 We all know why, and it's not because of the
16 second amendment. We all know who and what controls our
17 gun laws in America. It's a sad and horrific truth that
18 we have let money overshadow common sense. It is a
19 shameful and incoherent blemish on our society when the
20 generations look back and bear witness to the extent of
21 this country's denial, greed, and inaction, which has led
22 to the murder of thousands of lives. Who will be to
23 blame? We are all culpable until we do our part in
24 creating change

25 Sorry.

1 Since the tragedy, I've been astounded not only
2 by the bravery displayed by the Parkland students, but
3 also by the mobilization of my entire community. The day
4 of the shooting three MSD alumni started a Facebook group
5 called Mobilizing MSD Alumni. That night 500 joined. By
6 the next day, we had 1500. Today, we are a group of over
7 11,000 alumni from over 25 regions who have organized
8 under structured leadership to support the students'
9 demand for action.

10 I have since assumed a position as a regional
11 leader for the California group activating about 180
12 alumni across this State alone.

13 As California residents, we are in a privileged
14 position, because our gun laws are ahead of the curve.
15 But with that position, and with that privilege, we can
16 and we must do more.

17 This tragedy has left me devastated, terrified,
18 shocked, and heart broken. But I can't cry at my desk and
19 move on with my life like I have in the past. I'm so
20 sorry it took this happening to my high school, and my
21 friends, and my family for me to feel so passionately. I
22 am angry at myself for not taking action sooner.

23 So I hope my presence at this meeting signals
24 that I have heard the cries of the MSD students from 3000
25 miles away, and that we, as MSD alumni, will fight for our

1 beloved hometown, for this town, and for every town in
2 America.

3 Today, we are urging you to help this cause in
4 the way that you actually can. Change can be in your
5 hands. Let's start at the root of the problem, let's
6 start here, and please let's start now.

7 CHAIRPERSON JONES: Thank you.

8 MS. MEYER: Thank you. Good morning. My name is
9 Kim Meyer. I'm a graduate Marjory Stoneman Douglas High
10 School with the class of 2008. Today, I'm a lawyer
11 practicing civil litigation in Los Angeles.

12 In 2013, in response to the tragedy at Sandy
13 Hook, this Board divested from manufacturers of firearms
14 and ammunition that are banned in the State of California,
15 and we applaud that measure. But events like the Sandy
16 Hook shooting continue to happen, and they are happening
17 increasingly often, and with increasingly high death
18 tolls.

19 In fact, five of the 10 deadliest shootings in
20 modern American history have occurred since Sandy Hook:
21 San Bernardino, Orlando, Las Vegas, Sutherland Springs and
22 now in our home town of Parkland.

23 Gun violence also continues to impact communities
24 throughout the country, every single day with Gun Violence
25 Archive reporting 15,549 non-suicide gun-related deaths

1 just in 2017 alone. With some of the strongest laws in
2 the country, California is national leader in gun violence
3 prevention, but it's clear that we as a nation have a long
4 way to go. And until all state and national
5 representatives are willing to pass meaningful legislation
6 to reduce gun violence, it is up to us.

7 Individuals and institutions need to send the
8 message that we will no longer accept living in a country
9 where the price of freedom is 15,000 lives a year. So we
10 as a alumni Marjory Stoneman Douglas and as California
11 citizens ask you to honor the codified values of this
12 State and help us change this dangerous trajectory. Don't
13 wait until it happens in your home town, don't wait until
14 it happens in your community, don't wait until it happens
15 to your friends, or your family, or your loved ones. The
16 time is now. Thank you.

17 CHAIRPERSON JONES: Thank you.

18 MR. WOLLMAN: My name is Matthew Wollman, class
19 of 2002, resident of Southern California for 10 years. I
20 work in wealth management as a financial advisor. My
21 clients are generally retail folks, teachers,
22 firefighters, doctors, business owners, lawyers, even a
23 municipal judge. And a lot of them have funds with you
24 guys.

25 Today, Board members, you have the opportunity to

1 invoke monumental change by rectifying a long-lasting
2 lingering hypocrisy, the failure of public funds to
3 represent our values as Californians. Public policies
4 instituted in the state of California are reflective of
5 our state's values. The continued ownership of publicly
6 traded companies within these portfolios that sell
7 weapons, that are banned under California statutes
8 undermines our values and our democracy.

9 The weapon used in the Douglas -- Stoneman
10 Douglas shooting, the shooting that has devastated our
11 high school, our community, and my personal faith in
12 democracy in and of itself, which is serving the public
13 good was an AR-15. CalSTRS, the retirement fund for
14 teachers in the state of California have a portion of
15 their retirement assets in companies that sell AR-15s.

16 In essence, CalSTRS has funded the sale of a
17 weapon in some form or fashion that was used to kill
18 students at Marjory Stoneman Douglas, San Bernardino, Las
19 Vegas, the list goes on and on.

20 Does this at all sound hypocritical? The
21 hypocrisy ends today. I understand the Board's position.
22 You're investing as a fiduciary on behalf of thousands of
23 employees, past and present, managing aggregately over
24 \$500 billion, and there's a great deal of risk when it
25 comes to a misallocation of funds.

1 The gun industry has been historically
2 profitable. But the notion that investing in the gun
3 industry today, that profit is now a fallacy. A gentlemen
4 was talking about systemic risk earlier from the Wilshire
5 group. And systemic risk is generally something that you
6 cannot diversify away from and you cannot control.

7 This is not systemic risk, folks. The writing is
8 on the wall, and it is in English. If we can't read it as
9 a forward-thinking group of board members, then I don't
10 understand where the disconnect is.

11 It's and industry that has been profitable as a
12 result of failing to implement common sense gun
13 legislation, and unfortunately, allowing mentally unstable
14 individuals, including the 18-year old who legally
15 purchased an assault rifle that managed to kill 17 in six
16 minutes at my high school.

17 I'm glad to say times are changing. Gun
18 manufacturers are rebranding, because people are beginning
19 to demand change. And there's a number of catalysts for
20 that reason. Smith and Wesson for 160 years was called
21 Smith and Wesson, they're now called American Outdoor
22 Brands. It is because they just started selling fishing
23 poles and tents?

24 No, they understand the stigma, and what hurts
25 and what's negative about the connotation of being a gun

1 company, especially a publicly-traded gun company.

2 So the good news is since November of '16, when
3 they changed their name - and I know that they're not
4 selling the guns, they're making them, and you guys have
5 divested from them, as it's my understanding - the shares
6 are down 64 percent in a year and a half.

7 People are voicing their opinions via social
8 media. They now have a voice. And as a result, I really
9 think that, you know, we're turning the corner. South
10 Florida passed -- or Florida passed its first gun
11 legislation in 20 years. The City of Miami ran the most
12 successful gun buy back program.

13 Attitudes are changing, and the outcry is
14 growing. More changes to come. And your current
15 investments, if there are any still in that portfolio, are
16 at risk as well.

17 CHAIRPERSON JONES: Sir, could you --

18 MR. WOLLMAN: We all know that you are
19 forward-thinking individuals who have the ability --

20 CHAIRPERSON JONES: Could you wrap-up, sir.

21 MR. WOLLMAN: Absolutely. Thank you for your
22 time.

23 CHAIRPERSON JONES: Okay. Thank you.

24 MR. FEDDERMAN: Good morning. My name is Shane
25 Fedderman. I've been a California resident for 12 years.

1 But I grew up in Parkland. I went to Stoneman Douglas and
2 graduated 20 years ago in '98. My entire family still
3 lives there.

4 But I'm here today to continue the points that
5 myself and my fellow alumni here are trying to make clear.
6 For me, it really comes down to accountability. I'm
7 accountable for making sure my voice is heard, making
8 ethical decisions when I vote and in life, to give back to
9 my community, and encourage others to do the same things.

10 So about accountability. Columbine '99; Virginia
11 Tech '07; Sandy Hook, 2012. And not just places of
12 Education. Things like movie theaters. Aurora, Colorado
13 with an AR-15, 58 wounded, 12 killed. Parking lots.
14 Parking lots in Las Vegas, 58 dead, 851 injured. Night
15 clubs, Pulse, 49 dead, 58 wounded.

16 I know everyone knows these statistics, but I'm
17 saying them again, and again, and again, because we didn't
18 do enough then. We can now. We all heard these events
19 happening on the news. We didn't do enough. The adults
20 haven't done enough.

21 Cameron Kasky, one of the Stoneman Douglas
22 leaders of, you know, "Never Again" said we're losing our
23 lives while the adults are playing around. He is right.

24 Well, I'm done playing around.

25 Yes, I should have marched in '99 after

1 Columbine. Yes, I should have been more aggressive about
2 who I voted into office after Pulse. I should have been
3 talking to parents and Moms Demand Action meetings, middle
4 school kids, and high school kids about being agents of
5 change back then, but I'm doing it now.

6 I've seen the desperate tears of moms who are
7 scared to drop their kids off at school. I've asked rooms
8 full of kids to raise their hands if they feel unsafe in
9 school, and every single one raises their hand.

10 This is not okay. And I hold myself and every
11 adult in this room and in this nation accountable,
12 accountability, for what we do next. We know. You know.
13 Make the ethical choice. Divest from anything that has to
14 do with these weapons of war. They're destroying our
15 kids, our nation. Set an example for the rest of the
16 country. Stand behind this movement for a safer nation.
17 Be on the right side of history, and please do the right
18 thing.

19 CHAIRPERSON JONES: Thank you.

20 Okay. If the four of you could allow the next
21 group to come up to these seats, please, and then we'll
22 start back over at the left, ma'am.

23 MS. TRENNA MEINS: Thank you very much, I really
24 appreciate you sitting here and having the courage to sit
25 here and listen to all of us. And I do appreciate that

1 very much.

2 My name is Trenna Meins, and I'm the widow of
3 Damian Meins killed in the terrorist attack in San
4 Bernardino, and I collect widow's benefits from PERS --
5 CalPERS.

6 I'm sorry if you can't hear me. I apologize.

7 So I'm coming to you because I heard just now
8 that you're talking about ethical -- ethical decisions
9 making a -- decision makings regarding your investments.
10 I work for the Diocese of San Bernardino. I'm the on the
11 Lay Pension Board at the Diocese of San Bernardino. And
12 we have done our due diligence in investing in things that
13 go along with our beliefs. I think we can do that here.

14 Are we making a ton of money? We're not.
15 However, we're doing the right thing, and we're doing the
16 ethical thing. I'm coming to you now because there is
17 just a couple things. I don't know whether you know some
18 of the details of our -- of the shooting in San
19 Bernardino. You can look it up in the FBI report.

20 You're talking about 24 shots in eight seconds
21 from an AR-15. We're talking about by the time you figure
22 out something is happening, it's already done.

23 My husband was shot five times, and the bullets
24 ricocheted throughout his body. Then when they went to go
25 ahead and capture the people that did this, there's a

1 shootout.

2 Here's the amount. The SWAT team and the police
3 shot 400 rounds. The perpetrators shot 80. These are
4 trained individuals that know how to go ahead and get bad
5 guys. And because of the tactical gears and other things
6 that they had, they couldn't bring two individuals down in
7 less than 400 rounds.

8 So I'm asking you right now, the NRA is sitting
9 here telling you go ahead arm the teachers, arm this, arm
10 that. All they're doing -- they used to be responsible --
11 for responsible gun ownership, but now all they're doing
12 is putting the responsibility and the liability on
13 everybody else, and the money on everybody else, but them.

14 Because of PLCAA laws, we can't even touch them,
15 all right? So I'm asking you very much, please, to listen
16 to Mr. Chiang and to go ahead and vote for his proposal.
17 My daughters and I went to Washington D.C. afterwards
18 three times and talked to our legislators, and they did
19 nothing but give us our thoughts and prayers. They
20 listened to us, but there was no action taken.

21 I'm asking you please to have the courage to do
22 what our leaders do not. Thank you.

23 CHAIRPERSON JONES: Thank you. Next in line.

24 MS. TINA MEINS: Hello. My name is Tina Meins.
25 I'm here today to show support for Treasurer Chiang's

1 urging to divest holdings from companies that sell assault
2 weapons and their accessories. I'm the daughter of Damian
3 Meins, who, as my mom stated, was killed in the terrorist
4 attack in San Bernardino on December 2nd, 2015.

5 A little bit about my dad. He was amazing, as
6 most dads are. He was incredibly intelligent. He was
7 hilarious. He was tolerant, compassionate, and kind. He
8 was a good man, an astounding husband of 36 years to my
9 mother. He was an amazing dad, and my best friend.

10 As my mom said, he was shot five times, and
11 according to the autopsy report, he died in less than a
12 minute. He had no chance. The gun used during his
13 shooting was a military-style assault weapon attained
14 through a straw purchase.

15 This weapon, and weapons like one, are modeled
16 after the weapons our military uses. They are quite
17 literally weapons of war designed with every attention to
18 detail to make them as lethal and efficient as possible.

19 Their very conception, their design is to kill
20 people. The rapid fire capability of these weapons leaves
21 little recourse to those targeted by them. When people
22 are ambushed, they have little time to react or do
23 anything at all. And though I know a great deal of people
24 who own these weapons have no intention of harming others,
25 there's plenty of evidence that shows that these types of

1 weapons are increasingly being used in mass shootings and
2 in terrorist attacks, specifically incidence of domestic
3 terrorism.

4 In fact, that historically explosives have been
5 used in a majority of terrorist and lone wolf attacks on
6 U.S. soil. Since 9/11, most attacks involve fire arms. A
7 2015 SPLC report found that of the 61 incidents that were
8 studied between 2009 and 2015, 59 percent used firearms,
9 and another five percent used firearms and explosive.

10 In a book called Preventing Lone Wolf Terrorism,
11 some CT approaches discussed. The authors found that the
12 most concrete clue concerning lone-wolf operators and
13 their tactics is their modus operandi. In recent cases of
14 shooting sprees, including high school shootings and mall
15 shootings, all perpetrators were male, and all had license
16 to possess semi-automatic firearms.

17 Also, lone-wolf attacks typically kill more
18 people United States than these types of acts in other
19 countries. And it may be attributable to easier access to
20 high capacity weapons.

21 Consistent with the relaxation of U.S. gun laws
22 since the 1990s and the recent trend in mass shootings,
23 the lone wolf's preferred weaponry is now a staggering
24 range of high velocity of firearms. The ease of access to
25 guns and ammunitions in this country is well known, with

1 Al-Qaeda Adam Gadahn encouraging supporters in a widely
2 seen available -- in a widely available video from 2011,
3 that shown on YouTube to take advantage of lax
4 restrictions on gun and firearm ownership here and carry
5 out attacks using fire articles.

6 Additionally, attacks by firearms are deadlier.
7 And death by a firearm in the commission of a lone-wolf
8 attack are more prevalent than deaths by explosives. The
9 United States also leads the world in mass shootings.
10 Again, one factor that contributes to this is the
11 availability and accessibility of firearms. The overall
12 levels of violence have decreased, mass shootings have
13 gone up, according to a 2015 study by the Harvard School
14 of Public Health performed before the San Bernardino
15 shootings, before Charleston, before Orlando, before Las
16 Vegas, before Parkland.

17 According to that study, the rate of mass
18 shootings in the United States has tripled since 2011.
19 They define mass shootings as public attacks in which the
20 shooter and victim were generally unknown to each other
21 and four or more people were killed.

22 At that time, they -- in the previous 29 years,
23 mass shootings occurred on average every 200 days. And
24 during the past three years, there were 14 shootings
25 occurring on average every 64 days. And I suspect current

1 research would support this acceleration as well.

2 Gun violence for lack of a --

3 CHAIRPERSON JONES: Can you wrap-up?

4 MS. TINA MEINS: -- better descriptor is not
5 limited --

6 CHAIRPERSON JONES: Ma'am, can you wrap-up?

7 MS. TINA MEINS: -- to people with unsavory
8 business dealings. It hurts us all. And I just want
9 everyone to understand that we have a problem, and that
10 need action to change it, and change can be here today.
11 As a society where we put and spend our money speaks to
12 our values, and I'm asking you to value human life and
13 please divest.

14 Thank you.

15 CHAIRPERSON JONES: Thank you.

16 Sir.

17 MR. PEREZ: Good morning. My name is Jason
18 Perez. I represent the men and women of the Corona Police
19 Officers Association. I also sit on the board of Corona
20 Life Services, which is a faith-based crisis pregnancy
21 center. I'm also an endowment member of the NRA.

22 And I see some of the faces -- the dumbfounded
23 faces, why would I be bringing this stuff up? Because it
24 has nothing to do with having the fund healthy.

25 The things I do outside of work, or outside of my

1 official capacity have nothing to do with the way you guys
2 should operate and sustain the fund.

3 While I'm not trying to take away the losses and
4 the pain you have felt. I can't imagine. Some people
5 said that this is not political. Mr. Chiang, you made it
6 political by bringing these folks here. This is nothing
7 more than a political ploy for you and your run for being
8 a Governor for this state.

9 You have said before in this auditorium that it
10 is against CalPERS policy to divest. Yet, here you are
11 introducing, or strongly encouraging, the Board to divest.
12 Whether you land on one side of the case or the other, it
13 has nothing to do with CalPERS and its fiduciary
14 responsibility to invest to maximize returns for the
15 sustainability and the health of the fund, the retirees,
16 and the current members, and for that matter, for the
17 entire state, because they're all taxpayers. We're all
18 paying into this.

19 Thank you.

20 CHAIRPERSON JONES: You're welcome.

21 Madam, your turn.

22 MS. VERGE: My name is Suzanne Verge. I've got
23 to collect myself. My father was the registrar at Santa
24 Monica College for 40 years. And we collect his pension
25 and long-term care with CalSTRS, because he was in the

1 teachers, and I have family that does CalPERS with the
2 nursing.

3 I can't imagine the money that -- the profits
4 that you guys are making are the weapons that killed my
5 brother. So I will collect myself. People talk about
6 statistics. My brother is not a statistic. He was 18
7 years old, murdered one mile from our house by a UC
8 Berkeley Boalt Law School graduate, member of the
9 California State Bar. He wasn't a criminal until he
10 killed my brother.

11 I was 15 and a half. I know how these Parkland
12 kids feel, crying so hard that you think your heart is
13 going to break and you hope it does, so you can have it
14 just end.

15 I've been doing this for 18 years. My brother
16 died 40 years ago. I'm a member of a club that no one --
17 no one wants to belong to. And yet, our membership keeps
18 growing. There's more and more of us.

19 I got involved with this with the Million Mom
20 March when there was a shooting at the North Valley Jewish
21 Community Center, where a racist with an assault weapon
22 went in there to kill Jewish people and he shot two
23 children. And luckily, they lived. Then he left and went
24 and killed a postal worker, because he was Asian.

25 I went to the march. And then I ended up driving

1 a pink RV that said, "Halt the Assault", in 2004, because
2 I wanted to renew the assault weapon ban. My kids were
3 eight and they were 13. They stayed home. And while that
4 summer I took that time to drive across. I should have
5 been on vacation with my family. Instead, we go to
6 Sacramento, we go to Washington D.C.

7 Next week, my daughter goes to school at the
8 University of Miami, one hour south of Parkland. There
9 are many students who lost loved ones at MSD. And now,
10 new daughter texts me and says, mom, we've got to march
11 again. And that's what I'm doing, and it's not right.

12 As a society, we are paying too high of a price
13 for the gun retailers and gun wholesalers profits. I urge
14 you to choose life and divest over bloody, bloody profits.

15 CHAIRPERSON JONES: Thank you.

16 Next.

17 MS. TOVAR: Hello. My name is Genevieve Tovar.
18 My sister, Yvette Velasco, was murdered, along with 13
19 others during the San Bernardino mass shooting on December
20 2nd, 2015. One of her co-workers and his wife stormed
21 into a holiday gathering with AR-15s and opened fire.
22 Because of the legally obtained weapons they used, they
23 were able to brutally injure and kill a large amount of
24 unsuspecting, innocent people.

25 Before she was killed, Yvette, my sisters, and I

1 were all very close. We spoke every day and spent much of
2 our most valuable time together. Needless to say, we were
3 an integral part of each other's lives. Yvette has six
4 nieces and nephews, all of whom she has lived with at some
5 point in their lives. She baby sat often, and, in fact,
6 Yvette was like a second mother to my oldest nephew whose
7 biological father has been absent a great deal of his
8 life.

9 She was the go-to person in our family when
10 anyone wanted and honest and loving opinion. She always
11 had the best interests at heart for those she loved.
12 Yvette was never afraid to do what she believed was right.

13 She worked hard to accomplish her goals. And her
14 hard work was about to payoff that December 2nd when she
15 was supposed to receive her Registered Environmental
16 Health Specialist badge.

17 When I think about that day, I can't help but
18 consider her size. Yvette stood 5'1" tall, she weighed no
19 more than 100 pounds, and was not even big enough to
20 donate blood.

21 To imagine that she was shot several times with
22 such a damaging weapon is traumatic in itself. It is one
23 thing to never have my sister again, but it is another
24 thing to know she was murdered in such a violent
25 destructive manner.

1 I read an in the article New York Times in which
2 military doctors describe the damage AR-15 bullets can do.
3 They describe the wounds from those weapons as being as if
4 a bomb had gone off, and that the exit wounds were up to a
5 foot wide. To think that weapons like this were also used
6 this in the murdering of children in places like Newtown
7 and in Parkland is unfathomable.

8 Having to try to explain to my children what
9 happened to their auntie has been inconclusive. They
10 think about -- they talk -- they still talk about their
11 auntie Yvette often. Many times they ask questions that I
12 don't know how to answer, questions like why did someone
13 want to kill auntie? Why can't I see her anymore?

14 But most baffling question of all, "Mommy, why do
15 they let the bad guys have the guns"? My answer to that
16 is, "I don't know". Because I don't know what person with
17 a conscience would allow these war weapons to be so easily
18 attainable. The type of weapons intended for military use
19 that are capable of maiming as many people as possible in
20 a short span of time.

21 So I'll ask you in the wake of this epidemic of
22 mass shootings caused so easily by people with assault
23 rifles, will you continue to let the bad guys have the
24 guns? I hope and pray that your answer is no, and that
25 you grant Treasurer John Chiang's request to divest of all

1 investments in companies involved in the selling and
2 wholesaling of assault rifles.

3 CHAIRPERSON JONES: Thank you.

4 Next.

5 MS. PORTEOUS: Good morning, members of the
6 Board. Before I proceed with my statement, I would like
7 to ask each one of you to take a moment to think of the
8 five people you love and cherish the most in this entire
9 world. Imagine that one of them is brutally murdered this
10 morning, and you return to your respective lives after
11 this meeting to pure hell and devastation, traumatic
12 grief, as you learned your loved one was murdered by an
13 AR-15.

14 Members of the Board, this hell on earth happened
15 to me and my family on December 2nd, 2015. My name is
16 Erica Porteous and my baby sister, Yvette Velasco, was one
17 of 14 innocent people killed in the largest terrorist
18 attack at the time on U.S. soil.

19 This is a picture of my beautiful sister. I
20 passed -- am passing that around. That's a picture of
21 Yvette. She was a college graduate that would soon pursue
22 her Master's in Environmental Health Sciences. She was a
23 lover of nature and mankind, always seeking to understand
24 different perspectives and cultures. She was driven and
25 passionate about the work she was doing as an

1 Environmental Health Specialist. She wanted to influence
2 the world for the greater good.

3 The past two years have been the hardest years of
4 my life. I've learned that our family is experiencing a
5 different type of grief, not the type that a -- not the
6 type of grief that you experience because your loved one
7 died of sickness, or disease, or even a freak accident.

8 My sister was purposely murdered in a manner
9 reserved for military warfare. My parents, sisters, and I
10 struggle daily proceeding in life without Yvette. Even
11 Yvette's nephews have entered into therapy to help their
12 little minds cope with the fact that they won't see their
13 auntie again.

14 I will never see Yvette accomplish her dreams or
15 play with our children, as she once did. I will not see
16 her marry or have children of her own. She would have
17 turned 30 a few weeks from now on April 3rd. And it
18 saddens me to no end that not only did she die at the
19 hands of military weapons, but innocent people, including
20 children, continue to die because these weapons are
21 readily available to the public.

22 Yvette was a quiet and private person, but she
23 was the type of woman that would not stay quiet if she saw
24 injustice or wrongdoing. It is because of her that I
25 stand before you today to ask for you to withdraw

1 investments in all wholesale and retail distributors of
2 military style weapons, like the ones that killed my
3 sister.

4 Yvette was brutally killed. After she was
5 brutally killed, my family and I have tried to find ways
6 to influence change within our ourselves and gradually
7 spanning outside of our greater circles of influence. We
8 know that change will not happen overnight. It occurs by
9 way of many cumulative decisions. One of those decisions
10 is in your circle of influence. I echo the Treasurer's
11 stance that there is no place for these types of weapons
12 in the hands of general public, absolutely none.

13 I urge you to think of Yvette and the fact that
14 she could have been your sister, your daughter, your
15 granddaughter, or your niece. You have the ability to
16 influence change, and I am pleading for you to use it.

17 Thank you.

18 CHAIRPERSON JONES: Thank you.

19 Sir.

20 MR. VERDEHYOU: Good afternoon.

21 Good afternoon.

22 Thank you, Treasurer. Thank you, Board. My name
23 is Arlen Verdehyou. My wife was Bennetta Betbadal. She
24 was one of the 14 killed in San Bernardino.

25 I'm a member of CalPERS. I've been a police

1 officer for school districts, college districts for over
2 25 years. I protect lives, children, K through 12,
3 college now. I do anything to protect them, but I
4 couldn't protect my wife on that day by gun battle rifles.

5 I know most people, most officers, CalPERS,
6 CalSTRS, they want the best investment for their
7 retirements. I'm about to retire in a couple years, and
8 I'm hoping to get the best investment myself. But if I
9 could save a life from gun violence because of my -- from
10 you guys, I'll do it. There's no amount of money on human
11 life.

12 And I beg you guys and I thank you, Treasurer,
13 for allowing me to be here to say from myself and my
14 family, do anything possible to put a dent in gun
15 violence, and reduce guns in the hand of wrong people.

16 Thank you

17 CHAIRPERSON JONES: Thank you.

18 So we're going to start back over here. And if
19 the three of you can allow the next group to come forward,
20 that would be helpful. And, ma'am, you can start now.

21 MS. HUILE: Hi. Hi, all. Thank you for allowing
22 me to come here and to share some problems just to make
23 change, and support joint change.

24 My name is Hiwet. I am wife of Isaac Amanios
25 which he lost his life in December 2nd, San Bernardino.

1 Why I am coming to explain this, just I don't
2 want any family to feel what I am passing through just to
3 protect for the future family. The tragic day of Isaac
4 got killed remains in the family. Members, especially my
5 children and my -- and me.

6 Ever since, I have been grieving. My children
7 too are having difficult time finding -- it's very hard to
8 overcome their loving father's untimely death. My
9 children were outstanding students. But because of loss
10 of dad, that -- they couldn't make it. They are
11 struggling. All of us our struggling morally,
12 spiritually, and physically because we lost him.

13 It's a little different mine I can say. We chose
14 to live in America because we believe America is the
15 safest place, but we lost the main one, the father of the
16 house. We lost him and everything was devastated.

17 We try -- I try -- I am a registered nurse
18 working in the county, San Bernardino. I tried my best to
19 be strong, to help my kids, and help myself, but still
20 struggling. And now, I am really -- I'm here to support
21 John Chiang, because I don't want any family to be like
22 what I'm going through.

23 Please, it's in your hand to support American
24 people to live in safe. Safety is priority.

25 Thank you.

1 CHAIRPERSON JONES: Thank you.

2 Sir.

3 MR. MORGAN: Hi. My name is Joe Morgan. I
4 should probably start off. I am a teacher. I stand in
5 front of a classroom at a junior college three times a
6 week. I've had to stand in front of a classroom of junior
7 high kids, and explain, and talk to them about school
8 shootings. This is -- this is really to me.

9 The school that I teach at has been targeted
10 twice for school shootings, one time by the San Bernardino
11 shooters. I live in Corona, so I get it. I'll probably
12 be out there Saturday marching with the people. I
13 appreciate the efforts. I believe in the efforts.

14 But the fact is divestment doesn't work. This is
15 not a role for -- that this Board should be doing. You
16 face significant reputational risk by divesting. It's not
17 listed on your pros and cons, you know, but this costs you
18 every time you do it in terms of reputation.

19 CalPERS has is become essentially kind of a wish
20 basket for everybody to put their dreams and desires and
21 to make a better world. And there's a limit to the power
22 that you have. And there's a limit to the ability of the
23 tax paying public to absorb these kind of activities. You
24 know, we -- your main purpose is to get a return. I
25 appreciate a lot of the efforts that you've -- that you've

1 put forth to try to maintain sustainable investments.

2 A lot of them make a lot of sense. But your own
3 paper right here says divestment doesn't work. You're
4 better off being in the game than being out of the game.

5 And, look, I live in Corona. None of the -- none
6 of the shootings that have been listed here says that
7 these people bought this stuff at Walmart, or Dick's, or
8 Big Five. You know, they were bought at mom and pop
9 places. And there's no -- there's no corporate entities
10 that sell bump stocks. And those are going to be banded
11 by the Feds pretty soon, and probably by the State. And,
12 you know, this is like a red herring. You know, this
13 really has been made entirely too political. You know,
14 there's no purpose for this hearing other than politics.

15 You know, there's a got to be a limit. And
16 you've got to see at the end of the day, this is costing
17 you credibility just in terms of the Job that you do. I
18 know that overall you do a good jon, but this costs you
19 every time you do this.

20 So that's -- thank you very much.

21 CHAIRPERSON JONES: Thank you.

22 Sir.

23 DR. DURSTON: I'm Dr. Bill Durston -- Mr. Chair
24 and Members of he Board, I'm Dr. Bill Durston. I am a
25 former expert marksman in the U.S. Marines, a Vietnam

1 combat vet, and retired ER doc. And I'm here to speak on
2 behalf of Americans Against Gun Violence and Sacramento
3 Chapter of Physicians for Social Responsibility in strong
4 support of Treasurer's Chiang's divestment proposal.

5 We also commend the Board on your prior
6 divestment after the Sandy Hook massacre. Contrary to
7 what the prior speaker said, that was a very important
8 move that you took. It was followed in California by the
9 adoption of laws to close some of the loopholes in our
10 assault weapons ban. Obviously, it didn't stop the
11 shameful epidemic of gun violence in our country. We
12 still have the horrific mass shootings.

13 On an average day in the United States, more than
14 100 people are killed by guns, some by guns that have
15 been -- of the type you divested from the manufacture of,
16 but are still available in California as a result of
17 grandfather clauses, most by guns that are still legal for
18 sale in California, and mainly handguns which confer no
19 net protective value.

20 Treasurer Chiang's divestment proposal is another
21 important step -- small step, but an important step in the
22 right direction. Of course, we acknowledge it's not going
23 to bring rates of gun violence to the United States down
24 to rates in other high income democratic countries, in
25 which on average the rate of gun-related deaths for the

1 overall populations is 10 times lower than the United
2 States, for high school age students 82 times lower than
3 in the United States.

4 If we're going to lower our rates of gun violence
5 to levels comparable to other high income democratic
6 societies, we have to adopt comparable stringent gun
7 control regulations. These include stringent
8 restrictions, if not complete bans, on civilian ownership
9 of handguns and all semi-automatic and automatic rifles.

10 Senator Thomas Dodd of Connecticut called for
11 such regulations in 1968, after the assassinations of
12 Martin Luther King and Robert Kennedy. Since 1968, more
13 U.S. civilians have been killed by guns than all the U.S.
14 soldiers killed in all the wars in which our country has
15 ever been involved.

16 As Treasurer Chiang has implied, you don't
17 wait -- need to wait for a President, a new Congress, a
18 new Governor, a new State legislature before you can make
19 divestment decisions. And you certainly don't need to
20 wait for a reversal of the NRA's rewrite of the second
21 amendment, endorsed in the rogue Heller decision in 2008,
22 which essentially eliminated the term, "a well regulated
23 militia", from the United States Constitution.

24 If you adopt Secretary -- or Treasurer Chiang's
25 current proposal, you'll send a ripple across the country.

1 If you adopt divestment from all businesses involved in
2 the manufacture of all automatic and semi-automatic rifles
3 and all handguns, you will create a tidal wave that could
4 completely change the parameters of the gun control debate
5 in our country.

6 Thank you very much.

7 CHAIRPERSON JONES: Thank you. Madam.

8 MS. YOSHIKAWA: Thank you. My name is Rosemary
9 Yoshikawa, and I'm here to represent Moms Demand Action, a
10 national organization that works with legislators on all
11 levels, state/federal. We work with corporations and
12 schools to enact common sense gun reforms.

13 We are here to support Treasurer Chiang's request
14 to divest holdings from companies that manufacture and
15 sell banded weapons. Thank you.

16 CHAIRPERSON JONES: Thank you.

17 MS. SAFFIAN: Good morning, Board members. My
18 name is Laurie Saffian. I am president of Women Against
19 Gun Violence. And I am here today to speak in support of
20 Treasurer Chiang's divestiture proposal.

21 The law of California is clear, and the voters of
22 California, and no doubt many of the employees this fund
23 represents, resoundingly agree that assault weapons, high
24 capacity magazines and their accessories have no place on
25 our streets.

1 By taking a strong stand with the sellers of
2 these weapons designed to kill as many people as possible,
3 as rapidly as possible, you not only uphold the spirit of
4 the law, but you set an example for the rest of the
5 country.

6 The tide is shifting. We've heard it this
7 morning toward a boldness and outspokenness to reject the
8 myths perpetrated by the gun lobby, manufacturers, and
9 retailers. Treasurer Chiang's proposal and his call for
10 institutional investors across the country to similarly
11 divest offers this Board the opportunity to lead that tide
12 again, just as you did five years ago when you divested
13 from manufacturers.

14 In Women Against Gun Violence's 25 years, we have
15 been proud to stand with California as it has blazed a
16 trail taking the strongest actions in the nation to
17 protect its citizens from gun violence. I want to close
18 with excerpts from an essay recently written by Alec
19 Foster. He's now a college junior. He was just 10 months
20 old strapped in his car seat when his seven year old
21 brother, Evan was murdered sitting next to him by an
22 assault weapon.

23 His mother Rhonda had taken Evan to the park to
24 pick up his soccer trophy, and their car was caught in
25 cross fire. Alex wrote this five days before Parkland.

1 This is Alec. "It is rather difficult to
2 accurately describe how heartbreaking it is for me to say
3 that I don't remember my brother, but that is the reality
4 I live with. I'm angry that my brother's life was taken
5 from me. I long to know what it would have been like to
6 grow up with him right beside me. It infuriates me that
7 someone ripped him away from me without my having any say
8 with a firing of a deadly gun.

9 "But what really shakes me to my core is that
10 these assault rifles are legal to possess and fairly
11 easily accessible to the common person. Enough is enough.
12 I do not want another human being to have to go through
13 what I and my family have had to go through. I do not
14 want to see another innocent child on the news that has
15 been gunned down at the hands of an assault rifle. I do
16 not want another community to have to grieve and feel
17 unsafe going to church or going to school or going to the
18 movies, or going to concert".

19 For Alex, for Evan, for all of the children and
20 adults whose lives have been taken, their stories we heard
21 this morning, and for all who look to us to protect them,
22 I urge you to take this important divestiture stand.

23 Thank you, Treasurer Chiang for your leadership
24 on this issue. It is not political. It is humane, and it
25 is the right thing.

1 And thank you, Board members, for your time.

2 CHAIRPERSON JONES: Thank you.

3 Next.

4 MS. LESLIE: Good morning, CalPERS Board,
5 Chairman Jones. Thank you for allowing me to be here
6 today. My name is Elizabeth Leslie, and I'm here on
7 behalf of the League of Women Voters of California. As
8 many of you may know, the League has been around offering
9 good public policy for almost 100 years. We've been
10 fighting for three decades for common sense gun control.

11 Today, we are here to offer our support
12 enthusiastically for the proposal from Treasurer Chiang to
13 divest from companies that deal in weapons that are legal
14 to own or sell in California.

15 It is clear that the proliferation of handguns
16 and semi-automatic assault weapons is a major health and
17 safety threat to all of us. The League supports strong
18 measures to limit the accessibility and regular the
19 ownership of these weapons by private citizens.

20 We believe that divestments and boycotts such as
21 this one make an important public statement and serve to
22 change public policy. We strongly urge the Board to
23 support this proposal and ensure that CalPERS retirement
24 money is not invested in companies that sell or promote
25 banned weapons.

1 The time is now for you to make your legacy, to
2 take every action to stop the violent slaughter of
3 Americans by assault weapons.

4 Thank you.

5 CHAIRPERSON JONES: Thank you.

6 Next.

7 MS. FIRPO: My name is Janine Firpo. I'm a
8 native Californian and a recently retired international
9 business executive. I'm here because I know that it is
10 possible to achieve financial returns and social returns
11 at the same time. And I know this because I have been
12 personally and professionally involved in the impact
13 investing space for over 10 years. And because you are
14 leaders in the ESG space, I think you know this as well.

15 And I plan to refute the claims that divestment
16 doesn't work. And I think the people who don't understand
17 social-responsible investing are on the wrong side of
18 future trends in this country and around the world.

19 Gun violence in this country has become an
20 absolute epidemic. It is now the third largest killer of
21 children in the United States. I'm also speaking for my
22 husband who is a 20-year veteran in the public school
23 system. He has personally been in numerous drills, and at
24 least one school lockdown, because of fears of guns on
25 campus.

1 Our students, our teachers, and the public should
2 not have to live like this. Mass killings should not
3 become the new normal. The issue that we're discussing
4 today is about more than financial return, it's actually
5 about our values. And we know that 65 to 75 percent of
6 Americans in this country want stricter gun laws. Yet, we
7 can't get our government to act.

8 People in this country want to see change. And
9 one mechanism that has been effective in other campaigns
10 is divestment. Examples include the movement against
11 apartheid in the 1980s. And we've seen more recent
12 departures from fossil fuel companies that are having an
13 impact.

14 While divestment is not the sole driver of
15 change, it is an important tool, and importantly, it
16 allows people to align their money with their values.
17 Divestment and socially responsible investing do not mean
18 giving up returns. A recent report that analyzed 2,200
19 studies over a 40-year period concluded that the business
20 case for social screening was empirically well-founded.
21 And just last year, Morningstar found that their
22 sustainable fund group is actually performing better than
23 the overall fund universe. So the argument that
24 divestment will reduce -- result in reduced gains is not
25 necessarily true, and it's definitely not true in the long

1 term.

2 What's more, increasingly numbers of people in
3 this country are demanding opportunities to align their
4 money with their values. Eighty-four percent of women, 81
5 percent of young men want to invest in sustainable
6 investing. And we're seeing 22 percent of total assets
7 under managements in this country are now in ESG
8 principles.

9 You are administering the money of 1.6 million
10 former and current public employees in California. They
11 have the right, including my husband, to make a decision
12 about where their money is invested. And the fact that so
13 many people in this country want to do something with gun
14 laws suggests that investment in the gun industry is going
15 against the values of the very people that you're
16 representing.

17 We also know that values-based divestment does
18 not mean that you have to give up your fiduciary
19 responsibility. As investors of the people's money, you
20 hold an increasing duty to not only meet their financial
21 objectives, but also their social concerns.

22 Thank you.

23 CHAIRPERSON JONES: You're welcome. Okay.

24 Back over.

25 MS. SNODGRASS: Donna Snodgrass, Director of

1 Health Benefits, Public Employees Retirement System[SIC].

2 RPEA concurs with the report by staff to not
3 divest in the companies engaged in lawful activities.
4 They shouldn't be excluded from the CalPERS portfolio.
5 Working on engagement on controversial company boards and
6 stockholder meetings to redirect the company toward good
7 corporate behavior, in our opinion, would be a better
8 idea.

9 Proactive participation in corporate affairs is
10 more likely to produce positive results within the
11 controversial businesses, specifically in the case of
12 guns.

13 The first priority and responsibility of each and
14 every Board member here is the health of the Public
15 Employee Retirement Fund. The last official report was 68
16 percent funded. That's a low number.

17 If a motion to divest is passed, I would like to
18 know if the Treasurer is prepared to make contributions to
19 the fund in the same amount that is lost in investment
20 revenue. According to the report in the package today,
21 that's almost \$1 billion of divestiture.

22 There's no P in ESG, p being political. Using
23 this fund for political purposes is wrong.

24 Now, the victims that are here today speaking,
25 and their survivors, went through hell. There is no doubt

1 about that. And I sincerely hope that each and every one
2 of them are receiving the follow-up care that they
3 deserve. But I will point out to you today that the
4 entire system failed the children on February 14th. The
5 entire system. In other words, Mr. Chiang, good people
6 stood by and did nothing leading up to that incident.

7 Thank you.

8 CHAIRPERSON JONES: Next.

9 MR. LINN: Chairman Jones, Board members, my name
10 is George Linn. I am the President of the Retired Public
11 Employees Association. And I'm going to be much briefer
12 than my colleague Donna was.

13 One of my concerns is this item is about ESG
14 strategy. And, you know, I hear all of the things about
15 one item, but I don't hear about ESG in particular. You
16 know, quoting from the Governance and Sustainability
17 Principles on page four, CalPERS expects all internal and
18 external managers of CalPERS capital to integrate the
19 principles into investment decision making, including
20 proxy voting, consistent with fiduciary responsibility, to
21 seek the highest possible returns at an acceptable level.

22 Now, in my view, that doesn't exclude ESG. But
23 when I read Ms. Simpson's section on this item, nowhere
24 did I find the comments return on investment has priority.
25 In my opinion, as a member of CalPERS, as a retired

1 member, we need to focus on return on investment. If ESG
2 fits into the picture, hey, that's a winner. But I think
3 that we have not focused on return on investment based on
4 what I've heard.

5 And also quoting from some of her information in
6 her item, it says that divestiture may generate media
7 attention for the issue. Oh, wow, that's good. Let's
8 have some media attention.

9 But when you go on down to the cons for
10 divestiture, the item that hits me right between the eyes
11 is divesting appears to almost invariably harm investment
12 performance.

13 So what are we all about?

14 You know, I also have looked at the article in
15 the November CalPERS announcements, and we invested in a
16 wind farm. And that's great, but what's the return on
17 investment? I know that we have solar. We have other
18 kinds of investments that are ESG. What's the return on
19 investment? Are those returns getting the PERF to jump up
20 or is it just stationary?

21 CHAIRPERSON JONES: Thank you.

22 Next.

23 MR. SONTI: Good morning, Board. Samir Sonti.
24 Unite Here, Local 11, the hospitality workers union in Los
25 Angeles. On behalf of our union, I want to first express

1 our deep admiration for and gratitude towards all the
2 speakers who have shown such strength and conviction this
3 morning.

4 I also want to commend Treasurer Chiang for his
5 leadership on this really defining issue of our times.
6 Union Hotel members at the Mandalay Bay Hotel in Las Vegas
7 witnessed firsthand the unthinkable horrors that result
8 from the unregulated sale of military style firearms.

9 And given the distressing political climate in
10 Washington, we all know that we can't expect any action
11 from the federal government. So it's incumbent upon
12 states like California and institutional investors like
13 CalPERS to lead on this issue. We applaud the past
14 leadership by CalPES on this. The Board and staff has
15 done a lot to address this epidemic, and we encourage you
16 to take this important next step.

17 Thank you.

18 CHAIRPERSON JONES: Thank you.

19 Next.

20 MR. RALLS: Hello. Good afternoon, CalPERS
21 Board. My name is Dennis Ralls. I'm the president of the
22 Corona Supervisors Association. I represent 40 of the
23 middle management in the City of Corona.

24 I've been in CalPERS for almost 20 years now.
25 And I kind of want to talk about this very emotional

1 topic. As a father of two sons -- elementary school sons,
2 having to have conversations about gun violence it's hard.
3 I personally have had friends who were in the building at
4 San Bernardino. I've had friends who were at the concert
5 at Las Vegas, some of them had their hats shot off. Their
6 family was -- their family had to lay down and were saved
7 by another off-duty officer. Another friend still suffers
8 from PS -- PSD.

9 And I -- when I heard about the Florida
10 shootings, you know, and then hearing these folks speak
11 today, my heart weighs heavy with those. But despite
12 that, this isn't public money. This is our money. You
13 know, we are investing to make sure that our future, and
14 my kids' future, continues on, so that they have the
15 opportunities to continue to hopefully take on a cause
16 like this, and fight for what they believe in.

17 I would challenge you, rather than divest from
18 companies that do business like this, use your influence
19 and your power to fight back. Get them to -- speak to
20 them. Get to them to change their ways, if that's what
21 needs to be done. Use your power and your influence that
22 way. Don't run away from the fight. Double down. Hit
23 them head on, and challenge them to change their ways, if
24 that's the will of the people.

25 Thank you.

1 MR. JONAS: Good afternoon. My name is Phil
2 Jonas. I'm a member of the Peace Officers Research
3 Association of California, PORAC, board of directors.
4 PORAC represents over 70,000 California law enforcement
5 officers, nearly 50,000 of whom are CalPERS members.

6 Recently, the American Council Capital Formation
7 warned that CalPERS has quote, "Demonstrated a troubling
8 pattern of investments in social and political causes that
9 are truly jeopardizing the retirement fund". Pension
10 funds are entrusted to treat -- to treat fiduciary
11 responsibility above all and design stocks to invest.

12 As Andy Kessler wrote last week in the Wall
13 Street Journal, if you don't like where you money -- where
14 your returns are, someone else will.

15 If CalPERS recklessly invests with social
16 responsibility as a top priority, CalPERS will suffer, and
17 society will be left unchanged as the divested stocks will
18 be quickly bought up on the secondary market by other
19 investors. CalPERS executives are the agents of the
20 owners of CalPERS, in other words, the members. You have
21 a direct responsibility to the members. And that
22 responsibility is to manage the investments in accordance
23 with their desires.

24 A recent survey found that focusing on maximizing
25 returns and returning the fund to 100 percent funded

1 status was supported by 74 percent of CalPERS members.
2 Only a small percentage supported investing in projects
3 that supported political, or social causes, or divestment
4 schemes.

5 As a person, you may have many other
6 responsibilities that you recognize or assume voluntarily
7 to your family, your conscience, your community. You may
8 feel impelled by these responsibilities to devote part of
9 your income to causes you regard as worthy, or to refuse
10 to work for or invest in particular corporations, such as
11 gun retailers. We may refer to some of these
12 responsibilities as social responsibilities. But in these
13 respects, you are acting as a principal, not an agent.

14 You are spending your own money, or time, or
15 energy not the money of your employers. If these are
16 social responsibilities, they are your social
17 responsibilities as individuals, not that of CalPERS.
18 Profits are the best measure of CalPERS valued members to
19 taxpayers and to society.

20 P.T. Barnum famously said there's a sucker born
21 every minute. Many of them go into so-called socially
22 responsible investing. But the basic idea is to throw
23 money away. For their -- for this Board to push their
24 view of social responsibility is simply to force CalPERS
25 members and taxpayers to contribute against their will to

1 social causes favored by activists.

2 In short, do whatever you want with your money.
3 However, as pension managers, you are not investing your
4 money, you are gambling with the financial future of
5 retirees and public employees. This runs contrary to your
6 fiduciary responsibility as pension managers.

7 Public pensions are a right earned by State and
8 municipal workers and retirees, who have devoted much of
9 their lives to protecting and serving the public. They
10 should not be used as policy experiments or be part of
11 some agenda to affect social change.

12 Regardless, divestment from gun retailers will
13 have no effect upon the frequency or lethality of mass
14 shooting events, and this is because mass murder is among
15 the most pre-meditated of crimes. A determined murderer
16 will not be deterred by gun laws.

17 Thank you.

18 CHAIRPERSON JONES: Okay. Thank you.

19 The list that I have from the public, in terms of
20 the requests to speak, there are about five additional
21 individuals on this list that have not spoken. So if
22 you're in the audience, you have the right now to come
23 forward to speak. And if you were not on the list, I'm
24 going to ask if there is anyone else who would like to
25 speak at this time.

1 Okay. We have one. So again, indicate your name
2 and organization and you have three minutes.

3 MR. SILBERSTEIN: So my name is Steve
4 Silberstein. I'm just a citizen here. Although, as a
5 citizen, I serve on a pension board in Marin County. I
6 just wanted to urge the Board to consider a more activist
7 proxy voting strategy. We talked earlier today about the
8 risk of drawdowns, frauds in corporations that we invest
9 in, sexual harassment and so on, which detracts from the
10 value of our investments.

11 When there are women and minorities on the boards
12 of these corporations, there is less such risk. There
13 have been numerous academic studies to that effect. Some
14 pension funds, in particular Massachusetts and Rhode
15 Island, have a policy of voting against reelecting to the
16 corporate board the members of the Board nominating
17 committee unless the board has 30 percent women and
18 minorities. That's a very simple voting strategy to
19 de-risk the portfolio. And I would suggest that CalPERS
20 consider doing that.

21 The second thing is the executive compensation,
22 as we all know, has gone out of control. The average
23 corporation puts about 10,000 words in its proxy statement
24 in some convoluted scheme to show how the CEO deserves
25 another five or ten million dollars this year, and so on.

1 CalPERS, unfortunately, approves a great many of
2 these excessive CEO compensation packages, which detracts
3 from the returns. Because when the CEO is taking more and
4 more money for himself, there's less money for the
5 shareholders. So there's some pension funds, Minnesota
6 for example, votes against 60 percent of the CEO pay
7 packages in the S&P 500 companies.

8 Florida votes against 40 percent. The Alberta
9 pension fund votes against 80 percent. And some European
10 funds vote against 90 percent. And I would suggest that
11 CalPES, which votes only against about 15 or 16 percent is
12 way out of line in what's going on there.

13 So I would suggest it's part of increasing
14 returns de-risking that we have a more aggressive policy
15 to tell these boards that if they can't do their job,
16 we're not going to reelect them. And the CEO needs to,
17 you know, take his hand out of the till.

18 Thank you.

19 CHAIRPERSON JONES: Okay. Thank you.

20 Next. If you would indicate your name and
21 organization and you'll have three minutes to speak. And
22 the time is right here.

23 MS. FINE: Thank you.

24 So my name is Lisa Fine, and I'm a Vegas shooting
25 survivor. And I support the Treasurer's opinion and

1 views.

2 I was in the front row in VIP section when the
3 war zone opened up. I have founded a nonprofit
4 organization called Route 91 Strong. And our main focus
5 is to help the victims and survivors of that horrible
6 tragedy. I went to a concert, and automatic weapons were
7 used to try to kill myself and 22,000 people. I'm very
8 emotional right now, and I apologize. I've never done
9 anything like this.

10 But what I do stand for is for these victims that
11 are being murdered. We have voted on having two new board
12 members come on to Route 91 Strong, one being the Parkland
13 shooting survivor Thomas Holgate. Also, another survivor
14 from Washington D.C. that was a victim of gun violence.

15 Something has got to change. And I just -- I see
16 there is a big shift happening. And I'm just a girl that
17 went to a concert that was -- that somebody tried to
18 murder myself. And I watched and listened to people die.

19 It was the worst thing I've ever experienced, and
20 we are all vulnerable. We have to be vigilant. We cannot
21 be complacent. And I am here to take that stand.

22 If anybody would like to help us with
23 Route91Strong.org anyway you can to help these victims,
24 and survivors get through the worst horrific tragedies of
25 their lives. We are helping other victims and survivors

1 of tragedies including Parkland, and in Texas. I mean, we
2 need to be safe in our schools, our churches, concerts,
3 movie theaters. We need to feel safe. And that's why I'm
4 here.

5 And I'm finished. Thank you so much for
6 listening. And sorry about being so nervous. It's been
7 an emotional roller coaster. It's been five months and I
8 just want to be a voice for those that don't have a voice.
9 Thank you.

10 CHAIRPERSON JONES: Thank you.

11 Okay. That concludes the speakers list that we
12 have.

13 And so, Mr. Chiang, did you want to make any
14 closing comments?

15 COMMITTEE MEMBER CHIANG: I shared earlier my
16 request.

17 CHAIRPERSON JONES: Okay. So is that by a motion
18 or are you just requesting --

19 COMMITTEE MEMBER CHIANG: I'm requesting the
20 Chair to set that on the agenda.

21 CHAIRPERSON JONES: Okay. So the Chair is ruling
22 that we have already a schedule of divestment policy
23 coming up early part of next year. And so that will give
24 staff additional time to complete this process that
25 they're already in. So unless there's a motion to

1 overrule that decisions, that's my direction.

2 Okay.

3 COMMITTEE MEMBER CHIANG: I'd like to have a --

4 VICE CHAIRPERSON COSTIGAN: Push your button.

5 CHAIRPERSON JONES: Wait.

6 VICE CHAIRPERSON COSTIGAN: Push your button.

7 CHAIRPERSON JONES: Okay. There you go.

8 COMMITTEE MEMBER CHIANG: I'd like to get a sense
9 of the Board.

10 CHAIRPERSON JONES: So if you want to make a
11 motion, you need to set --

12 COMMITTEE MEMBER CHIANG: I make that motion.

13 CHAIRPERSON JONES: So it's been moved by Mr.
14 Chiang to have a discussion on this item investment on
15 guns in April. Is there a second?

16 COMMITTEE MEMBER FECKNER: Second.

17 CHAIRPERSON JONES: Second by Mr. Feckner.

18 Discussion?

19 Ms. Taylor.

20 COMMITTEE MEMBER TAYLOR: Thank you. I agree. I
21 think that we can discuss this. I'm not sure that I agree
22 with the Treasurer's idea, but I haven't fully looked at
23 it. But I do want to thank everybody for testifying
24 today. And I can't even imagine what all of you have gone
25 through. And the activism that you are currently showing

1 and turning your grief and your anger into this energy is
2 admirable.

3 I also wanted to thank the staff for really
4 reaching out to who we are invested with, to engage with
5 them - I think I said this earlier - to make sure that we
6 got them to answer to the Marjory Stoneman Douglas
7 request, which was the four items, which no longer selling
8 assault style weapons, no longer selling firearms to
9 anyone under the age of 21, no longer selling
10 high-capacity magazines, and never selling bump stocks.

11 And I -- I think it's amazing that we have gotten
12 all four of these large corporations to agree to all of
13 this. And in addition to that, Dick's has agreed to be an
14 advocate against gun violence, and calling on policymakers
15 to issue regulations to ban assault style firearms. So
16 with all of you and all of them, the large corporations,
17 working together, maybe we will finally get some movement
18 at the federal legislative level.

19 I will also say that I think that it's important
20 that we have engaged and accomplish this, but we didn't do
21 this alone. I think all of your activism with us engaging
22 with the companies that we own, enabled us to accomplish
23 this. And I want to thank you all for your activism. I
24 don't think we would have gotten it done otherwise.

25 I also want to say that I look forward to the

1 activism as it continues. And I look forward to a
2 conversation on this, but I want to also say that I think
3 that CalPERS has done a really good job of engagement and
4 getting where we needed to be.

5 So therefore, I think that it's not entirely
6 necessary for us to divest. I don't have a problem with
7 the conversation, if we want to have the conversation at a
8 later date. But if we are acting responsibly, and as we
9 always do, we do have a divestment policy that states that
10 we generally don't divest.

11 And if we are divesting, we lose our seat at the
12 table. So we wouldn't have been able to get Dick's or
13 Walmart or any of the other companies to engage with us if
14 we no longer own those stocks. So I just wanted to make
15 sure that the folks understand that we -- our divestment
16 policy is pretty clear.

17 But also, we have engaged, and we -- and it has
18 worked. So -- and again, thank you all for coming. I
19 know this has to be really hard. I'm a mother of two
20 children. My kids are old enough that they didn't have to
21 go through this, but thank you very much.

22 CHAIRPERSON JONES: Mr. Chiang, I just want to be
23 sure that your request is to bring a report in to divest,
24 not to have additional discussion, is that correct?

25 COMMITTEE MEMBER CHIANG: Um-hmm.

1 CHAIRPERSON JONES: Okay. And the seconder of
2 the motion, you concur with that? You still second that,
3 Mr. Feckner?

4 COMMITTEE MEMBER FECKNER: Yes.

5 CHAIRPERSON JONES: Okay. So I just want to be
6 sure we're talking about bringing a report to divest next
7 month.

8 Okay. Mr. Gillihan.

9 COMMITTEE MEMBER GILLIHAN: Thank you, Mr. Chair.
10 I just wanted clarification before we take a vote on the
11 Treasurer's motion. As to what was the specifics of your
12 direction to staff absent this motion?

13 CHAIRPERSON JONES: Because we have -- it's
14 already on our annual calendar to review our whole
15 investment Divestment Policy in an upcoming meeting. And
16 so guns will be part -- Mr. Eliopoulos maybe wants to --

17 COMMITTEE MEMBER GILLIHAN: Yeah, what's the
18 timing of that though I guess is what I'm trying to
19 understand.

20 CHAIRPERSON JONES: Okay. The time of that.

21 CHIEF INVESTMENT OFFICER ELIOPOULOS: Yeah. In
22 our divestment policy, we've set up time periods for
23 review of existing divestments. If you remember, we
24 reviewed tobacco divestment last year. Later this year,
25 we're scheduled to review our Iran/Sudan divestments. And

1 then next year -- next year, we're slated to review the
2 gun Divestment Policy. So it would be at that time, we
3 could take up not only existing divestments, but whether
4 or not to apply it to retailers as well as manufacturers.
5 I think that's what the Chair was referring to.

6 CHAIRPERSON JONES: Yes. Okay. Thank you.

7 Mr. Slaton. Oh, did that answer your question?
8 I'm sorry.

9 COMMITTEE MEMBER GILLIHAN: (Nods head.)

10 CHAIRPERSON JONES: Okay. Mr. Slaton.

11 COMMITTEE MEMBER SLATON: Thank you, Mr. Chair.

12 First of all, I want to thank the people who have come
13 here to speak today. The strength you've shown at being
14 willing to come before us, and be here with us says a lot
15 about your character. And we appreciate every comment
16 that was made.

17 My takeaway from some of the comments, somebody
18 said that we're all culpable, which is true. Somebody
19 else said we have to have change. That is also true.
20 Bill Durston talked about some of the statistics. We
21 obviously have a significant problem in this country. We
22 are 4.4 percent of the world's population. And in private
23 hands, almost 50 percent of the guns in the world are
24 owned by citizens in the United States.

25 We are 10 times more likely to be killed by a gun

1 than the average of other developed countries. And by the
2 way, the problem is not only with assault weapons, it's
3 with handguns as well, as we all know.

4 So we have to address this. And I know that
5 there's a tremendous effort going on right now, and you
6 are all part of this effort to address this on the
7 political stage. We have an election coming up in 2018.
8 We have another election in 2020. And we have the ability
9 in this country to elect people to represent us at the
10 federal level who can change the gun laws in this country,
11 and implement an assault weapon ban along with some of the
12 other bans that need to occur.

13 So those gun laws can happen if we are able to
14 change our political culture. And personally, I hope that
15 assault weapons get reclassified and are not classified as
16 a rifle. These are not rifles. These are weapons of war.

17 The question now before us is what can CalPERS
18 do?

19 And we know what the outcome that we want, which
20 is a reduction in gun violence, and a reduction in access
21 to weapons. So that's the outcome we're trying to get to.
22 The question is what's the means to get to the outcome.
23 And we have before us two choices, one is divestiture, and
24 the other one is engagement.

25 And we have found that engagement is a better

1 alternative for us to be able to accomplish something in
2 this arena. And the statistics that we have just from the
3 recent engagement of Big 5 Sporting Goods, they're
4 discontinuing the sale of assault weapons. Dick's
5 Sporting Goods discontinuing the assault of -- the sale of
6 assault weapons. Kroger Company, they're reviewing the
7 policy on assault weapons. It announced on March 1st no
8 longer sell any of the stores, or even accept special
9 orders. Walmart not only have a decision about assault
10 weapons, but they do not sell any handguns in the
11 continental United States.

12 So the movement it's happening. And I -- while I
13 appreciate you coming to us, we then have to make a
14 decision what's the most effective thing that we can do,
15 because we have exactly the same mission that you have in
16 regard to the issue of guns.

17 And so while I appreciate the Treasurer's
18 objective to accomplish here, and certainly if the motion
19 passes, then we can have an engagement on this topic. But
20 I think our best effort, as it is with many other areas,
21 is to continue engagement to change behavior.

22 Thank you.

23 COMMITTEE MEMBER CHIANG: So I don't disagree
24 with many of the points made here, but I think we need a
25 complete picture, right? So first of all, we're trying to

1 maximize risk-adjusted return, right? Nowhere in this
2 conversation people talk about optimizing return have we
3 talked about managing the risk, right? We subject
4 ourselves to extraordinary liability. And we've seen what
5 happens when we didn't appropriately take action based on
6 risk.

7 Secondly, the very point of engagement, and I
8 strongly support engagement, is that you have to make sure
9 that you're going to follow up on the engagement's failure
10 to act on the engagement, right? If we don't take action
11 here, nobody is going to take us seriously on engagement,
12 right? The -- yes, we've been successful because if you
13 have the threat of divesting, and people who don't act
14 upon, or we don't act upon as the largest public pension
15 plan in the United States of America, right, and we say
16 we're going to engage and we're going to engage, we can
17 engage from here to kingdom come and get nothing done, if
18 they know that this Board on critical issues, right -- and
19 I'm not saying on every single issue, but we're going to
20 have to say we're going to stand and divest from certain
21 things that are absolutely critical that don't meet our
22 fiduciary obligation.

23 So not to even have this conversation to look at
24 how it impacts risk-adjusted return, not to fully explore,
25 right, the -- we took some promises from these companies,

