



FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
77 K Street, NE Washington, DC 20002

March 12, 2013

Memorandum for the Executive Director

From: Tracey Ray, Chief Investment Officer

Subject: Investment Fund Legal Settlements

At the January 2013 Board meeting, the Board asked about processing of claims and settlements by the investment manager.

BlackRock outsources the function for filing and processing proofs of claim and litigation payments to State Street as service provider, and their responsibilities for this service are detailed through a Service Level Agreement. Additionally, State Street's procedures are audited via their SSAE16 – the Statement on Standard for Attestation Engagements No.16 which replaced the SAS 70.

Further, the arrangement with State Street is the responsibility of BlackRock's Corporate Actions Business Operations Team which receives regular reports from State Street including:

- Weekly Class Action Reporting – details upcoming and pending settlements, filing deadlines, class periods, claim administrators, etc.
- Weekly Legal Documents pertaining to the claims (i.e. Proof of Claim (POC))
- Monthly Securities Payment Notification – details date received, associated funds paid, amount, etc.

For international securities, BlackRock incorporates an additional step and involves their Legal Counsel who reviews and assists with filing claims.