

STATE OF NEW MEXICO
COUNTY OF SANTA FE
FIRST JUDICIAL DISTRICT COURT

FILED UNDER SEAL

STATE OF NEW MEXICO, plaintiff, *ex rel.* FRANK FOY
AND SUZANNE FOY, *qui tam* plaintiffs

v.

No. D-101-CV-2009-01189

AUSTIN CAPITAL MANAGEMENT, LTD;
AUSTIN CAPITAL MANAGEMENT GP CORPORATION;
CHARLES W. RILEY; BRENT A. MARTIN;
DAVID E. FRIEDMAN; WILL JASON ROTTINGER;
VICTORY CAPITAL MANAGEMENT, INC.;
KEYCORP; BEREAN CAPITAL; DUDLEY BROWN; TREMONT
PARTNERS, INC.; TREMONT CAPITAL MANAGEMENT, INC.;
TREMONT GROUP HOLDINGS, INC.; OPPENHEIMER FUNDS, INC.;
GARY BLAND; DAVID CONTARINO; BRUCE MALOTT; MEYNER +
COMPANY; MARC CORRERA; ANTHONY CORRERA; SANDIA ASSET
MANAGEMENT; ALFRED JACKSON; DAVIS HAMILTON AND
JACKSON; GUY RIORDAN; JUNIPER CAPITAL; EILEEN KOTECKI;
DAN HEVESI; HENRY "HANK" MORRIS; JULIO RAMIREZ; PAUL CROSS;
CROSSCORE MANAGEMENT; SDN INVESTORS; PSILOS GROUP;
ALBERT WAXMAN; JEFFREY KRAUSS; STEPHEN KRUPA;
DAVID EICHLER; DARLENE COLLINS; WETHERLY CAPITAL GROUP;
DAN WEINSTEIN; VICKY SCHIFF; QUADRANGLE GROUP;
ALDUS EQUITY; SAUL MEYER; MARCELLUS TAYLOR;
MATTHEW O'REILLY; RICHARD ELLMAN; DEUTSCHE BANK;
DIAMOND EDGE CAPITAL; MARVIN ROSEN; CARLYLE MEZZANINE
PARTNERS; CARLYLE GROUP; DB INVESTMENT MANAGERS;
TOPIARY TRUST; PARK HILL GROUP; DAN PRENDERGAST;
CATTERTON PARTNERS; BLACKSTONE GROUP; GOLD BRIDGE
CAPITAL; DARIUS ANDERSON; KIRK ANDERSON; ARES MANAGEMENT;
INROADS GROUP; CAMDEN PARTNERS; HFV; BARRETT WISSMAN;
TAG; AJAX INVESTMENTS; CLAYTON DUBILIER AND RICE;
INTERMEDIA; LEO HINDERY; WILLIAM R. HOWELL; CABRERA
CAPITAL; MARTIN CABRERA; CRESTLINE INVESTORS;
JOHN DOE #1; AND JOHN DOE #3 THROUGH #50.

ENDORSED
First Judicial District Court

JUN 16 2009

Santa Fe, Rio Arriba &
Los Alamos Counties
PO Box 2288
Santa Fe, NM 87504-2288

**CORRECTED FIRST AMENDED COMPLAINT
UNDER THE FRAUD AGAINST TAXPAYERS ACT**

(This is a corrected version of the First Amended Complaint
filed June 9, 2009.)

Pursuant to Rule 1-015(A), NMRA 2009, the plaintiff State of New Mexico and *qui tam* plaintiffs Frank and Suzanne Foy hereby amend and supplement the original complaint which was filed on April 17, 2009 at approximately 8:30 AM, as follows:

I. INTRODUCTION AND SUMMARY

1. This is one of several lawsuits to recover damages for the State of New Mexico under the Fraud Against Taxpayers Act, NMSA 1978, §§ 44-9-1 through -14. The plaintiff is the State of New Mexico. The *qui tam* plaintiffs and relators are Frank C. Foy and Suzanne B. Foy. This action seeks to recover three times the amount of damages sustained by the State of New Mexico because of the violations of the Fraud Against Taxpayers Act, along with civil penalties, costs, and reasonable attorney fees, including the fees of the Attorney General, all as provided in § 44-9-3(C), plus pre- and post-judgment interest.

2. This complaint expands upon, and sets forth in greater detail, the allegations first set forth in the original complaint filed by Frank Foy. On July 14, 2008, Mr. Foy filed a complaint relating to the loss of \$90 million which the Educational Retirement Board (“ERB”) and State Investment Counsel (“SIC”) invested in Vanderbilt Financial Trust. *State ex rel. Foy v. Vanderbilt*, No. D-101-CV-2008-1895 (N.M. 1st Jud. Dist. Ct.). The Vanderbilt complaint alleged that the Vanderbilt investment was influenced by kickbacks and other illegal inducements. The complaint also alleged that there were other instances in which ERB and SIC investments were based upon kickbacks and other illegal inducements. *See Vanderbilt Complaint* ¶¶ 63, 64, 67, 70, and 73. This complaint explains the other instances of “pay to play” at the ERB and the SIC.

3. As a result of defendants' violations of the Fraud Against Taxpayers Act, the State of New Mexico has lost very substantial amounts of money, including investment funds belonging to the ERB and SIC. The ERB provides retirement benefits to public school teachers in New Mexico, and college professors, and employees of public schools and colleges. As of June 30, 2007, the ERB had 122,598 members, of whom 62,697 were active members, and 29,969 were retirees or beneficiaries. The SIC invests the State's permanent funds for the benefit of public schools and colleges, and for the operations of the State. The proceeds from this action should be returned to State of New Mexico in accordance with § 44-9-7(D) and (E).

4. The defendants knowingly presented, or caused to be presented, to the State a false or fraudulent claim for payment or approval, in violation of § 44-9-3(A)(1).

5. The defendants knowingly made or used, or caused to be made or used, a false and misleading or fraudulent record or statement to obtain or support the approval of the payment on a false or fraudulent claim, in violation of § 44-9-3(A)(2).

6. The defendants conspired to defraud the State by obtaining approval or payment on a false or fraudulent claim, in violation of § 44-9-3(A)(3).

7. The defendants conspired to make, use or cause to be made or used, a false, misleading or fraudulent record or statement to conceal, avoid or decrease an obligation to pay out or transmit money or property to the State, in violation of § 44-9-3(A)(4).

8. When in possession, custody or control of property or money to be used by the State, the defendants knowingly delivered or caused to be delivered less property or money than the amount indicated on a certificate or receipt, in violation of § 44-9-3(A)(5).

9. When authorized to make or deliver a document certifying receipt of property used by the State, the defendants knowingly made or delivered a receipt that falsely represented a material characteristic of the property, in violation of § 44-9-3(A)(6).

10. The defendants knowingly made or used, or caused to be made or used, a false, misleading or fraudulent record or statement to conceal, avoid or decrease an obligation to pay or transmit money or property to the State, in violation of § 44-9-3(A)(8).

11. As beneficiaries of an inadvertent submission of the false claim and having subsequently discovered the falsity of the claim, the defendants failed to disclose a false claim to the State within a reasonable time after discovery, in violation of § 44-9-3(A)(9).

12. As used in this complaint, “claim” means a request or demand for money, property or services when all or a portion of the money, property or services requested or demanded issues from or is provided or reimbursed by the State. In this case all or some of the money issued from the State of New Mexico, or was provided or reimbursed by it.

13. As used in this complaint, “knowingly” (or related words like “knew” or “knowledge”) has the meaning provided in § 44-9-2(C): that a person, with respect to information, acted: (1) with actual knowledge of the truth or falsity of the information; (2) in deliberate ignorance of the truth or falsity of the information; or (3) in reckless disregard of the truth or falsity of the information.

II. PARTIES

14. The plaintiff is the State of New Mexico. The *qui tam* plaintiffs or relators are Frank C. Foy and Suzanne B. Foy. The real party plaintiff in interest is the State of New Mexico. The ultimate beneficiaries of this action are the state institutions and educational

employees or retirees covered by the Educational Retirement Board, and/or the State Investment Council.

15. Defendant Bruce Malott is a Certified Public Accountant. He is a citizen of New Mexico who lives and works in New Mexico. He is a Trustee of the ERB. He is the Managing Principal of defendant Meyners + Co., a public accounting firm with its principal place of business in Albuquerque, New Mexico. Meyners + Co. is a member of the BDO Seidman Alliance.

16. Governor Richardson appointed or reappointed Malott to the New Mexico Educational Retirement Board, to the New Mexico Retiree Health Care Authority, and to the New Mexico Board of Accountancy.

17. Malott acted as treasurer for Governor Richardson's 2002 primary campaign. Meyners or Meyners employees (including Reta D. Jones) have acted as campaign officers or accountants for other Richardson campaign organizations.

18. Malott and Meyners are also the accountants for Moving American Forward Political Action Committee, a political action committee established to benefit Governor Richardson and his campaigns.

19. Malott and Meyners are also the accountants for Moving America Forward Foundation, Inc. This is a sham charitable foundation established to benefit Governor Richardson and his campaigns.

20. Malott and Meyners are also the personal accountants for Governor Richardson and his wife.

21. Gary Bland is the State Investment Officer. He was chosen by Governor Richardson, with advice from David Contarino and others. Bland acts as the chief staff

executive of the State Investment Council. He is also a Trustee of the ERB. He is a citizen of New Mexico who lives and works in New Mexico. He is a friend of Marc Correra and Anthony Correra.

22. David Contarino is a citizen of New Mexico. At various times he has been a campaign manager and fundraiser for Bill Richardson. At various times prior to April 16, 2006 he was an employee of the State of New Mexico, and served as Chief of Staff to Governor Richardson. At various times prior to April 16, 2006, he served simultaneously as a state employee, Chief of Staff, and campaign manager and fundraiser for Governor Richardson. His employment with the State of New Mexico ended on April 16, 2006. He is a citizen of New Mexico who lives and works in New Mexico.

23. Concerning the matters described in this complaint, Contarino, Bland, and Malott acted as agents for Governor Richardson's campaigns, not as agents of the State of New Mexico.

24. Marc Correra is a citizen of New Mexico. He is a close associate of Governor Richardson, and an active supporter of the Governor, the Governor's campaigns, the Governor's political causes, and the Governor's lavish personal life style. Marc Correra is a close associate of Gary Bland, and an associate of Bruce Malott. Marc Correra is one of the main conspirators in the pay-to-play scheme that infected the SIC and the ERB. Marc Correra personally has received more than \$16 million in kickbacks on SIC and ERB investments. Marc Correra also arranged or participated in kickbacks to others. Marc Correra is the son of Anthony Correra.

25. Anthony Correra, Marc Correra's father, is a citizen of New Mexico. Anthony Correra is a close associate of Governor Richardson, and an active supporter of the

Governor, the Governor's campaigns, the Governor's political causes, and the Governor's lavish personal lifestyle. Anthony Herrera is a close associate of Gary Bland and Bruce Malott. Anthony Herrera is one of the main conspirators in the pay-to-play scheme that infected the SIC and the ERB. Anthony Herrera arranged for his son Marc Herrera to receive more than \$16 million in kickbacks on SIC and ERB investments. Anthony Herrera also arranged or participated in kickbacks to others. Anthony Herrera is listed as a trustee of the Moving America Forward Foundation ["MAFF"], a sham charitable foundation which collected \$1.7 million to benefit Governor Richardson's political objectives.

26. Sandia Asset Management is a firm with its principal place of business in Santa Fe or Albuquerque, New Mexico. It is owned and controlled by the Herreras.

27. Defendant Austin Capital Management, Ltd. ("Austin") is a Texas limited partnership with its principal offices at 5000 Plaza on the Lake, Suite 250, Austin, Texas 78746. Charles (Chuck) W. Riley, Brent A. Martin, David Friedman, and Jason Rottinger are executives at Austin.

28. Austin describes itself as "a hedge fund of funds management firm." The sole general partner in Austin is Austin Capital Management GP Corp. ("ACM-GP"), a Texas corporation. Both Austin and ACM-GP are wholly owned subsidiaries of defendant Victory Capital Management, Inc. and KeyCorp, an Ohio corporation.

29. The defendants Austin, ACM-GP, Victory Capital, KeyCorp, Riley, Martin, Friedman, and Rottinger are collectively referred to as "the Austin defendants" or "Austin."

30. Tremont Partners, Inc. acted as "administrator" and "sub-advisor" to the funds which invested in the Ponzi scheme operated by Bernard Madoff. Tremont Capital Management, Inc. is a subsidiary of Tremont Group Holdings, Inc., which is a subsidiary of

Oppenheimer Funds, Inc., which is a subsidiary of the Massachusetts Mutual Life Insurance Company. Through their Rye Investment Management “platform,” and their Rye Select Broad Market Funds, Tremont Partners, Tremont Capital, Tremont Group and Oppenheimer invested funds for the State of New Mexico in a Ponzi scheme operated by Bernard Madoff. The Tremont entities were selected by the Austin defendants to manage investment money from the State of New Mexico. The Tremont/Oppenheimer entities acted as fiduciaries for the State of New Mexico. All of the defendants identified in this paragraph are referred to as “the Tremont defendants” or “Tremont.”

31. Defendant Berean Capital, Inc. is a corporation with offices in Chicago, Illinois. Defendant Dudley Brown is the President, CEO, and sole shareholder in Berean Capital. Berean Capital is the mere agent or alter ego of Dudley Brown.

32. In the matters related herein, Austin, ACM-GP, and KeyCorp acted as agents for Governor Richardson’s campaigns.

33. Alfred Jackson is a resident of Houston, Texas. He has been associated with various firms, including Davis, Hamilton & Jackson, a firm in Houston. These defendants received, paid, or arranged kickbacks for investment business from the State of New Mexico.

34. Guy Riordan is a citizen of New Mexico. He is a close associate of Governor Richardson, and an active supporter of the Governor, the Governor’s campaigns, the Governor’s political causes, and the Governor’s lavish personal lifestyle. Guy Riordan received or arranged kickbacks on investment business from the State of New Mexico.

35. Juniper Capital is a firm with its principal place of business in New York, New York.

36. Eileen Kotecki is an executive at Juniper Capital. Eileen Kotecki and Juniper Capital received, paid, or arranged kickbacks on investment business from the State of New Mexico.

37. Dan Hevesi is a resident of New York. He received, paid, or arranged kickbacks on investment business from the State of New Mexico.

38. Henry “Hank” Morris is a resident of New York. He received, paid, or arranged kickbacks on investment business from the State of New Mexico.

39. Julio Ramirez received, paid, or arranged kickbacks on investment business from the State of New Mexico. His current residence cannot be ascertained. At various times he was associated with the Correras, Wetherly, and Park Hill.

40. Paul Cross is a citizen of New Mexico. He received, paid, or arranged kickbacks on investment business from the State of New Mexico, along with his firm, Crosscore Management.

41. SDN Investors purports to be a firm of some sort, but its principal place of business cannot be determined. SDN Investors received, paid, or arranged kickbacks on investment business from the State of New Mexico.

42. Upon information and belief, the following defendants acted as fronts for Marc Correra or Anthony Correra: Ajax Investments, SDN Investors, Paul Cross, Crosscore Management, and Sandia Asset Management.

43. Psilos Group is a firm with offices in New York, the San Francisco Bay area, and Santa Fe. Albert Waxman, Jeffrey Krauss, Stephen Krupa, David Eichler and Darlene Collins are executives with Psilos. The defendants named in this paragraph are collectively

referred to as “Psilos” or “the Psilos defendants.” They received, paid, or arranged kickbacks for investment business from the State of New Mexico.

44. Wetherly Capital Group is a firm with its principal place of business in Los Angeles, California. Dan Weinstein and Vicky Schiff are executives at Wetherly Capital Group. The defendants named in this paragraph are collectively referred to as “Wetherly” or “the Wetherly defendants.” The Wetherly defendants received, paid, or arranged kickbacks on investment business from the State of New Mexico.

45. Quadrangle Group is a firm with its principal place of business in New York, New York. This firm received, paid, or arranged kickbacks on investment business from the State of New Mexico. Stephen Rattner was an executive with Quadrangle.

46. Aldus Equity is a firm with its principal place of business in Dallas, Texas. Saul Meyer, Marcellus Taylor, Matthew O’Reilly, and Richard Ellman are executives with Aldus. Aldus is partially owned by Deutsche Bank. The defendants named in this paragraph are collectively referred to as “Aldus” or “Aldus Equity” or “the Aldus defendants.” The Aldus defendants received, paid, or arranged kickbacks on investment business from the State of New Mexico.

47. Diamond Edge Capital is a firm with its principal place of business in New York, New York. Marvin Rosen is an executive with Diamond Edge. These defendants received, paid, or arranged kickbacks on investment business from the State of New Mexico.

48. Carlyle Mezzanine Partners is a firm with its principal place of business in New York, New York. It is a subsidiary of the Carlyle Group, a firm which has its principal place of business in New York, New York. These defendants received, paid, or arranged kickbacks on investment business from the State of New Mexico.

49. DB Investment Managers is a firm with its principal place of business in New York, New York. DB Investment Managers controls Topiary and Topiary's related firms. DB Investment Managers and Topiary are subsidiaries of Deutsche Bank. These firms are collectively referred to as "Deutsche Bank/Topiary." These firms received, paid, or arranged kickbacks on investment business from the State of New Mexico.

50. Park Hill Group is a firm with its principal place of business in New York, New York. Until recently, Park Hill Group had an office in Los Angeles. Park Hill Group is a subsidiary of the Blackstone Group, a firm with its principal place of business in New York, New York. Dan Prendergast is an executive with Park Hill. These defendants received, paid, or arranged kickbacks on investment business from the State of New Mexico.

51. Catterton Partners is a firm with its principal offices in Greenwich, Connecticut. This firm received, paid, or arranged kickbacks on investment business from the State of New Mexico.

52. Gold Bridge Capital is a firm with its principal place of business in San Francisco, California. Darius Anderson and Kirk Anderson are executives at Gold Bridge Capital. The defendants named in this paragraph are collectively referred to as "Gold Bridge." The Gold Bridge defendants received, paid, or arranged kickbacks on investment business from the State of New Mexico.

53. Ares Management is a firm with its principal place of business in Los Angeles, California. This firm received, paid, or arranged kickbacks on investment business from the State of New Mexico.

54. The Inroads Group is a firm with its principal place of business in Houston, Texas. This firm received, paid, or arranged kickbacks on investment business from the State of New Mexico.

55. Camden Partners is a firm with its principal place of business in Baltimore, Maryland. This firm received, paid, or arranged kickbacks on investment business from the State of New Mexico.

56. HFV is a firm with its principal place of business in Dallas, Texas. Barrett Wissman is an executive with HFV. These defendants received, paid, or arranged kickbacks on investment business from the State of New Mexico.

57. TAG purports to be a firm of some sort, but its principal place of business cannot be determined. This firm received, paid, or arranged kickbacks on investment business from the State of New Mexico.

58. Ajax Investments is a firm with its purported principal place of business in Highland Park, Illinois. This firm received, paid, or arranged kickbacks on investment business from the State of New Mexico.

59. Clayton Dubilier and Rice is a firm with its principal place of business in New York, New York. This firm received, paid, or arranged kickbacks on investment business from the State of New Mexico.

60. InterMedia is a firm with its principal place of business in New York, New York. Leo Hindery is an executive with InterMedia. William R. Howell is an executive with Pension Enhancement Consulting with its principal place of business in Rockville Centre, New York. These defendants received, paid, or arranged kickbacks on investment business from the State of New Mexico.

61. Cabrera Capital is a firm with its principal place of business in Chicago, Illinois. Martin Cabrera is an executive with Cabrera Capital. These defendants received, paid, or arranged kickbacks on investment business from the State of New Mexico.

62. Crestline Investors is a firm with its principal place of business in Texas. This defendant received, paid, or arranged kickbacks on investment business from the State of New Mexico.

63. Kickbacks on investment business from the State of New Mexico were also paid, arranged, or received by the various firms, funds, and persons shown on Exhibits 1 and 2 to this Amended Complaint.

64. Defendants John Does are additional individuals or entities who have participated and conspired with the defendants to perform the unlawful acts or omissions alleged herein, but their identities and actions are unknown or inadequately known at this time. These defendants are referred to in the masculine, although they may be feminine or artificial persons. Discovery in this case will provide information about these unidentified defendants, so that they can then be identified as named defendants. There are probable additional defendants whose identity is known to plaintiffs at this time, but discovery is needed to provide additional corroboration about their involvement in the matters herein, because the named defendants and the Doe defendants have denied and concealed their involvement.

65. The purported distinctions between the various entities named above should be disregarded for purposes of this case, for the following reasons: The subordinate or affiliate entities acted as the mere alter ego or instrumentality of the superior or controlling entity. The subordinate or affiliate entities acted as the agent of the superior or controlling entity. The subordinate or affiliate entities were mere shells, without actual independent management or governance of their own. The subordinate or affiliate entities were used by the other defendants for their own purposes, not the purposes of the subordinate or affiliate entities. The subordinate or affiliate entities were not adequately capitalized, did not hold

proper meetings, did not establish proper management structures and committees, did not maintain proper records, and did not act through the entity's own officers, employees, and directors. The subordinate or affiliate entities did not act as independent and separate entities. The superior or controlling entities disregarded the separate existence and purpose of the subordinate or affiliate entities. The management and employees of the superior or controlling entities participated in, directed, ordered, approved, or ratified the wrongful conduct of the subordinate or affiliate entities, and of the other defendants.

66. All of the defendants have transacted or presently transact and conduct business within New Mexico. All of the defendants knowingly, recklessly or negligently committed torts against the State of New Mexico. The defendants offered and sold investment products and/or services to the State of New Mexico. All of the defendants provided services to the State of New Mexico, directly or indirectly. All of the defendants have committed wrongful and tortious acts within New Mexico. All of the defendants were subject to fiduciary duties owed to the State of New Mexico. All of the defendants violated their fiduciary duties. All of the defendants benefitted from and were unjustly enriched by the false claims made by other defendants and co-conspirators.

67. All of the defendants are jointly and severally liable for any act in violation of the Fraud Against Taxpayers Act committed by other defendants, or other persons not yet named as defendants, as provided in § 44-9-13.

III. FRANK FOY AND HIS FIGHT AGAINST PAY TO PLAY, KICKBACKS, AND OTHER FRAUDULENT INDUCEMENTS.

68. The *qui tam* plaintiff Frank Foy joined the ERB in 1992 as the Manager of the Fixed Income Portfolio, after working more than 20 years in banking and investment in the private sector in New Mexico. In 1996 he became the ERB's Chief Investment Officer, and

continued in that position until the events stated below. As Chief Investment Officer, he had overall responsibility for all of ERB's investments.

69. As Chief Investment Officer, Frank Foy instituted a strict policy against political contributions by persons doing business with the ERB. This policy was necessary to fulfill strict fiduciary duties which the ERB owed to educational retirees. This policy against political contributions was also necessary to ensure that the ERB awarded contracts for investment services to the best, most competent, and most honest contractors, not the ones who paid people in power. Further, the policy was necessary so that New Mexico could attract the most competent investment advisors, because a reputation for "pay to play" discourages the honest advisors from competing vigorously for the State's business, since they believe that the business will be awarded to less qualified advisors who are willing to provide illegal or improper inducements and kickbacks in order to obtain the State's business.

70. Beginning in 2003, when the Richardson administration took office, the ERB was pressured to award contracts and make investments with persons or entities based upon political considerations. These pressures were exerted by Bruce Malott on instructions from David Contarino (and perhaps others). This was a plain violation of the strict fiduciary duties owed by the ERB to its members under N.M. Const. art. XX, § 22, which provides in pertinent part:

A. All funds, assets, proceeds, income, contributions, gifts and payments from any source whatsoever paid into or held by a public employees retirement system or an educational retirement system created by the laws of this state shall be held by each respective system in a trust fund to be administered and invested by each respective system for the sole and exclusive benefit of the members, retirees and other beneficiaries of that system. Expenditures from a system trust fund shall only be made for the benefit of the trust beneficiaries and for expenses of administering the system. A system trust fund shall never be used, diverted, loaned, assigned, pledged, invested, encumbered or appropriated for any other purpose. To the extent consistent with the

provisions of this section, each trust fund shall be invested and the systems administered as provided by law.

B. The retirement board of the public employees retirement system and the board of the educational retirement system shall be the trustees for their respective systems and have the sole and exclusive fiduciary duty and responsibility for administration and investment of the trust fund held by their respective systems.

71. Similar pressures were exerted on the SIC, the Board of Finance and other state agencies. Gary Bland and others at the SIC carried out instructions from David Contarino and others, including Anthony Correra and Marc Correra, to invest State money in exchange for political contributions or other illegal or improper inducements. This was a plain violation of the strict fiduciary duties owed by SIC board members and staff to the State of New Mexico.

72. Anthony Correra and Mark Correra, along with David Contarino, were instrumental in Governor Richardson's selection of Gary Bland to be State Investment Officer. Gary Bland was selected in part because he was willing to take instructions on the placement of investment business from Anthony Correra, Marc Correra, David Contarino, and Governor Richardson. Gary Bland was selected in part because he was willing to participate in arranging kickbacks, or to look the other way while kickbacks were being arranged, in deliberate disregard or ignorance of the graft and corruption at the SIC and ERB. Gary Bland personally benefitted from his participation or facilitation of the pay-to-play schemes at the SIC and ERB.

73. **The SIC's mass firing of investment managers.** Shortly after Governor Richardson took office, he appointed Gary Bland to be State Investment Officer. At about this time the SIC fired many of its investment managers. One reason, although not the only

reason, was to create more opportunities to award state businesses to people who were willing to pay to play, also known as “players.”

74. In order to steer the State’s investments to “players” who were willing to make kickbacks, bribes, or other illegal inducements, Contarino, Bland and Malott often worked together. In some instances, the SIC would invest with those who were willing to “pay-to-play,” and then Bland and Malott would press the ERB to make the same investments. Bland would vouch for the quality of the investment manager. And Bland and Malott would argue that the ERB could rely on the SIC’s due diligence. Frank Foy vigorously opposed this notion, for several reasons. First, the ERB as a fiduciary is required by the Constitution and by statute to conduct its own due diligence. Second, the SIC and ERB have different investment objectives, so that an investment that might be appropriate for the SIC would not necessarily be appropriate for the ERB. Third, if the SIC and ERB make the same investments and use the same investment managers, this reduces the diversification of the State’s investment portfolio and increases its risk. Fourth, twin investments by the SIC and ERB will create a conflict of interest in some situations, for example when the ERB wants to withdraw its funds from an investment manager, but the SIC wants to leave its funds to prevent the investment manager from collapsing. (This conflict of interest has actually occurred with Austin Capital.)

75. Although Frank Foy and others pointed out the problems with dual investing by the SIC and ERB, their warnings were ignored or overridden by Bland and Malott. When Bland and/or Malott recommended an investment, they would be supported by the Governor’s other appointees on the SIC and ERB, and by those appointees who were effectively controlled by the Governor although not appointed by him. They included Bland, Malott, State Treasurer Robert Vigil, Veronica Garcia (Secretary of Education), Annadelle

Sanchez (Vice Chairperson of the New Mexico Democratic Party), and Doug Brown (Acting State Treasurer after Robert Vigil).

76. **A pattern and practice of pay to play.** Until 2003, the ERB Board had a majority of directors who took their fiduciary duties seriously, and acted in the best interests of the educational retirees who depend on the ERB for their retirement benefits. After 2003, the situation began to change, and the Board came to be controlled by persons who were willing to make investments and award contracts for political or other improper reasons, following the lead of Gary Bland, Bruce Malott and the instructions of David Contarino and perhaps others.

77. The Richardson administration engaged in a pattern and practice of awarding, or attempting or conspiring to award, state investment business to persons who were willing to offer illegal inducements. In this pattern and practice, the Richardson administration was aided and abetted by various players and fixers who held no public positions, or who held public positions in non-investment areas.

78. The award to Austin Capital was part of this pattern and practice. Some of the other examples of this pattern and practice are described below, in roughly chronological order.

79. **The selection of Northern Trust.** In 2003 the State Board of Finance issued a request for proposals to serve as custody bank for the State of New Mexico. This contract involves safekeeping and bookkeeping for the securities held by the State of New Mexico, including the State Treasurer, the State Investment Council, the Educational Retirement Board, and the Public Employees Retirement Association. These agencies formed a users group to make recommendations and serve as the screening committee to select the finalists. The consensus of the screening committee was that three of the five respondents should be

finalists. The finalist list did not include Northern Trust, which was considered either not qualified or not nearly as qualified as the top three candidates.

80. However, Foy was instructed to include Northern Trust as a finalist. The users group was subsequently informed that their input and recommendations were not requested and not wanted by the banking committee of the Board of Finance. The committee unanimously chose Northern Trust. Shortly thereafter Foy was informed by a knowledgeable source that Northern Trust was chosen because it had hired Butch Maki, who was a close friend, campaign consultant, and substantial contributor to Bill Richardson. Further, Butch Maki's ex-wife, Consuelo Maki, worked on the Governor's staff.

81. Foy protested the selection of Northern Trust, to no avail. After being selected as custody bank, Northern Trust did not provide the services and quality of service which it had represented during the selection process.

82. In June 2003 Julie Neerken's term as an ERB trustee expired. Ms. Neerken was a very experienced and conscientious lawyer with trust and investment experience. To replace her, Governor Richardson appointed Anadelle Sanchez, Vice Chairperson of the New Mexico Democratic Party.

83. **The initial push to hire Wells Capital Management.** Late in 2003, Bruce Malott began to push the ERB to interview Wells Capital Management as a finalist for the contract to manage ERB's high-yield fixed income portfolio. Malott insinuated that the request came from David Contarino, and that Wells Capital Management was an "FOB" or Friend of Bill's, meaning Bill Richardson. The ERB staff had not recommended Wells Capital to be a finalist, but they were invited at Malott's insistence. The staff ranked Wells low among the finalists, and Wells was not selected.

84. In August 2004 the Governor ordered Veronica Garcia to attend the ERB Board meeting so that she could vote for Bruce Malott as chairman. Ms. Garcia was scheduled to receive an award in San Francisco, so the Governor arranged for a private airplane to fly her from San Francisco to Albuquerque to vote for Mr. Malott. The vote was postponed until she arrived, and Mr. Malott was elected chairman of the ERB.

85. **UBS and its push for pension obligation bonds.** In 2004, the investment banking firm UBS began pushing the State of New Mexico to issue pension obligation bonds, with the support of the Richardson administration. Pension obligation bonds are a form of current borrowing by the State to fund its future pension obligations, and to “free up” and divert revenues from pensions to current operations. The issuance of pension obligation bonds would create major pay-to-play opportunities for investment bankers, bond underwriters, bond counsel, credit default swap peddlers, “consultants,” “advisors,” etc. Frank Foy and other members of the ERB staff vigorously opposed pension obligation bonds, which would have been very lucrative for UBS and disastrous for the State. The 2005 Legislature refused to pass the necessary legislation, but Foy’s opposition created ill will among the players and the fixers, including Contarino and Guy Riordan.

86. **The push for an ERB Investment Advisory Committee.** Shortly after the 2005 Legislature, Chairman Malott suggested the creation of an ERB investment advisory committee consisting of Guy Riordan (a prominent friend and contributor to Governor Richardson); Mark Canavan (an investment officer at the State Treasurer’s Office who purchased securities from Riordan); and John Ulrich. (All three were political contributors to Richardson. Richardson had appointed both Ulrich and Malott to the New Mexico State Board of Accountancy.) This proposal was vigorously opposed by Foy and ERB Trustees Pauline Turner and Delman Shirley. They and others considered Guy Riordan to be corrupt,

dishonest, and incompetent. Malott's proposal was not adopted. One purpose of this proposal was to place Guy Riordan in a position of influence over ERB investments, so that he could fix the award of ERB contracts.

87. **Foy was warned to be a "team player."** In June 2005, Gary Bland approached Frank Foy and said "Don't worry, I've got your back." Foy asked what Bland was talking about, and Bland explained that the fourth floor was trying to get Foy fired again. (The fourth floor is a reference to the Governor and his staff, which are located on the fourth floor in the State Capital.) Bland specifically identified David Contarino, the Governor's Chief of Staff. Bland subsequently said he thought Foy was being targeted because he wouldn't do business with Guy Riordan, and Foy wasn't being "locally friendly," or words to that effect. This meant that Foy was being targeted because he was an opponent of pay to play, and an obstacle to the players and the fixers.

88. Foy was informed that Bland and Malott had worked out a plan to send Foy to the SIC and to replace him with Bob Jacksha, who was deputy State Investment Officer at the SIC. In conversations with Foy, Malott said that he had talked to Contarino about the switch. Malott said that Foy was the scapegoat although Foy's performance numbers were better than Jacksha's. Malott also said that Guy Riordan was mad at Foy, because a number of years ago Riordan had approached Foy about doing business with the ERB, but Foy had refused. Apparently Guy Riordan may have confused Frank Foy with Frank Ready, who was the executive director of the ERB at the time. Additionally, Riordan was angry at Foy for opposing the creation of an investment advisory committee which would allowed Riordan to influence the placement of ERB investment business.

89. The next day, Malott told Foy that he had called David Contarino and explained that this might be a case of mistaken identity. Contarino told Malott that Foy

could keep his job, but that Foy had better be “a team player” in the future. This meant that Foy was supposed to do business with the players and fixers favored by the fourth floor.

90. **Second attempt to hire Wells Fargo.** In late 2005 Malott recommended that the ERB hire Montgomery Securities (a subsidiary of Wells Fargo, like Wells Capital Management) to manage the ERB’s fixed income portfolio. Foy argued against this recommendation, and Montgomery was not selected.

91. **Vanderbilt Capital Advisors.** In early 2006 Patrick Livney of Vanderbilt Capital Advisors began to call Frank Foy, and Bruce Malott began to pressure Mr. Foy and the ERB staff to buy CDO products from Vanderbilt. The Vanderbilt CDO product was not a good investment, and it did not fit in ERB’s portfolio, so Frank Foy vigorously resisted the idea. Other ERB staff and advisers also concluded that it was not a good idea, and recommended against the investment. However, Bruce Malott absolutely insisted that the ERB invest in this particular product from this particular vendor. In May 2006 the Board voted 4-2 to invest \$40,000,000 in Vanderbilt. Bland, Malott, Doug Brown and Veronica Garcia voted for the investment. The trustees selected by education retirees (Pauline Turner and Delman Shirley) voted against the investment. The trustees who voted for the investment were swayed by improper considerations. They voted for the Vanderbilt investment on instructions from Malott, Bland, Contarino, Anthony Correra, Marc Correra, and perhaps other persons such as Governor Richardson.

92. The SIC invested \$50,000,000 in Vanderbilt. This investment was also based on improper considerations, and instructions from Bland, Contarino, Anthony Correra, Marc Correra, and perhaps other persons such as Governor Richardson.

93. Vanderbilt Capital Advisors paid a \$2 million kickback to Marc Correra on the \$90 million invested in Vanderbilt Financial Trust by the SIC and ERB. The Vanderbilt

defendants are not named in this complaint, because they are already defendants in the Vanderbilt litigation.

94. In order to obtain \$90 million from the State of New Mexico, Vanderbilt and others made numerous false statements and representations about the nature of the investment and the assets which supposedly supported it. In order to obtain the \$90 million from the State of New Mexico, Vanderbilt expressly or tacitly agreed to make political contributions that would benefit Governor Richardson and his campaigns, or to provide other improper considerations that are still concealed.

95. Through these fraudulent means, Vanderbilt sold the State of New Mexico a worthless combination of liars' loans, lethal leverage, and toxic waste. The State of New Mexico lost the entire principal amount of its investment – \$90 million, plus the income it would have received from the investment.

96. The Vanderbilt investment is the subject of a separate lawsuit: *State of New Mexico ex rel. Foy v. Vanderbilt, et al.*, No. D-101-CV-2008-1895 (N.M. 1st Jud. Dist. Ct.). Bland, Malott, Meyners, and Contarino (formerly known as “John Doe #2”) are defendants in the Vanderbilt case. The plaintiffs ask the Court to take judicial notice of the pleadings and proceedings in that case.

97. **Foy's demotion.** By mid-2006 it had become quite apparent to Frank Foy that Bruce Malott was attempting to get rid of him because of his opposition to suspicious investments. As Chief Investment Officer at the ERB, Foy was an exempt employee, meaning that he could be terminated almost at will by Malott and the Richardson administration. In order to protect himself and his retirement and his ability to speak out, Foy decided, under duress, that he should seek a demotion to Deputy Chief Investment Officer, which is a non-exempt or protected position. Foy discussed this with the ERB's

executive director, Evalynne Hunemuller and she agreed to do this in order to protect him from retaliation. His demotion was effective on July 29, 2006.

98. **Aldus Equity.** In May 2006, the ERB was in the process of an RFP to hire a private equity consultant. Bruce Malott injected himself into the early stages of the selection process and began pushing to hire Aldus Equity. The SIC had already hired Aldus as SIC's private equity consultant. Foy pointed out that it was not a good idea for the ERB and the SIC to have the same investment consultants and managers, for the reasons stated above. Furthermore, none of the ERB's staff had rated Aldus Equity among the top five finalists. Nevertheless, Malott insisted that Aldus be invited as a finalist to interview with the ERB investment committee.

99. On May 25, 2006 the Investment Committee met and voted to hire Aldus Equity. The ERB staff members argued vigorously against hiring Aldus, citing its poor references, higher fees, and lack of diversification.

100. Upon information and belief, Aldus Equity committed a fraud on the State of New Mexico by paying, or promising contributions, kickbacks, or other improper considerations to third persons, in exchange for the award of these contracts. One such contribution was a \$3,000 contribution solicited by State Treasurer Robert Vigil to a fund controlled by Manny Aragon at New Mexico Highlands University. Both Robert Vigil and Manny Aragon have been convicted of political corruption charges. *See United States v. Vigil*, No. 05CR2051 JB (D.N.M.); *United States v. Martinez*, No. 07CR615 WJ (D.N.M.). Upon information and belief, Aldus also paid other improper consideration disguised as finder's fees or third-party marketing fees.

101. Many of the kickbacks on SIC and ERB business occurred in the "private equity" portfolios managed by Aldus Equity.

102. **The New Mexico - New York connection.** Aldus used New Mexico money to pay bribes and kickbacks in New York State, so that Aldus could obtain more business there. The New York State common fund is the pension fund for state employees in New York. The fund was controlled by the longtime New York State comptroller, Alan Hevesi, and his deputy David J. Loglisci. Saul Meyer and Aldus agreed to pay or arrange kickbacks to Loglisci; to Henry “Hank” Morris, a close associate of Alan Hevesi; and to Dan Hevesi, the son of Alan Hevesi. Henry “Hank” Morris received a kickback of \$150,000 from Carlyle on \$20 million of New Mexico business. Also, Quadrangle paid a kickback (of undisclosed amount) to Morris on \$20,000,000 which the SIC invested with Quadrangle. Catterton Partners paid a kickback of \$250,000 to Dan Hevesi, the son of Alan Hevesi, on a \$25 million investment by the New Mexico SIC. There was no legitimate reason to pay these New Yorkers – Hevesi and Morris – a finder’s fee on New Mexico’s business.

103. In addition, there is another kickback connection between New York and New Mexico: the movie “Chooch.” This was a low-budget movie being produced by David Loglisci’s brother. As part of the efforts to buy influence with the New York common fund, one of the Quadrangle funds agreed to pay approximately \$88,000 for the DVD distribution rights to “Chooch.” This was a thinly disguised kickback, and it was authorized by Stephen Rattner, a senior executive at Quadrangle. The movie “Chooch” was partly produced in New Mexico, and it received New Mexico film tax credits. Upon information and belief, Rattner may have played a role in arranging tax credits for “Chooch.” Upon information and belief, these New Mexico film tax credits may have been arranged by persons in the Richardson administration, including some of the defendants, as part of the illegal inducements that were being swapped and traded by various participants in the New York-New Mexico kickback

scheme. Upon information and belief, Rattner also approved the kickback paid to Morris from New Mexico's \$20,000,000 investment with Quadrangle.

104. In a recent indictment, the Attorney General of New York has identified Aldus Equity as making and arranging pay-to-play payments and kickbacks to obtain business from the Common Retirement Fund of the State of New York. *People v. Henry "Hank" Morris and David Loglisci*, Supreme Court of New York, New York County, Indictment No. 25/2009.

105. The Securities and Exchange Commission has also identified Aldus Equity as making and arranging pay-to-play payments and kickbacks for business from the New York Common Retirement Fund. *SEC v. Henry Morris, David J. Loglisci, Nosemote LLC, Pantigo Emerging LLC, and Purpose, LLC*, No. 09-CV-2518 (S.D.N.Y. Mar. 19, 2009).

106. **Austin Capital.** In August 2006, the ERB was engaged in the process of selecting finalists to manage hedge fund of funds for the ERB. One candidate was Crestline Investors, Inc., but they were eliminated when it was discovered that Crestline had paid a "commission" to Guy Riordan, allegedly as a finder's fee of some kind.

107. The ERB's outside consultant and the ERB staff recommended that the ERB should hire a maximum of four managers. However, Bruce Malott began insisting that the ERB should hire six managers, and that it should hire some of the same managers who already had contracts with the SIC. This led to heated arguments, but Malott had the votes from the Governor's faction to force the selection of six managers, four of whom already managed money for the SIC. Austin Capital was one of those selected.

108. **HFV and TAG.** On August 23, 2006, the ERB Investment Committee began two days of meetings to select hedge fund of funds managers. During the deliberations Bruce Malott began pushing the ERB to hire six hedge funds managers, even though Frank Foy and Allan Martin of NEPC had recommended that the ERB hire no more than four managers.

Mr. Foy felt that it was overkill to hire more than four managers, especially since Mr. Malott wanted to hire some of the same managers already managing hedge funds for the SIC. At the time, Mr. Foy also suspected, although he could not prove, that the selection of six managers was intended to allow room for managers who were willing to pay kickbacks. Mr. Foy and Mr. Malott got into a very heated argument about hiring six managers rather than four.

109. During the discussions Gary Bland spoke up in favor of HFV, TAG, Deutsche Bank/Topiary Trust, and Austin Capital. All four of them were awarded contracts, and all four of them paid or arranged kickbacks on ERB or SIC business. Austin Capital paid or arranged kickbacks through Alfred Jackson and Berean Capital. HFV paid kickbacks to Marc Correra through Cabrera Capital, and also through Barrett Wissman. TAG paid kickbacks to Marc Correra (among others) through Cabrera Capital. Deutsche Bank Topiary Trust also paid kickbacks through Cabrera Capital.

110. **Frank Foy's prohibition against third-party fees.** Frank Foy was adamantly opposed to the payment of finder's fees or third-party placement fees on ERB investment business, whether those fees were paid by the investment manager or the ERB itself. Foy had several good reasons for opposing third-party marketing fees, such as:

- a. Third-party fees are an open invitation to pay to play, payola, kickbacks, and political influence peddling.
- b. If the investment manager can afford to pay a third-party placement fee, it can afford to reduce its fees to the ERB by an equivalent amount.
- c. The payment of third-party fees, whether by investment manager or the ERB, reduces the amount available for investment on behalf of ERB beneficiaries.
- d. Third-party fees were unnecessary at the ERB, because the ERB used an open and competitive RFP process which was widely publicized.

- e. Anyone could compete in the RFP process without paying a fee.
- f. The ERB already paid fees to consultants who were hired to publicize the ERB's requests for investment managers, and to find investment managers smaller and less well known.
- g. Third-party fees result in the selection of less qualified investment managers, and poorer investment results.
- h. When investment managers pay kickbacks in the form of third-party fees, they have the ability to make misrepresentations with impunity, to peddle junk, and to make higher profits for themselves.
- i. Third-party fees are a breach of the strict fiduciary duties owed by the ERB and the SIC.
- j. The value, if any, of third-party placement fees is impossible to quantify.
- k. In some instances third-party fees may violate criminal and civil laws.

111. In October or November 2006 Foy finally received copies of schedules A and B from Austin Capital's contract with the SIC. Schedule B provided that an annual fee of 50 basis points (50 hundredths of one percent, or 1/2%) was paid to a firm called Berean Capital. *See* Exhibit 1, attached to the original complaint. Foy told Austin Capital that he didn't think it was right to pay a finder's fee to a company he'd never heard of, and that if Austin was to pay this type of fee, the ERB should have its fees reduced. At Foy's insistence, Austin provided a new schedule showing no third-party marketing or finder's fees being paid. However, the fee was paid to Berean on the SIC contract. On the ERB contract, Austin made kickbacks by other means, to conceal them from Foy and other honest ERB employees.

112. Foy subsequently learned that Berean Capital was a brokerage firm in Chicago. The firm and its founder and president, Mr. Dudley Brown, had been fined \$250,000 by the SEC for making improper campaign contributions in the State of Illinois, including to Governor Rod Blagojevich.

113. Austin Capital, ACM-GP and KeyCorp committed fraud on the State of New Mexico by paying kickbacks or other illegal inducements, or promising to pay such illegal inducements, to Berean Capital and Dudley Brown in order to obtain contracts to manage hedge fund of funds for the SIC and/or the ERB.

114. Berean Capital and Dudley Brown committed fraud on the State of New Mexico by providing nothing of any substantial value to the State in return for the fees paid to Berean. Upon information and belief, Berean and Dudley Brown engaged in some sort of political bartering, see below, rather than providing legitimate and valuable services as regards the Austin investment.

115. **Deutsche Bank.** In August 2006, ERB was in the process of selecting hedge fund of funds managers for a \$400 million portfolio. During the selection process, Malott again insisted that the ERB hire six managers rather than four, contrary to the recommendations of the ERB staff and outside adviser. Deutsche Bank was one of the six firms that were ultimately hired.

116. On November 21, 2006 Foy participated in a telephone conference call with Deutsche Bank staff to discuss the final documents for the Topiary Trust, the hedge fund of funds managed by Deutsche Bank. During a telephone call, Foy noticed that schedule B in the documentation called for a finder's fee to be paid by Deutsche Bank to Cabrera Capital. Cabrera Capital is a broker dealer based in Chicago (with an office in Santa Fe). The fee was 50 basis points, or one half of 1%, per annum. Foy told the Deutsche Bank people that this

finder's fee was "a deal killer." Foy's position was that a public request for proposals had been sent out, and that Deutsche Bank should and could have responded to the RFP without going through a third party. Foy told Deutsche Bank people to get rid of the finder's fee or he would recommend that ERB not sign the documents.

117. On November 22 Foy had another conference call with the people from Deutsche Bank, who informed him that the Deutsche Bank lawyers were insisting that the third party marketing fee would have to remain in schedule B. Deutsche Bank also pressed to close the deal and have the money wired to it by November 30. Foy did not agree. He suggested that they talk again on November 27, the Monday after Thanksgiving.

118. On November 27, Foy received a phone call from an executive at Deutsche Bank. The executive told Foy that Deutsche Bank did engage Cabrera Capital and that Deutsche Bank was going to pay the fee as set forth in schedule B. Foy responded by saying "I do not want any of my fees going to a third-party marketer."

119. On November 29, Foy had several conversations concerning the Cabrera Capital finder's fee. Foy refused to wire the money to Deutsche Bank for the November 30 closing.

120. In early December, Foy was informed that Deutsche Bank agreed to drop the finder's fee to Cabrera Capital. After checking with Evalynne Hunemuller, Foy agreed to wire the funds to Deutsche Bank in early January, 2007. However, unbeknownst to Foy, Deutsche Bank paid kickbacks by other means, without disclosing this to Foy.

121. **Firing Evalynne Hunemuller.** On December 7, 2006, the ERB held a retreat at the Los Poblanos estate in Albuquerque. At the end of the meeting, Malott asked Hunemuller to come into the kitchen, where he demanded her immediate resignation prior to the next day's board meeting. Malott said that she was being fired because she had arranged

the retreat without consulting him on the agenda. (This reason was a pretext for the real reason, which Malott disclosed the next day.) Prior to demanding her immediate resignation, Malott had not consulted with the entire board, although he had secretly conferred with the Governor's supporters on the ERB board to make sure that he had enough votes.

122. At the beginning of the board meeting on December 8, Dr. Hunemuller submitted her resignation as demanded by Malott, since she had no choice in the matter. After the board meeting, Malott told Dr. Hunemuller that the real reason she was fired was because she would not fire Frank Foy. When Dr. Hunemuller observed that Mr. Foy did have a tendency to speak out, Mr. Malott completely lost his temper.

123. **Exporting graft from the SIC to the ERB.** After Foy's demotion and Hunnemuller's firing, it became easier for Bland, Malott, Contarino, and the Carreras to carry out fraudulent schemes at the ERB, in conspiracy with the other defendants. In January 2007, Bob Jacksha was appointed Chief Investment Officer at the ERB, thus completing the plan which had been hatched in 2005 to replace Foy with Jacksha. At the SIC, Jacksha had been instrumental in carrying out the pay-to-play schemes, because he was in charge of the portfolios for private equity – national ("PEN") and credit structured finance ("CSF"). Once Jacksha was transferred from the SIC to the ERB in early 2007, he was able to implement the same corrupt practices at the ERB, in conspiracy with Bland, Malott, Contarino, the Carreras, and the other defendants, especially Aldus Equity. By this time Foy had been effectively sidelined and marginalized, so the defendants now had a free hand to use the ERB as a slush fund, as demonstrated by the explosion in third-party fees that occurred in 2007 and 2008.

124. **Selecting Wells Fargo.** In August 2007 Malott again pushed to hire Wells Capital Management, this time to manage part of the ERB's small-cap growth portfolio. Malott manipulated the evaluation and scoring process to ensure that Wells was hired. Foy protested the selection, saying that it smacked of "pay to play" and "payola." He documented his concerns in memos to the file dated August 29 and September 6, 2007. Although some ERB senior staffers agreed that the Wells selection was irregular, they were unwilling to stand up to Malott. Malott subsequently sent Foy an e-mail threatening him for complaining about pay to play. Foy gave copies of his memos to Robert Shulman, the ERB's attorney.

125. **Psilos.** Psilos Group is a venture capital firm specializing in healthcare industries. The ERB invested \$10 million with Psilos; and the SIC invested \$15 million. Foy subsequently discovered that Psilos employees and family members contributed more than \$125,000 to Richardson's campaigns or DNC Services Corp., an arm of the Democratic National Committee. These contributions were thinly disguised kickbacks. Upon information and belief, Psilos also paid or arranged kickbacks through Diamond Edge Capital and Marvin Rosen. Diamond Edge and Mr. Rosen have close connections with pension officials in New York. Governor Richardson appointed Dr. Albert Waxman of Psilos as a health commissioner for New Mexico. Darlene Collins of Psilos manages their office in Santa Fe and assisted Richardson's campaign.

126. **Fraudulent Concealment.** Often the illegal inducements were disguised as political or charitable contributions. In most instances, the defendants were careful to conceal their real intentions and agreements, so as to maintain deniability if the "contributions" or "fees" were challenged. Underneath the concealments and denials, there was an agreement or understanding, either express or tacit, that the SIC and ERB would

make investments or award investment contracts to persons who were willing to make kickbacks, bribes or other illegal and fraudulent inducements. On other occasions, the illegal inducements were disguised as finder's fees or third-party marketing fees. On some occasions, the defendants falsely stated that there were no third party fees on the investments.

127. **Bartering political contributions and favors.** In some instances, players and fixers engage in a system of political barter, in which they trade political contributions, political favors, and illegal inducements. Sometimes barterers are arranged to avoid legal limits on political contributions. Sometimes barterers are arranged to conceal kickbacks or illegal inducements, by paying them to third parties so that they become co-mingled and more difficult to trace. For example, at the request of State Treasurer Robert Vigil, Saul Meyer of Aldus Equity contributed to the President's fund at New Mexico Highlands University, whose president at the time was Manny Aragon. In return, Aldus gained favor with Manny Aragon, a powerful political figure, and with Robert Vigil, who sat on the ERB and the SIC. Vigil and Aragon bartered favors with others, including people in the Richardson campaigns and the Richardson administration, but the exact nature of these barter arrangements is not known at this time.

128. As part of their efforts to conceal or disguise the fraudulent inducements which they offered to obtain business from the State of New Mexico, the players were sophisticated enough, or experienced enough, to realize that they should not make payments or kickbacks at the same time as the contracts were awarded, because this creates stronger evidence of a *quid pro quo*. Instead, in many instances the players and the fixers arranged to have the kickbacks and inducements paid in advance of the contract award, or after the contract award, or both. In other words, the players and the fixers tended to favor payments in advance, or payments in arrears, or both, rather than payment C.O.D. – “cash on delivery.”

129. As part of their efforts to disguise and conceal the fraudulent inducements, the players and the fixers tended to avoid expressing their agreements in writing, like contracts, letters, or e-mails.

130. As part of their efforts to conceal and disguise the fraudulent inducements, the players and the fixers also tended to avoid expressing their agreements verbally, even in private, for fear of wiretaps or hidden tape recorders. For example, Gary Bland expressed fear that the FBI was listening to his conversations.

131. The players and the fixers also tended to avoid expressing their agreements clearly, even in private, for fear that some of the other participants or witnesses to the conversation might be honest.

132. The players and the fixers also tended to avoid expressing their agreements clearly, even in private, for fear that some of the other participants or witnesses to the conversation might be “turned” by law enforcement authorities, so that they might testify against the other participants.

133. Additional information about the kickbacks is shown on Exhibits 1 and 2, attached and incorporated as part of this complaint. These are listings of “third-party fees” prepared by the SIC and the ERB. These exhibits are admittedly incomplete; there are many additional kickbacks which have not yet been uncovered or disclosed.

134. But for these illegal and fraudulent inducements, the investments set forth above would not have been made.

135. **Rewarding Malott and Meyners.** Malott’s actions were intended to gain business and political favor for himself and Meyners, as part of Meyners’ efforts to develop its accounting business. Malott’s actions were a deliberate breach of the strict fiduciary duties which he owed to the ERB and ERB retirees. Malott’s actions were not within the scope of

his duties as an ERB board member. His duties at the ERB do not include raising political contributions or developing business for his CPA firm.

136. The Richardson administration rewarded Malott and Meyners + Co. for carrying out the pay-to-play instructions that were given by Contarino, Bland and perhaps others. Prior to the Richardson administration, Meyners received a relatively small amount of accounting work for the State of New Mexico: approximately \$274,000 in the five years prior to 2003. Once the Richardson administration took office, it drastically increased the amount of public money awarded to Meyners for accounting work. According to recently published figures, which may be incomplete, Meyners' contracts have increased dramatically:

Fiscal year 03	\$ 131,585
Fiscal year 04	\$ 403,966
Fiscal year 05	\$ 1,091,515
Fiscal year 06	\$ 1,751,378
Fiscal year 07	\$ 2,086,011
Fiscal year 08	\$ 2,327,997

137. Upon information and belief, one purpose of these contracts was to reward Malott and Meyners for helping to arrange pay-to-play schemes, including (but not limited to) the schemes described in this complaint and in *State ex rel. Foy v. Vanderbilt*. Upon information and belief, another purpose of these contracts was to reward Malott, Meyners, and Meyners' employees for their political contributions and services to Richardson.

138. **Rewarding Doug Brown.** In February 2009, Doug Brown was appointed Dean of the Business School at the University of New Mexico, although he did not apply for the position. The appointment was made in secret, by a committee which signed confidentiality agreements. One purpose of this appointment, although not the only purpose, was to reward Mr. Brown for supporting the selection of the investment managers favored by Contarino, Bland, and Malott.

139. **Rewarding Marc and Anthony Correra.** As a reward for his services to Governor Richardson, Marc Correra was included in the syndicate that was awarded the lucrative franchise for a racetrack/casino (“racino”) in Raton, New Mexico, near the Colorado border. Upon information and belief, Governor Richardson insisted or suggested that Marc Correra be included in a syndicate bidding on the franchise, and then Governor Richardson instructed the State Racing Commission to award the franchise to Correra’s syndicate. Upon information and belief, Governor Richardson has used this method in the past to reward his supporters and contributors, by suggesting or insisting that they be included in a syndicate which is then awarded a racino franchise. For example, upon information and belief Governor Richardson insisted or suggested that Paul Blanchard be included in a syndicate that was competing for the racino franchise in Hobbs, New Mexico, near the Texas border. Upon information and belief Governor Richardson then instructed the State Racing Commission to award the franchise to Mr. Blanchard’s syndicate. Upon information and belief, Governor Richardson also suggested or insisted that Paul Blanchard be included in a syndicate for the proposed racino in Tucumcari, New Mexico, near the Texas border. However, upon information and belief, Mr. Blanchard was unable to negotiate satisfactory terms for his inclusion in the Tucumcari syndicate, and this is one reason why the Governor awarded the franchise to the Raton syndicate (and Correra) rather than to Tucumcari.

140. Upon information and belief, after the news media began to report on Marc and Anthony Correra, the Governor instructed the State Racing Commission to delay or deny the final award of the Raton franchise to Marc Correra’s syndicate. Upon information and belief, these instructions are part of the efforts by the Richardson administration to cover up the corruption involving Marc Correra and Anthony Correra.

141. MAFF. Anthony Herrera served as a trustee of the purported charitable foundation called Moving America Forward Foundation (“MAFF”) upon information and belief, MAFF was a sham; its main purposes were to serve as a vehicle for kickbacks to Richardson, and to make those kickbacks tax deductible in the process. Upon information and belief, MAFF records will reveal contributions by some of the defendants named herein.

142. Kickbacks were also made through, *inter alia*, Moving America Forward PAC; Si Se Puede 2004! the Democratic Governors’ Association; and Richardson’s gubernatorial and presidential campaigns.

IV. FALSE OR FRAUDULENT CLAIMS AND ACTIONS BY THE AUSTIN CAPITAL AND TREMONT DEFENDANTS.

143. In order to obtain funds from the State of New Mexico, and to obtain fees and other compensation from the State, the Austin and Tremont defendants made, or caused to be made, numerous false and misleading or fraudulent statements about themselves and the proposed investment by the State, including but not limited to the following:

–1 That the State of New Mexico hedge fund of funds managed by Austin and Tremont would be a genuine hedge, that is, investment funds that would provide protection against a market downturn, and a positive rate of return even in down markets.

–2 That the hedge funds would provide an “absolute return.”

–3 That the hedge funds would have a positive return even when markets declined.

–4 That the hedge funds would hedge or protect against loss if markets declined.

–5 That the value of the funds would remain stable or positive in periods of market declines.

–6 That Austin and Tremont would protect the State against decreases in the value of its investments.

–7 That if the markets declined, the hedge mechanisms used by Austin and Tremont would offset the decline by increasing in value, so that the value of the invested funds would grow or remain stable even in severe declining markets.

–8 That Austin, as a selector and manager of other hedge funds, had special diligence and expertise that would protect the State of New Mexico's investment and provide returns superior to the returns that the state of New Mexico would obtain investing directly in hedge funds.

–9 That Austin management would provide additional safety through superior diversification, by spreading the money among several hedge funds, and through superior due diligence.

–10 That Austin was in compliance with all procurement and contracting requirements and guidelines of the ERB, including the no pay-to-play rules.

–11 That Austin was not paying any bribes, kickbacks or other illegal inducements.

–12 That Austin and Tremont were not paying any fees or commissions to third parties, except for fees and commissions for bona fide valuable services.

–13 That Austin and Tremont exercised extensive due diligence in selecting hedge fund managers, and in continuously monitoring their investments.

–14 That Austin selected hedge fund managers, including Tremont, who were prudent, capable, and honest.

–15 That Austin and Tremont would act as fiduciaries for the State of New Mexico, the ERB, and the SIC.

–16 That Austin and Tremont had special expertise and proprietary technical knowledge which it would use to protect the State of New Mexico’s investment.

–17 That Austin’s risk management was applied to both the strategy and the manager level by their risk budget and was a critical component of the portfolio construction process.

–18 That Austin’s mix of complementary managers produces a stable long-term investment return stream and an attractive risk/return profile.

–19 That Austin possessed the skills of a seasoned investment professional with 5 to 15 years of actual hedge fund investing experience, including, without limitation, experience with the selection and monitoring of managers of underlying hedge fund investments who employ a variety of advanced derivatives and hedging investment strategies and techniques.

–20 That Austin would carry out its fiduciary obligations as an investment advisor under New Mexico and federal law.

–21 That in addition Austin would at all times exercise at least that degree of care and competence as would a seasoned investment professional with 5 to 15 years of actual hedge fund investing experience, including, without limitation, experience in the selection and monitoring of managers of underlying hedge fund investments, employing a variety of advanced derivatives and hedging investment strategies and techniques.

–22 That Austin has not and will not pay any commission, sales load, or other fee in connection with the investment.

–23 That neither the fund nor Austin had or would provide any money, gifts, or other benefit to any elected or appointed office holder, or any official or employee, of the State of New Mexico in connection with the ERB investment.

–24 That Austin would exercise an exceptional level of due diligence.

–25 That Austin would exercise due diligence in accordance with “Austin Capital Management’s due diligence work program” and “ACM’s operational due diligence procedure.”

–26 That Austin would visit each manager no less than annually after the initial on-site due diligence visit.

–27 That in addition to the 10-step due diligence program, Austin Capital Management would perform ongoing monitoring in a similar conceptual framework to the initial due diligence process. Regular on-site visits and phone calls to monitor fund stability would be carried out annually.

–28 That Austin would use feeder funds only when the funds provided additional value through additional due diligence and provision of liquidity.

–29 That Austin would not rely on the due diligence of the managers or feeder funds it selected, but would provide its own due diligence.

–30 That Austin Capital Safe Harbor Fund would achieve superior investment returns with less volatility and risk than conventional balance portfolios of equities and fixed income securities.

–31 That the Safe Harbor Fund would generate equity-like returns as a low volatility alternative to investing in common stocks.

–32 That Austin Capital would select the brightest and best hedge fund managers.

–33 That the Safe Harbor Fund would consistently generate superior, long-term investment results with relatively low volatility regardless of bond or stock market conditions.

–34 That the money managers selected by Austin and Tremont were more likely to meet investment objectives than traditional money managers.

–35 That the Safe Harbor Fund would provide professional selection and monitoring of hedge fund managers by Austin.

–36 That the hedge fund managers selected by Austin would invest the majority of their own investment capital in the same pool of funds that they invest for their investors.

–37 That the hedge fund managers selected by Austin would be knowledgeable, focused and dedicated with a clearly defined investment strategy.

–38 That Austin would select only managers who run a “good shop,” who are well organized, and who employ highly competent individuals in all key positions.

–39 That the Safe Harbor Fund would select hedge fund managers who were audited by well-known reputable certified public accounting firms that were well respected in the investment community, with an outstanding reputation that can be verified by reference checks.

–40 That the Safe Harbor Fund would use hedge fund managers who provide recent financial statements which were audited with clean opinions by well-known reputable CPA firms.

–41 That Austin would deliver audited financial statements of each fund prepared in accordance with generally accepted accounting principles.

144. The Tremont and Austin defendants touted the “split strike conversion” strategy that was supposedly used by the Madoff funds. This strategy generally consists of the purchase of a basket of US large-cap stocks; the purchase of equity index put options; and the sale of equity index call options. They falsely asserted that Madoff was successfully following a split strike conversion strategy that created a hedge to market timing strategy that profited from short periods of growth in US equities while limiting the declines in the funds. They falsely claimed that the Madoff strategy provided safe, steady, and secure performance in hostile markets. They emphasized that the Madoff strategy generated much better returns than the Standard & Poor’s 500 Index in the very worst months for the stock markets. They falsely stated that the Madoff strategy produced long-term capital appreciation and positive returns irrespective of stock market volatility or direction.

145. All of these claims, promises, representations, and statements were false. All of them were knowingly made by the defendants.

146. If the defendants had told the truth to the State of New Mexico, as they were required to do, the ERB and the SIC would not have awarded contracts to Austin.

147. Although the Austin and Tremont defendants were fiduciaries to the State and had a duty to act prudently with respect to any investment, they failed to adequately investigate, conduct a complete and proper due diligence, and evaluate the evidence that any investment in Madoff-related securities would be risky, imprudent and inappropriate. If the Austin and Tremont defendants had exercised the due diligence they falsely represented to the State, none of the State’s money would have been invested in Madoff or Madoff feeder funds.

148. Austin and Tremont failed to carry out their promises and representations to the State about their due diligence and expertise. In particular, Austin and Tremont failed to

discover or properly evaluate numerous red flags and warning signs about Madoff and Tremont, including but not limited to:

–1 A 1992 lawsuit by the SEC against two accountants associated with Madoff, Frank Avellino and Michael Bienes.

–2 Warnings in 1999 by Harry Markopolos, a derivatives expert with experience managing the “split-strike conversion” strategy supposedly used by Madoff. Mr. Markopolos sent a letter to the SEC describing how Madoff could not have generated the returns he reported using the split-strike conversion strategy.

–3 An article entitled “Madoff Tops Charts; Skeptics Ask How,” which appeared in May 2001 in MAR/Hedge, a newsletter on the hedge fund industry.

–4 An article in the May 27, 2001 issue of Barron’s, entitled “Don’t Ask – Don’t Tell: Bernie Madoff is so secretive, he even asks his investors to keep mum.”

–5 More warning by Mr. Markopolos in November 2005, entitled “The World’s Largest Hedge Fund is a Fraud,” explaining in detail why Madoff’s claimed returns could not be real.

–6 A 2007 recommendation from hedge fund investment adviser Aksia LLC, urging its clients not to invest in Madoff feeder funds, after performing due diligence on Madoff.

–7 The suspiciously high returns reported by Madoff year after year.

–8 The suspiciously smooth and steady returns reported by Madoff, year after year, regardless of market fluctuations.

–9 The fact that Madoff’s financial statements were “audited” by a virtually unknown 3-person accounting firm.

149. In reality, the Tremont and Madoff funds were not following a split strike strategy at all. The Madoff funds fabricated trades and transaction slips for nonexistent transactions, but in actuality the Madoff funds executed very few if any trades. Instead, they accumulated money in a classic Ponzi scheme, and used new money to pay off redemptions. Most of the activity and income reported by Madoff was entirely fictitious, as any diligent inquiry would have revealed. However, the Austin and Tremont defendants had a financial incentive not to scrutinize the Madoff funds, because the Madoff funds were lucrative for Austin and Tremont.

V. FALSE OR FRAUDULENT CLAIMS AND ACTIONS BY THE OTHER DEFENDANTS.

150. All of the defendants conspired to defraud the State of New Mexico by obtaining money from the State by fraudulent means, including but not limited to, kickbacks and bribery.

151. All of the defendants made false, misleading or fraudulent statements in order to obtain money from the State, including making misrepresentations about the products and services they were offering to the State, and fraudulently concealing the kickbacks and bribes they were offering to obtain State business. *Inter alia*, the misrepresentations are set forth in documents and records which the ERB and the SIC have refused to produce, as set forth below.

152. All of the defendants defrauded, misled, and deceived the State by falsely describing the kickbacks and bribes as finder's fees or third party marketing fees, or commissions.

153. All of the defendants used fraudulent means to defraud the State by receiving, paying, or arranging payments, that is bribes and kickbacks, to persons who provided no bona fide services to the State.

154. All of the defendants defrauded, misled, and deceived the State by providing defective investment products or services, knowing that the products or services were defective and not as they represented or claimed.

VI. RETALIATION, STONEWALLING, AND OBSTRUCTING RECOVERIES FOR THE STATE.

155. Over the years of the Richardson administration, it became apparent to Frank Foy and the professional staff of ERB and the independent trustees of ERB that in some instances the decisions of the ERB and the SIC and the State Board of Finance were being tainted by political considerations and contributions. Frank Foy was particularly outspoken in his attempts to prevent this from happening. He insisted on enforcing the ERB prohibition on political contributions by vendors and advisors.

156. As a result, Bruce Malott and David Contarino and perhaps others wanted to get rid of Mr. Foy, and they looked for excuses, pretexts, and opportunities to do so. As Chief Investment Officer, Mr. Foy was an exempt employee who could be terminated without cause, and without civil service protections. Because it was clear that he was being targeted for elimination, Mr. Foy was forced to protect himself by taking a demotion to Deputy Chief Investment Officer, a classified position. He arranged this with the ERB's Executive Director, Evalynne Hunemuller.

157. **Retaliation.** In December 2007, Frank Foy was falsely accused of "sexual harassment" and "hostile work environment." These accusations were plainly pretextual and clearly contrived to force Mr. Foy to retire. He was demoted from Deputy Investment

Officer to Portfolio Manager. He was ordered to move his office from Albuquerque, a few minutes from his home, to Santa Fe, so that he was forced to commute hours each day without being reimbursed for mileage. In Santa Fe he was given very little to do, and no office. In March 2008, Mr. Foy was instructed that he could no longer attend meetings of the ERB Board or the ERB Investment Committee. Ultimately these retaliatory actions forced Mr. Foy to retire.

158. All these actions were taken because Mr. Foy stood as an obstacle to “pay to play.” Malott and others retaliated against Mr. Foy because he had vigorously resisted investments that were based on improper and illegal considerations, such as bribes, kickbacks, and other illegal inducements. As a fiduciary for the ERB, Mr. Foy always insisted that the ERB and other agencies act solely in the best interests of the fund beneficiaries and the State, rather than the interests of Contarino, Bland, Malott, Meyners, or Richardson.

159. During his employment at the ERB, Mr. Foy investigated whether there were any existing procedures for reporting false claims. He discovered there were no such procedures in existence. Furthermore, even if there had been such procedures, it would have been futile to follow them, because the wrongdoers were thoroughly in control of the ERB, as demonstrated by the retaliation against Foy and the firing of Dr. Hunemuller. Nevertheless, out of a stubborn sense of duty, Foy did speak up repeatedly, and he was punished for doing so.

160. The foregoing actions were violations of § 44-9-11 (A), (B), and (C), which prohibit retaliation against employees who investigate violations of the Fraud Against Taxpayers Act, or report them to government or law enforcement agencies, as Mr. Foy did.

161. Mr. Foy filed the *Vanderbilt* complaint on July 14, 2008. Pursuant to statute it was filed under seal. Mr. Foy sought and obtained a court order allowing him to provide the complaint and other materials to the SEC and other law enforcement authorities. The Attorney General's office declined to intervene in the case, because the Attorney General does not have enough resources or staff to prosecute complex *qui tam* cases. The Attorney General has one attorney who is handling more than 90 *qui tam* cases, in addition to cases in other areas. However, the Attorney General did agree that it was in the best interests of the State to unseal the case and allowed it to proceed with Mr. Foy acting on behalf of the State.

162. The *Vanderbilt* complaint was unsealed on January 14, 2009, with the exception of Exhibit A (the identity of John Doe #2), which was unsealed on February 3, 2009. Bland, Malott, Meyners, and Contarino joined with the ERB and the SIC in attacking Mr. Foy both publicly and behind the scenes. *Inter alia* they have called him "sexual predator," "a disgruntled former employee," "a boldface [sic] liar," and accused him of engaging in a "McCarthy-style political witchhunt."

163. **Conflict of interest.** Mr. Bland and Mr. Malott continued to serve as ERB trustees, and refused to recuse themselves from participation in the *Vanderbilt* matter, despite the plain conflict of interest between their personal interests and the best interests of the ERB. Because Bland and Malott are implicated in behavior which may subject them to civil and/or criminal liability, Mr. Bland and Mr. Malott have a personal interest in obstructing the *Vanderbilt* lawsuit, and this lawsuit as well. On the other hand, these lawsuits are in the best interests of the State, no matter who was involved in the wrongdoing, because the State stands to recover the money it lost.

164. The same conflicts of interest apply to the SIC, but Mr. Bland has refused to recuse himself, and the SIC has refused to cooperate with Mr. Foy in recovering the money which the SIC lost to Vanderbilt.

165. There are many honest employees at the ERB and the SIC, and these employees have tried to do the right thing and carry out their fiduciary responsibilities under the most adverse circumstances. However, the ERB and the SIC have been, and continue to be, under the corrupt control and adverse domination of Gary Bland, Bruce Malott, David Contarino and Governor Richardson. Governor Richardson exercises *de facto* control over the SIC and the ERB, even though these agencies are supposed to be under the independent control of disinterested fiduciaries. Governor Richardson, Mr. Bland, Mr. Malott, and Mr. Contarino continue to exercise their direct or indirect control over the ERB and the SIC to try to insulate themselves from civil and/or criminal liability, rather than to recover funds for the ERB and the SIC, because any effort to recover funds will uncover corruption which they wish to cover up. Thus the ERB and the SIC cannot be trusted to act in the best interests of the State of New Mexico. The same is true of any state agency which is controlled directly or indirectly by Governor Richardson.

166. **Ongoing breaches of fiduciary duties.** These actions constitutes a breach of the fiduciary duties which Malott, Bland, the ERB, and the SIC owe to the State of New Mexico and to the beneficiaries of the ERB and the SIC. Upon information and belief, these breaches of fiduciary duty have been caused by improper influence from Contarino, Bland, Malott, persons in the Governor's office, and attorneys who have been hired to resist the Foy lawsuits.

167. **Stonewalling.** As a result of these improper influences, the ERB and the SIC have even refused to produce public documents as required by the Inspection of Public

Records Act. *See* IPRA requests attached as Exhibit 2 to the original complaint. Upon information and belief, the ERB and the SIC are acting on instructions from the Governor's office, which reviews all IPRA requests to state agencies. In addition, the Richardson administration is delaying the production of public records concerning "Chooch" and the tax credits it received from the State of New Mexico.

168. As a result of these improper influences, the ERB and the SIC have also refused to comply with subpoenas served on them in the *Vanderbilt* case. *See* Exhibit 3, attached to the original complaint.

169. Bland, Malott, Contarino, the Governor's office, and the ERB and the SIC are refusing to provide evidence pertinent to the *Vanderbilt* lawsuit, because that evidence would tend to corroborate the allegations in that lawsuit, and because the evidence might subject them to civil or criminal liability.

170. Bland, Malott, Contarino, the Governor's office, and the ERB and the SIC are refusing to provide evidence pertinent to the other pay-to-play situations described above, because that evidence would tend to corroborate the allegations in this lawsuit, and because the evidence might subject them to civil or criminal liability.

171. Unless this conduct is enjoined by the Court, the ERB, the SIC and other state agencies will continue to act in the personal interests of the persons named above, and against the best interests of the State of New Mexico, and in violation of the strict fiduciary duties imposed on the SIC and ERB.

172. Upon information and belief, Bland, Malott, Contarino and others are intimidating witnesses and attempting to suppress or spoliation of evidence pertinent to the *Vanderbilt* case, this case, and other cases. Although there are many honest employees at the

ERB and the SIC, they have been intimidated into silence by Bland, Malott, Contarino and the Richardson administration.

173. This lawsuit at present only seeks relief against the defendants identified in the caption of this case. However, plaintiffs may amend this complaint, or file separate complaints, to seek relief against other defendants, or for other instances of pay to play which have not yet been discovered.

174. All of the defendants paid or arranged or received kickbacks on investment business from the State of New Mexico.

175. All of the defendants engaged in fraudulent conduct toward the State of New Mexico insofar as they violated the fiduciary duties which they owed to the State.

VII. DAMAGES SUFFERED BY THE STATE OF NEW MEXICO.

176. The State of New Mexico has suffered substantial damages as a result of the false claims and fraudulent conduct of the defendants. The exact amount of damages cannot be ascertained at this time, for several reasons. First, the defendants are refusing to produce relevant documentation, including public records, relating to the Austin Capital Investment. Second, the defendants are minimizing or delaying the release of accurate information and valuations for the Austin Capital investments. Third, the SIC and the ERB are concealing or downplaying the true extent of their losses overall, and in specific investments, such as Austin Capital. Fourth, there is no market for many of the assets in the Austin portfolio, or only a distressed and illiquid market. Fifth, the losses from the Bernard Madoff Ponzi scheme are not yet known. However it is likely that the State of New Mexico will lose substantially all of the money which Austin Capital and its managers invested in the Madoff enterprises.

177. The ERB has reported that its maximum exposure to Madoff is \$9.75 million. The SIC has not reported its maximum exposure to Madoff.

178. In addition to the Madoff losses, the State of New Mexico has suffered substantial losses on other portions of the Austin investment, as a result of the false claims and fraudulent conduct of the defendants. However, the amount of these losses cannot be quantified or estimated at this time, for the reasons stated above.

179. The damages suffered by the State of New Mexico include, but are not limited to, the fees and other compensation charged the defendants. For example, the fund managers selected by Austin typically charged an annual fee ranging from 1 to 2% of net assets under management, plus 20 to 25% of net profits. Tremont typically charged its own fee of 1.75% per annum, and/or a share of the appreciation in the fund, even though the appreciation was fictitious. In addition, Austin charged another layer of fees for itself and its investment supervisory services. Austin charged 1.5% per annum on the net asset value in most of its funds. In two of its funds, Austin charged one percent per annum +10% of per annum capital appreciation of the fund's net asset value. In addition, the State of New Mexico was charged for direct expenses, including but not limited to organizational expenses, investment expenses and charges, and legal and accounting fees. All of these fees, compensation and expenses should be disgorged and returned to the State of New Mexico.

180. The damages suffered by the State of New Mexico also include, but are not limited to, the kickbacks on the investments by the State of New Mexico. All of these "fees," "finder's fees," "third-party marketing fees," "placement fees," no matter what they are called, should be disgorged and returned to the State of New Mexico.

VIII. COUNTS

COUNT 1 – AUSTIN CAPITAL

In connection with the State of New Mexico's investment of funds with Austin Capital, the following defendants violated the Fraud Against Taxpayers Act: Austin Capital

Management, Ltd.; Alfred Jackson; Berean Capital, Inc.; Deutsche Bank; Charles (Chuck) W. Riley; Brent A. Martin; David Friedman; Jason Rottinger; Austin Capital Management GP Corp.; Victory Capital Management, Inc.; KeyCorp; Tremont Partners; Tremont Capital Management, Inc.; Tremont Group Holdings, Inc.; Oppenheimer Funds, Inc.; Dudley Brown.

COUNT 2 – ALDUS EQUITY

In connection with the State of New Mexico’s investments as recommended by Aldus Equity, the following defendants violated the Fraud Against Taxpayers Act: Anthony Correra; Marc Correra; Aldus Equity, Saul Meyer, Marcellus Taylor; Matthew O’Reilly; Richard Ellman; Deutsche Bank.

COUNT 3 – DEUTSCHE BANK/TOPIARY TRUST

In connection with the State of New Mexico’s investments with Deutsche Bank/Topiary Trust, the following defendants violated the Fraud Against Taxpayers Act: Deutsche Bank/Topiary Trust; Cabrera Capital; Martin Cabrera; DB Investment Managers.

COUNT 4 – MEYNER + CO.

Through the acts of Bruce Malott, and also through the acts of others at Meyners, Meyners + Co. violated the Fraud Against Taxpayers Act in connection with the ERB investments which are set forth in the body of this complaint, and in connection with every ERB investment on which a finder’s fee was paid.

COUNT 5 – HFV, TAG, BARRETT WISSMAN

In connection with the State of New Mexico’s investments with HFV, TAG, or Barrett Wissman, the following defendants violated the Fraud Against Taxpayers Act: Anthony Correra; Marc Correra; HFV; TAG; Barrett Wissman; Cabrera Capital; Martin Cabrera.

COUNT 6 – PSILOS

In connection with the State of New Mexico’s investments with Psilos group, the following defendants violated the Fraud Against Taxpayers Act: Psilos; Albert Waxman, Jeffrey Krauss; Stephen Krupa; David Eichler and Darlene Collins.

COUNT 7 – QUADRANGLE

In connection with the State of New Mexico’s investments with Quadrangle, the following defendants violated the Fraud Against Taxpayers Act: Henry “Hank” Morris; Quadrangle Group.

COUNT 8 – CARLYLE

In connection with the State of New Mexico’s investment with Carlyle, the following defendants violated the Fraud Against Taxpayers Act: Henry “Hank” Morris; Carlyle Mezzanine Partners; the Carlyle Group.

COUNT 9 – MARC CORRERA, ANTHONY CORRERA, AJAX, ETC.,

In connection with numerous investments by the State of New Mexico shown on Exhibit 1 and 2, the following defendants violated the Fraud Against Taxpayers Act: Marc Correra; Anthony Correra; Ajax Investments; Paul Cross; Crosscore Management; SDN Investments; Sandia Asset Management. These defendants violated the Fraud Against Taxpayers Act in connection with every investment which references them on Exhibits 1 and 2.

COUNT 10 – ALFRED JACKSON

In connection with numerous investments by the State of New Mexico shown on Exhibit 1 and 2, the following defendants violated the Fraud Against Taxpayers Act: Alfred Jackson; Davis Hamilton & Jackson.

COUNT 11 – JULIO RAMIREZ

In connection with numerous investments by the State of New Mexico shown on Exhibit 1 and 2, the following defendants violated the Fraud Against Taxpayers Act: Anthony Herrera; Marc Herrera; Julio Ramirez; the Wetherly defendants; and the Park Hill defendants.

COUNT 12 – GUY RIORDAN, CRESTLINE, KOTECKI

In connection with State of New Mexico’s Investments in Crestline, the following defendants violated the Fraud Against Taxpayers Act: Anthony Herrera; Marc Herrera; Guy Riordan; Eileen Kotecki; Crestline; Juniper Capital.

COUNT 13 – BEREAN CAPITAL

In connection with numerous investments by the State of New Mexico shown on Exhibit 1 and 2, the following defendants violated the Fraud Against Taxpayers Act: Alfred Jackson; Berean Capital; Dudley Brown.

COUNT 14 – CABRERA CAPITAL

In connection with numerous investments by the State of New Mexico shown on Exhibit 1 and 2, the following defendants violated the Fraud Against Taxpayers Act: Anthony Herrera; Marc Herrera; Cabrera Capital; Martin Cabrera.

COUNT 15 – WETHERLY CAPITAL GROUP

In connection with numerous investments by the State of New Mexico shown on Exhibit 1 and 2, the following defendants violated the Fraud Against Taxpayers Act: Anthony Herrera; Marc Herrera; Wetherly Capital Group; Dan Weinstein; Vickey Schiff; Julio Ramirez.

COUNT 16 – PARK HILL GROUP, DAN PENDERGAST

In connection with numerous investments by the State of New Mexico shown on Exhibit 1 and 2, the following defendants violated the Fraud Against Taxpayers Act: Anthony Correra; Marc Correra; Park Hill Group; Blackstone Group; Dan Prendergast; Julio Ramirez.

COUNT 17 – DAVID CONTARINO, GARY BLAND, BRUCE MALOTT

In connection with all the investments by the State of New Mexico as described in the complaint or shown on Exhibits 1 and 2, the following defendants violated the Fraud Against Taxpayers Act.

COUNT 18 - OTHER DEFENDANTS

In connection with certain investments by the State of New Mexico as described in the complaint or shown on Exhibits 1 and 2, the following defendants violated the Fraud Against Taxpayers Act: Anthony Correra; Marc Correra; Gold Bridge Capital; Darius Anderson; Kirk Anderson; Ares Management; The Inroads Group, Ltd.; Camden Partners; InterMedia; Leo Hindrey; William R. Howell; Clayton Dubilier; Catterton Partners; Diamond Edge Capital; Marvin S. Rosen.

PRAYER FOR RELIEF

WHEREFORE, the plaintiff State of New Mexico and the *qui tam* plaintiffs pray for:

- A. Actual damages in amounts to be determined;
- B. Actual damages for lost income;
- C. Rescission of the investment transactions described in this complaint,

including the return of the consideration paid by the State

- D. Disgorgement and restitution of all fees or other compensation received from whatever sources by the defendants as a result of the State of New Mexico's investments;
- E. Pre- and post-judgment interest under NMSA 1978, §§ 56-8-3 and -4, and as otherwise provided by law;
- F. Trebling of the foregoing amounts as provided in § 44-9-3(C)(1);
- G. A civil penalty of not less than five thousand dollars (\$ 5,000) and not more than ten thousand dollars (\$ 10,000) for each violation;
- H. The costs of this civil action;
- I. Reasonable attorney fees, including the fees of the Attorney General and counsel for the *qui tam* plaintiffs;
- J. Awards distributing the proceeds of this action or any related settlement in accordance with § 44-9-7;
- K. Judgment that each of the defendants is jointly and severally liable to the State of New Mexico;
- L. Removal of Bland and Malott as Trustees of the ERB;
- M. Removal of Bland as a member of the SIC, and as State Investment Officer;
- N. Injunctions prohibiting Bland, Malott, Contarino, Meyners, Marc Correra, and Anthony Correra from involving themselves in any matters relating to the ERB or the SIC or any other State agency or instrumentality;
- O. Disqualification of Bland, Malott, Contarino, Meyners, Marc Correra, and Anthony Correra from any future awards of state contracts;

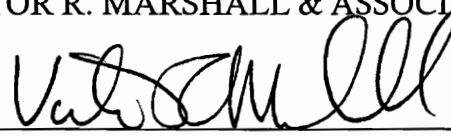
P. Equitable, declaratory, and injunctive decrees requiring the ERB and the SIC to implement and enforce policies against political contributions, direct or indirect, by any person doing business with the ERB or the SIC;

Q. Such other and further relief as may be necessary or appropriate.

Respectfully submitted,

VICTOR R. MARSHALL & ASSOCIATES, P.C.

By



6/12/09

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Note that amount received by individual is an approximation and may in some instances be based on assumptions or information received from 3rd parties. In cases where we do not know the exact amount of the fee split between the broker and the individual listed below we have apportioned the entire fee received by the broker to the individual. Additionally, the information gathered is based upon responses by the General Partner or Fund and was gathered and input very quickly. There is no guarantee that such information is accurate or complete.

Individual(s)	GP or Fund Name	Amt Rec'd by Individual &/or Broker	Broker or Company	Sub-Agent	Department	Vintage or Allocation Year	Amount of Commitment	Fee Terms
1 Alan Pardge	Eightyear		Merrill Lynch	none disclosed		2005	\$ 60,000,000	not disclosed
2 Alfred Jackson	Austin Horizon	\$ 61,875	Berean	none disclosed	CSF	2008	\$ 150,000,000	33% OF MGT/PERFORM FEE, BUT IN NO EVENT SHALL FEE EXCEED 50 BPS PER YEAR OF AMOUNT INVESTED BY NMSIC. Fees Paid through 12/31/08 is approximately \$61,875
3 Alfred Jackson	Austin	\$ 2,100,000	Berean	none disclosed	HF	2005/2008	\$ 200,000,000	33% OF MGT/PERFORM FEE, BUT IN NO EVENT SHALL FEE EXCEED 50 BPS PER YEAR OF AMOUNT INVESTED BY NMSIC. Fee Paid through 12/31/08 is approximately \$2,100,000
4 Alfred Jackson	Camden III	\$ 1,250,000	Inroads Group	none disclosed	PEN	2004	\$ 20,000,000	buyout by GP
5 Alfred Jackson	Camden IV		Inroads Group	none disclosed	PEN	Not yet closed	\$ 25,000,000	30% of the Adjusted Management Fee
Chad Schultz Bob Rivett John Robertshaw	Thomas McMerney	unknown - \$3.3MM on entire fundraising	CSFB	none disclosed	PEN	2002	\$ 20,000,000	
6 Ray Cosman		unknown - \$5.5MM on entire fundraising	JP Morgan	none disclosed	PEN	2001	\$ 25,000,000	
Dale Meyer	KRG Capital II	\$ 250,000	Pratorian	none disclosed	PEN	2006	\$ 25,000,000	1% of Capital Commitment
7 John Littlefield	Catterton VI	\$ 600,000	Park Hill	none disclosed	PEN	2007	\$ 30,000,000	2% of Capital Commitment
8 Dan Hevesi	Halvard II	\$ 250,000	Wetherly	none disclosed	PEN	2005	\$ 25,000,000	2% of Capital Commitment split 50/50
9 Dan Prendergast	Levine Leichman-DV	\$ 250,000	Wetherly	none disclosed	PEN	2005	\$ 25,000,000	2% of Capital Commitment split 50/50
10 Dan Weinstein	Levine Leichman-DV	\$ 250,000	Wetherly	none disclosed	PEN	2005	\$ 25,000,000	2% of Capital Commitment split 50/50
11 Dan Weinstein	Levine Leichman-DV	\$ 250,000	Wetherly	none disclosed	PEN	2005	\$ 25,000,000	2% of Capital Commitment split 50/50



No Response or insufficient response
 Requires more follow-up
 Split fee
 No marketer used

Note that amount received by individual is an approximation and may in some instances be based on assumptions or information received from 3rd parties. In cases where we do not know the exact amount of the fee split between the broker and the individual listed below we have apportioned the entire fee received by the broker to the individual. Additionally, the information gathered is based upon responses by the General Partner or Fund and was gathered and input very quickly. There is no guarantee that such information is accurate or complete.

Individual(s)	GP or Fund Name	Amt Rec'd by Individual &/or Broker	Broker or Company	Sub-Agent	Department	Vintage or Allocation Year	Amount of Commitment	Fee Terms
12 Dan Weinstein	Levine Leichtman IV	\$350,000	Wetherly	Unknown - Still compiling info	PEN	2008	\$35,000,000	1% of Capital Commitment split
13 Dan Weinstein	YAAF	\$200,000	Wetherly		PEN	2004	\$20,000,000	1% of Capital Commitment
14 Dan Weinstein	CIM Fund III, L.P.	Total Fee \$500K split with Ajax unknown	Wetherly	Ajax	RE	2007	\$50,000,000	1% of Capital Commitment
Dan Weinstein				GP-Notes-there may be others that rec'd \$				
15 Vicky Schiff	Aurora III	\$375,000	Wetherly		PEN	2004	\$25,000,000	1.5% of Capital Commitment
16 Darius & Kirk Anderson	Ares Distressed	\$500,000	Gold Bridge Capital	none disclosed	PEN	2008	\$50,000,000	1% of Capital Commitment
17 Darius & Kirk Anderson	Ares Special Situations	\$250,000	Gold Bridge Capital	none disclosed	PEN	2007	\$25,000,000	1% of Capital Commitment
18 Dirk McDermott	Altra Technology Fund IV, L.P.	\$200,000	Asset Management Services	none disclosed	PENM		\$10,000,000	2% of Capital Commitment
Douglas Blagdon		unknown - Global mandate						(I) 0.25% OF 1ST \$1b, (II) 1.5% OF LESS THAN \$2b, (III) 2% IN EXCESS OF \$2b, CAP OF \$25mm ON FEE.
19 Scott White	Platinum II		Citigroup	none disclosed	PEN	2007	\$30,000,000	YEARS 1-3: 15% OF MGT & INCENTIVE, YEAR 4: 15% MGT, 10% INCENTIVE, YEARS 5 ON: 10% OF MGT & INCENTIVE, 2006-\$101,148.24, 2007-\$156,186.42, 2008-\$108,219.31
20 Douglas Cramer	EIM	\$365,553	Alternative Access Capital	none disclosed	HF	2006	\$100,000,000	
E. Alan Brumberger			Diamond Edge Capital Partners, LLC		HF	2005	\$50,000,000	
21 Lori A. Schiaffino	Optima							18% OF ALL FEES
22 Eileen Kotecki	Crestline					2005	\$200,000,000	Amount Paid through 12/31/08 is approximately \$1,235,243
23 Guy Riordan	Crestline							18% OF ALL FEES
	New Mexico Co-Investment Partners, L.P.					2005	\$200,000,000	Amount Paid through 12/31/08 is approximately \$1,235,244
24 Guy Riordan		\$318,958	Wachovia	none disclosed	PENM	2004	\$46,000,000	

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25 Henry "Hank" Morris	Carlyle Mezz	\$ 150,000	Searle	none disclosed	PEN	2004	\$ 20,000,000	0.75% of Capital Commitment
26 Henry "Hank" Morris Jamir Couch	Quadrangle II	not disclosed	Searle	Monument	PEN	2005	\$ 20,000,000	not disclosed
27 Keith Spears	Illinois PEFFund	\$ 228,301	Knowles Hall Consulting & Keith Spears	none disclosed	PEN	2005	\$ 20,000,000	
Jane Morris	Ampersand 2001	unknown	Veritage Group	none	PEN	2001	\$ 20,000,000	1.5% of Capital Commitment
28 Dayna Gant								
29 Todd Stevens	Wasatch Venture Fund III, LLC	\$ 108,750	Rowe Capital Partners	none disclosed	PENIM	2001	\$ 8,700,000	BASE QTRLY SALARY-\$25,000, COMMISSION = 1ST THROUGH 4TH YRS 35%, 5TH YR 25%, AFTER 15% verbal agreement
30 John DeLuna	Denali Advisors	Unknown	DeLuna Partners	none disclosed	PEQ			
31 Julio Ramirez	St. Cloud II	\$ 400,000			PEN	2007	\$ 20,000,000	
Dan Prndergast								
32 Brian Levine	Wayzata	\$ 42,500	Pack Hill	Possible Villages	PEN	2005	\$ 25,000,000	1.77% of Capital Commitment
Julio Ramirez								
33 Marc Carrera	KH Growth (Vicente Capital)	\$ 500,000	Cabrera	none disclosed	PEN	2007	\$ 25,000,000	2% of Capital Commitment
34 Marc Carrera	STONE TOWER	\$ 132,608	Ajax		CSF			20% of all fees \$132,608 as of end of 1st Qtr '09
35 Marc Carrera	VANDERBIET FINANCIAL TRUST	unknown at this time	SDN-Advisors		CSF			unknown at this time
36 Marc Carrera	Explorer	\$ 1,000,000	Cabrera	none disclosed	HF	2005	\$ 100,000,000	20% OF MGT FEES FOR AS LONGS AS INVESTOR Estimated Fees paid are at least \$1,000,000 (20% x (\$100,000,000 x 1.5%))
37 Marc Carrera	HFV	\$ 900,000	Cabrera	none disclosed	HF	2005	\$ 100,000,000	UP TO \$250MM - 25% OF ALL FEES, OVER \$250MM - 27.5% Fees Paid are approximately \$900,000 assuming same deal as TAG

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38 Marc Correia	TAG Offshore	\$ 1,294,000	Cabrera	none disclosed	HF	2005	\$ 100,000,000	UP TO \$250MM - 25% OF ALL FEES, OVER \$250MM - 27.5% Fees Paid Through 12/31/08 are approximately \$1,294,000
39 Marc Correia	Vintage Classic	\$ 1,066,000	Cabrera	none disclosed	HF	2005	\$ 100,000,000	UP TO \$250MM - 25% OF ALL FEES, OVER \$250MM - 27.5% Fees Paid Through 12/31/08 are approximately \$1,066,000
40 Marc Correia	Clayton VII	\$ 900,000	Cabrera	none disclosed	PEN	2005	\$ 50,000,000	2% of Capital Commitment
41 Marc Correia	Clayton VIII	\$ 675,000	Ajax	none disclosed	PEN	2008	\$ 50,000,000	1.35% of Capital Commitment
42 Marc Correia	Fenway III	waiting on response	Diamond Edge	none disclosed	PEN	2006	\$ 30,000,000	waiting on response
43 Marc Correia	GF Capital PEF	\$ 600,000	SDN Advisors	none disclosed	PEN	2006	\$ 30,000,000	2% of Capital Commitment
44 Marc Correia	HM Capital SPF	\$ 600,000	Ajax	none disclosed	PEN	2007	\$ 30,000,000	2% of Capital Commitment
45 Marc Correia	Lehman MBP IV	\$ 356,250	Ajax	none disclosed	PEN	2007	\$ 28,500,000	1% up to \$20MM; 1.25% up to \$30MM; 1.5% up to \$50MM; 1.75% over \$50MM
46 Marc Correia	Levine Leichtman DV	\$ 250,000	Wetherly	none disclosed	PEN	2005	\$ 25,000,000	2% of Capital Commitment split 50/50
47 Marc Correia	Levine Leichtman III	\$ 350,000	Wetherly	none disclosed	PEN	2003	\$ 35,000,000	2% of Capital Commitment split 50/50
48 Marc Correia	Levine Leichtman IV	\$ 350,000	Wetherly	none disclosed	PEN	2003	\$ 35,000,000	2% of Capital Commitment split 50/50
49 Marc Correia	Newstone	\$ 600,000	Ajax	none disclosed	PEN	2006	\$ 30,000,000	2% of Capital Commitment
50 Marc Correia	Newstone II		Ajax	none disclosed	PEN	Not yet closed		
51 Marc Correia	Quaker BioVentures II	\$ 530,000	Ajax	none disclosed	PEN	2007	\$ 26,500,000	2% of Capital Commitment
52 Marc Correia	Silver Creek II	\$ 188,333	Ajax	none disclosed	PEN	2005	\$ 9,416,667	2% of Capital Commitment
53 Marc Correia	American Value Partners Fund I, L.P.	\$ 250,000	Wetherly	Ajax	RE	2007	\$ 50,000,000	
54 Marc Correia	CIM Fund III, L.P.	Total Fee \$500K split with Ajax unknown	Wetherly	Ajax	RE	2007	\$ 50,000,000	1% of Capital Commitment
55 Marc Correia & Paul Cross	VANDERBILT DUNHILL	unknown at this time	Crosscore Management		CSF		\$ 15,500,000	unknown at this time
56 Marc Correia & Paul Cross	Hester Capital	\$ 474,182	Crosscore Management	none disclosed	PEQ			25% OF FEE FROM 9/8/03-9/8/06. TOTAL \$474,182.75

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57 Marvin Rosen	Eightstar II	\$ 500,000	Probitas Funds Group	none disclosed	PEN	2005	50,000,000	1% of Capital Commitment
58 Matthew Gohd	Markstone	\$ 100,000	Pali Capital	none disclosed	PEN	2004	\$ 20,000,000	0.5% of Capital Commitment
Michale Hoffmann								
Robert Hofeditz								
Kelly Deponite								
Greg Hausler								
Carl Marmar								
59 Dale Meyer	Gleacher Mezz II	\$ 350,000	Probitas Funds Group	none disclosed	PEN	2007	\$ 20,000,000	1.33% on 1st \$350MM & 1.75% on above
60 no response	ACA				CSF	2004	\$ 12,963,600	
61 no response	ARES				CSF	2004	\$ 13,000,000	
62 no response	CLEAR LAKE CLO				CSF		\$ 11,092,500	
63 no response	DAVIS SQUARE				CSF	2004	\$ 24,937,500	
64 no response	DRYDEN VII				CSF		\$ 21,126,000	
65 no response	EXJUM RIDGE				CSF		\$ 11,357,942	
66 no response	FOUR CORNERS CLO				CSF	2005	\$ 18,873,460	
67 no response	HUDSON STRAITS				CSF		\$ 25,000,000	
68 no response	INMAN SQUARE				CSF		\$ 20,055,313	
69 no response	LB CDO OPPORTUNITY II				CSF		\$ 50,000,000	
70 no response	TRIMARAN				CSF		\$ 25,931,340	
71 no response	VERDE				CSF		\$ 13,650,000	
72 no response	ZAIS MATRIX V				CSF		\$ 44,464,213	
73 no response	First Quadrant				DRV	2008	N/A	
74 no response	Maple Key		Palladium Capital Advisors, LLC		HF	2005	\$ 100,000,000	
75 no response	Blackstone Comm I				PEN		\$ 10,000,000	
76 no response	Candover 2001				PEN		\$ 7,046,270	
77 no response	Green IV				PEN	2003	\$ 25,000,000	
78 no response	GTCR VII				PEN	2000	\$ 6,500,000	
79 no response	GTCR VII A				PEN	2000	\$ 2,000,000	
80 no response	KPS II				PEN	2002	\$ 15,000,000	
81 no response	Lehman MBP III				PEN	2004	\$ 20,000,000	
82 no response	Nordic V				PEN	2003	\$ 20,534,000	
83 no response	Sterling Capital				PEN	2002	\$ 15,000,000	
84 no response	Summit VI B				PEN	2001	\$ 5,000,000	
85 no response	Vestar III				PEN	1997	\$ 1,250,000	
86 no response	Vestar IV				PEN	1999	\$ 8,000,000	
87 no response	Warburg PEP				PEN	1998	\$ 10,000,000	

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88 no response	Wellspring III				PEN	2002	\$ 20,000,000	
89 no response	ClearBridge/Citigroup				PEQ			
90 no response	Credit Suisse Securities (USA), LLC				PEQ			
91 no response	Davis Hamilton Jackson				PEQ			
92 no response	First Quadrant				PEQ			
93 no response	Paladin Realty Latin America Investors II, LP				RE	2006	\$ 25,000,000	
94 none	ARIA				CSF		\$ 15,000,000	
95 none	BABSON				CSF		\$ 20,000,000	
96 none	CHAMPAIN				CSF		\$ 25,000,000	
97 none	VAN DER BILT DEARBORN				CSF		\$ 27,632,747	
98 none	GREAT LAKES II				CSF		\$ 29,057,320	
99 none	GREAT LAKES II				CSF		\$ 40,000,000	
100 none	VAN DER BILT LAKE SIDE II				CSF		\$ 27,600,000	
101 none	VAN DER BILT MONROE HARBOR				CSF	2005	\$ 10,399,753	
102 none	NAVIGATOR				CSF	2004	\$ 19,000,000	
103 none	SHERWOOD FUND				CSF		\$ 19,532,200	
104 none	VAN DER BILT SKY RIVER				CSF		\$ 24,375,000	
105 none	VAN DER BILT STREETVIEW				CSF		\$ 25,000,000	
106 none	VAN DER BILT TUDOR PLACE				CSF		\$ 25,000,000	
107 none	Altair				HF	2005/2006	\$ 50,000,000	
108 none	Benchmark Plus				HF	2005	\$ 100,000,000	
109 none	GT Preferred				HF	2005	\$ 50,000,000	
110 none	Entrust Capital				HF	2005	\$ 25,000,000	
111 none	Guggenheim				HF	2005	\$ 100,000,000	
112 none	K2 Advisors				HF	2005	\$ 50,000,000	
113 none	K2 Alternata				HF	2006	\$ 50,000,000	
114 none	Mainier Matador				HF	2008	\$ 106,405,000	
115 none	Alta Cormix				PEN		\$ 20,000,000	
116 none	Alta Comm VIII				PEN		\$ 8,000,000	
117 none	Apax VI				PEN	2005	\$ 32,320,000	
118 none	Apax VII				PEN	2007	\$ 43,917,000	
119 none	Apex IV				PEN		\$ 10,000,000	
120 none	Apex V				PEN		\$ 15,000,000	

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121 none	Archiv-IV	\$			PEN		\$ 10,000,000	
122 none	Archiv-V	\$			PEN		\$ 1,000,000	
123 none	Archiv-VI	\$			PEN		\$ 10,000,000	
124 none	Archiv-VII	\$			PEN		\$ 25,000,000	
125 none	Archiv-VIII	\$			PEN		\$ 10,000,000	
126 none	Archiv-IX	\$			PEN	2005	\$ 35,358,000	
127 none	Archiv-X	\$			PEN	2007	\$ 46,551,000	
128 none	Archiv-XI	\$			PEN	2005	\$ 20,000,000	
129 none	Archiv-XII	\$			PEN	2005	\$ 20,000,000	
130 none	Archiv-XIII	\$			PEN		\$ 25,000,000	
131 none	Archiv-XIV	\$			PEN	2008	\$ 30,000,000	
132 none	Archiv-XV	\$			PEN	2008	\$ 25,000,000	
133 none	Archiv-XVI	\$			PEN		\$ 20,542,000	
134 none	Archiv-XVII	\$			PEN		\$ 15,000,000	
135 none	Archiv-XVIII	\$			PEN		\$ 15,041,250	
136 none	Archiv-XIX	\$			PEN	2006	\$ 96,871,000	
137 none	Archiv-XX	\$			PEN	2000	\$ 10,000,000	
138 none	Archiv-XXI	\$			PEN	2002	\$ 30,000,000	
139 none	Archiv-XXII	\$			PEN	2006	\$ 19,076,922	
140 none	Archiv-XXIII	\$			PEN	2001	\$ 10,000,000	
141 none	Archiv-XXIV	\$			PEN	1999	\$ 10,000,000	
142 none	Archiv-XXV	\$			PEN	2005	\$ 20,000,000	
143 none	Archiv-XXVI	\$			PEN	2008		
144 none	Archiv-XXVII	\$			PEN	2003	\$ 10,000,000	
145 none	Archiv-XXVIII	\$			PEN	2006	\$ 30,000,000	
146 none	Archiv-XXIX	\$			PEN	2001	\$ 15,000,000	
147 none	Archiv-XXX	\$			PEN	2002	\$ 20,000,000	
148 none	Archiv-XXXI	\$			Not yet closed			
149 none	Archiv-XXXII	\$			PEN	2004	\$ 20,000,000	
150 none	Archiv-XXXIII	\$			PEN	2008	\$ 30,000,000	
151 none	Archiv-XXXIV	\$			PEN	1999	\$ 10,000,000	
152 none	Archiv-XXXV	\$			PEN	1999	\$ 10,000,000	
153 none	Archiv-XXXVI	\$			PEN	2001	\$ 15,000,000	
154 none	Archiv-XXXVII	\$			PEN	2004	\$ 20,000,000	
155 none	Archiv-XXXVIII	\$			PEN	2001	\$ 15,000,000	
156 none	Archiv-XXXIX	\$			PEN	1998	\$ 10,000,000	

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157 none	Sequel II	\$			PEN	1999	\$ 10,000,000	
158 none	Sequel III	\$			PEN	2000	\$ 17,500,000	
159 none	TAIX	\$			PEN	2000	\$ 10,000,000	
160 none	TAI Sub Debt	\$			PEN	2000	\$ 10,000,000	
161 none	TA VIII	\$			PEN	1992	\$ 1,250,000	
162 none	TA IX	\$			PEN	2000	\$ 15,000,000	
163 none	TA X	\$			PEN	2005	\$ 30,000,000	
164 none	VCS Comp III	\$			PEN	1998	\$ 10,000,000	
165 none	VSS Company	\$			PEN	2004	\$ 20,000,000	
166 none	VSS Structured II	\$			PEN	PEIAC Only		
167 none	Warburg Pincus Mill	\$			PEN	2001	\$ 15,000,000	
168 none	WCAS IX	\$			PEN	2000	\$ 15,000,000	
169 none	WCAS VIII	\$			PEN	1998	\$ 10,000,000	
170 none	WCAS X	\$			PEN	2005	\$ 25,000,000	
171 none	WCAS XI	\$			PEN	2008	\$ 35,000,000	
172 none	Williams Capital	\$			PEN	2004	\$ 20,000,000	
173 none	ARCH Venture Fund II, L.P.	\$			PENM		\$ 1,222,222	
174 none	ARCH Venture Fund III, L.P.	\$			PENM		\$ 4,000,000	
175 none	Blue Sage Capital, L.P.	\$			PENM		\$ 10,000,000	
176 none	EWI Equity Fund IV	\$			PENM	1998	\$ 3,000,000	
177 none	Epic Venture Fund IV, LLC	\$			PENM	2008	\$ 6,400,000	
178 none	Flint Hill, L.P.	\$			PENM	2004	\$ 15,000,000	
179 none	International Venture Fund I, L.P.	\$			PENM	2000	\$ 5,000,000	
180 none	ITU Ventures New Mexico, L.P.	\$			PENM	2005	\$ 15,000,000	
181 none	ITU Ventures Wesel, L.P.	\$			PENM	2009	\$ 15,000,000	
182 none	Murphree Venture Partners IV, L.P.	\$			PENM	1998	\$ 4,000,000	
183 none	Murphree Venture Partners V, L.P.	\$			PENM	2000	\$ 3,000,000	
184 none	NMSIC Co-Investment Fund, L.P. (Classic)	\$			PENM	2007	\$ 30,000,000	
185 none	NMSIC Co-Investment Fund, L.P. (Focused)	\$			PENM	2007	\$ 60,000,000	
186 none	Psilos Group Partners IIIB, L.P.	\$			PENM	2005	\$ 15,000,000	

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187 none	Red River Ventures, L.P.	\$			PENM	2000	\$ 7,166,667	
188 none	Tullis/Dickerson Capital Focus II, L.P.	\$			PENM	1998	\$ 15,000,000	
189 none	Tullis/Dickerson Capital Focus III, L.P.	\$			PENM	2001	\$ 15,000,000	
190 none	Valley Ventures II, L.P.	\$			PENM	1998	\$ 5,000,000	
191 none	Valley Ventures III, L.P.	\$			PENM	2002	\$ 6,658,988	
192 none	Verge II, L.P.	\$			PENM	2004	\$ 10,000,000	
193 none	Vest Partners, L.P.	\$			PENM	1998	\$ 5,000,000	
194 none	Village Ventures Fund II-B, L.P.	\$			PENM	2006	\$ 15,000,000	
195 none	vSpring II, L.P.	\$			PENM	2003	\$ 20,000,000	
196 none	Wasatch-New Mexico Fund, LLC	\$			PENM	2004	\$ 12,000,000	
197 none	Alliance Bernstein	\$			PEQ			
198 none	Carret	\$			PEQ			
199 none	Earnest Partners	\$			PEQ			
200 none	Fox Asset Management	\$			PEQ			
201 none	Lombardia Capital Partners	\$			PEQ			
202 none	Simms Gibbatt Investors	\$			PEQ			
203 none	UNM	\$			PEQ			
204 none	AG Core Plus Realty Fund II, L.P.	\$			RE	2007	\$ 50,000,000	
205 none	AG Core Plus Realty Fund I, L.P.	\$			RE	2004	\$ 50,000,000	
206 none	Angelo Gordon Realty Fund VII, L.P.	\$			RE	2007	\$ 75,000,000	
207 none	Beal SIC Holding, LLC	\$			RE	2006	\$ 23,500,000	
208 none	CBA Investment Holdings, LLC	\$			RE	2006	\$ 80,000,000	
209 none	Diveg SIC, LLC	\$			RE	2005	\$ 23,750,000	
210 none	Five Arrows Realty Securities IV, L.P.	\$			RE	2005	\$ 61,670,000	
211 none	TVO	\$			RE	2004	\$ 31,000,000	
212 none	Landmark Real Estate Fund V, L.P.	\$			RE	2005	\$ 75,000,000	
213 none	NorthStar-SIC Holding LLC	\$			RE	2006	\$ 90,250,000	

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214 none	SIG/Lead LLC	\$			RE	2005	15,000,000	
215 none	Strategic Partners Value Enhancement Fund, L.P.	\$			RE	2006	\$ 38,125,000	
216 none	Frammell Crow Acquisitions I, L.P.	\$			RE	2007	\$ 47,316,111	
217 none	Frammell Crow Acquisitions II, L.P.	\$			RE	2007	\$ 150,000,000	
218 none - but Alfred Jackson owns 73% of GP	Capital Point Pkts.	\$			PEN		\$ 20,000,000	
219 Omar Barbarosa	RC/Fontis	\$ 150,000	unknown - verbal agreement	none disclosed	PEN	2005	\$ 20,000,000	
220 refused to disclose	MMG	refused to disclose	Per Hill	refused to disclose	PEN	2006	\$ 30,000,000	refused to disclose
Richard Allsopp James Moore	31 EuroPartners Vb	unknown	UBS	none	PEN	2006	\$ 31,290,000	% of overall commitments
221 Mark Schroeder	Place/BV Student Housing Fund, LLC	no compensation	Blue Vista Capital	none disclosed	RE	2007	\$ 50,000,000	
222 Robert Byron	Mariner Select	\$ 200,000	Bank of America	none disclosed	RE	2005/2006	\$ 100,000,000	
223 Peter Stellan	KRG Capital I	unknown	Bank of America	none disclosed	PEN	1999	\$ 10,000,000	2% of Capital Commitment
224 unknown	Leds Weld IV	unknown	Bank of America	none disclosed	PEN	2002	\$ 20,000,000	
225 unknown	Willis-Stein III	unknown	Donaldson Lytle & Renick, LLP	none disclosed	PEN	2000	\$ 10,000,000	LASHINE -1% OF FIRST \$200M IN COMMIT , ATLANTIC-\$200K RETAINER, 1.50% OF CAP COMMIT UP TO \$150mm, 1.75% UP TO \$300mm, 2% ABOVE \$300mm
226 Unknown	JER Real Estate Partners III, L.P.	\$588,513 as of June 30, 2007	The Lashine Group & Atlantic Capital	none disclosed	RE	2004	\$ 40,000,000	\$200k RETAINER, 2% FOR INVESTORS THAT INVEST UP TO \$50mm, 2% OF CAP COMMIT, 20% OF FEE, THROUGH 12/31/08
227 Unknown	JER Real Estate Partners IV, L.P.	\$35,622 as of 12/31/08	Atlantic Capital	none disclosed	RE	2007	\$ 125,000,000	\$1,276,595.23
228 Unknown	Thornburg	\$ 1,276,595	Frontier Partners	none disclosed	PEQ			
229 William D. Forsyth III Thomas J. Holberg Jr.								

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	No Response or insufficient response												
	Requires more follow-up												
	Split fee												
	No marketer used												
	Individual(s)	GP or Fund Name	Amt Rec'd by Individual &/or Broker	Broker or Company	Sub-Agent	Department	Vintage or Allocation Year	Amount of Commitment	Fee Terms				
230	William R. Howell	GSC Recovery III	\$ 450,000	William R. Howell Pension Enhancement Consulting	Later transferred to Monroe Street	PEN	2005	\$ 30,000,000	1.5% of Capital Commitment				
231	William R. Howell	InterMedia VII	\$ 150,000	William R. Howell Pension Enhancement Consulting & CSFB	none disclosed	PEN	2005	\$ 30,000,000	Howell got \$125,000 & CSFB got 1.25% of Commitment				
232		Claws:IAA				CSF		\$ 29,042,956					
233		CRTS-2004-4				CSF		\$ 19,436,751					
234		Zenith				CSF		\$ 20,000,000					
235		Opera Structured Credit				CSF		\$ 49,750,000					

New Mexico Educational Retirement Board
Third Party Marketers

FUND NAME	Year Committed	ZEB Commitment (\$Millions)	Primary Marketer		Sub-Agent	
			GP Disclosed Marketer	Assisted Name	Assisted Name	Assisted Name
Private Equity:						
1 Apollo VII	2007	\$ 40.00	AVANTAGE PARTNERS			
2 Area Distressed Securities Fund	2007	\$ 39.00	Gold Bridge Capital LLC	Doris Anderson, Nick Jankis and Kiki Anderson		
3 BlackRock Co-Investment Fund	2008	\$ 73.00	N/A - Dan Digiuseppe provided by NBFC			
4 Bridgeway IV	2008	\$ 40.00	Peak Hill, Wetherly Capital, Aler Investments, LLC, BlackRock Capital, Mery & Co Limited, TransPartis Securities	None disclosed		
5 Clifton Dollar & Blue VIII	2008	\$ 40.00	James P. Greener & Associates, Aler Investments, LLC	None disclosed		
6 ComVest Partners III	2008	\$ 33.00	Original Distributors - Neac, Subsequent Distributors - Louisiana Bankers, Commercializable Associates	LP - Pacific Distributors; Aler - Marc Curran	None disclosed	
7 Fletcher-Spight Ventures II	2008	\$ 20.00	Tom So Inc. & Bancorp CIC	Richard Peluso		
8 GF Capital Private Equity Fund	2007	\$ 15.00	None	None disclosed		
9 Goodie Partners Commitment Fund I	2007	\$ 20.00	Chambers Advisors	None disclosed		
10 H&M Capital (Sector Performance Fund)	2007	\$ 20.00	Ray Jones & Aler Investments, LLC	None disclosed		
11 Industrial Opportunity Partners	2007	\$ 15.00	Peak Hill Group, LLC	Don Pendergraft		
12 JOH Growth (Vantage Capital Partners)	2007	\$ 10.00	Chubert Capital Markets, Inc.	Robert Aguilera, Marc Curran, Julie Berglund		
13 Levis Laidman Deep Value Fund	2007	\$ 20.00	Wetherly Capital Partners, Venere, O'Neil	Don Williams, Vicky Smith		



New Mexico Educational Retirement Board
Third Party Marketers

		2017		2018		2019		2020		2021		2022		2023	
		Primary Marketer		Sub-Agent		Sub-Agent		Sub-Agent		Sub-Agent		Sub-Agent		Sub-Agent	
FUND NAME	Year Committed	ERB Commitment (\$Millions)	GP/Disputed Marketer	Associated Name	Fee (B)	Terms	Terms	Terms	Terms	Associated Name	Yes (C)	Terms	Terms	Terms	Terms
14 Lavinia Leibman Capital Partners IV	2004	\$ 30.00	Original Disclosure - None Subsequent Disclosure - Widely Capital	GP/Disputed Marketer DAV/Widely Financial, L.P. (Dan Weinstein, Vicky Sahlf)	\$	2% of commitment; 1% per month.	2% of commitment; 1% per month.	2% of commitment; 1% per month.	2% of commitment; 1% per month.	Associated Name (ERB was verbally informed N.A. Centers was associated with job-guest)	Yes (C) \$ 300,000.00	50% of Widely fee	50% of Widely fee	50% of Widely fee	50% of Widely fee
15 Lavinia Leibman Capital Partners V	2004	\$ 30.00	None	None											
16 Lavinia Leibman Capital Partners VI	2004	\$ 30.00	N/A - commitment prior to Advis being awarded contract	None											
17 Lion Capital II	2007	\$ 80.00	Chigroup	Chigroup											
18 Navanet Capital Partners Fund I	2007	\$ 30.00	Navanet Trust Partners & Equity Capital Group	Alta Investments, LLC	\$	1.5% of commitment	1.5% of commitment	1.5% of commitment	1.5% of commitment	Associated Name None					
19 Navanet Capital Partners Fund II	2007	\$ 11.00	Navanet Trust Partners & Equity Capital Group	None											
20 Pitkin Equity Partners II	2008	\$ 30.00	Chigroup	Chigroup	\$	2.25% of first \$1.0M, 1.5% up to \$2.0M, 1% of amount over \$2.0M	2.25% of first \$1.0M, 1.5% up to \$2.0M, 1% of amount over \$2.0M	2.25% of first \$1.0M, 1.5% up to \$2.0M, 1% of amount over \$2.0M	2.25% of first \$1.0M, 1.5% up to \$2.0M, 1% of amount over \$2.0M	Associated Name Douglas Bridgeway White					
21 Polaris Group Partners III	2007	\$ 10.00	Disputed Edge Capital Partners	None											
22 VSS Securities Capital II	2008	\$ 40.00	None	None											
23 Vanderbilt Financial Trust (D)	2006	\$ 40.00	N/A - commitment made prior to Advis being awarded contract	Arvink Business - see Note Below											
24 Approved P/E, Not Checked. ERB Board approved investment			Investment suspended pending second due diligence review and approval by ERB Board												
25 Leasing Partners	2009	\$ 45.00	Original Disclosure - Fidelity Group Subsequent Disclosure - None												
27 Low Equity (D)	2008	\$ 30.00	Widely Capital	DAV/Widely Financial	\$	1.5% of commitment	1.5% of commitment	1.5% of commitment	1.5% of commitment	Associated Name None					
28 Secin Ream	2008	\$ 30.00	None	None											
29 NQP Energy Technology Partners	2009	\$ 30.00	None	None											
30															

New Mexico Educational Retirement Board
 Third Party Marriages

FUND NAME	Year Committed	ERB Commitment (\$Millions)	ERB Current Investment (\$Millions)	GP Disbursed Mariner	Associated Name	Per ID	Terms	DATE		Sub-Group
								2008/09	2009/10	
31 Accumulated P/E, Net ERB Approved, All-in Equity Investments	2008			Gold Bridge Capital, LLC	Daniel Anderson, Nick Smith and Erik Anderson					
32 New Corporate Opportunity Fund III	2008			Gold Bridge Capital, LLC						
33 31st Century Equity Fund II	2008	\$ 20.00	\$ 20.00	Investment Management Inc. received from Aldis Johnson						
34 Capital Point	2008	\$ 30.00	\$ 30.00	Investment Management Inc. received from Aldis Johnson						
35 Newstate Capital Partners Fund II (1)	2009	\$ 30.00	\$ 30.00	Plainsboro Trust Partners & Paylor Capital Group	Mark Conner					
36 Thomas Bruce IX	2009	\$ 25.00	\$ 25.00	Alim Investments, LLC	Mark Conner					
37 P/E Netix										
38 P/E Netix										
39 I. All-in Equity advised ERB only on private equity investments; it did not advise on other investments.										
40 P. Vanderbilt is checking its records; a Vanderbilt representative informed on ERB staff member that Vanderbilt Capital Group paid Mark Conner 1.52MM; placement fee on the last 500MM investment (ERB 840424; EC 594114);										
41 VTI did not reimburse VCO for the fee.										
42 Verily disclosed job-advisor to an ERB Representative										
43 Newstate Capital Partners Fund II engaged Alex and Mr. Conner on Feb. 13, 2009 but subsequently terminated the relationship.										
44										

New Mexico Educational Retirement Board
Third Party Marketers

FUND NAME	Year Committed	ERB Commitment (\$Millions)	(Address was not an adviser in any investments appearing below)	GP Designated Marketer	Appointed Name	Fee (D)	Terms	Sub-Agent	Sub-Agent Fee (E)	Terms
4) Absolute Return Strategies (Fund-of-Strategies Funds)										
46 DB Toplay Trust	2006	\$ 100.00		Calwest Capital Markets Inc			First 2 yrs, 25% of net gain & incentive fees; thereafter 20% of net gain			
47 Omega Market Neutral	2006	\$ 100.00		None						
48 Omega Market Neutral Plus	2006	\$ 120.00		None						
49 Omega Capital Mgt.	2006	\$ 130.00		Calwest Capital Partners	Alfred Redman		25% of annual net fee, with a cap - 0.25% of ERB NAV Investment			
50 HFV	2006	\$ 50.00		None						
51 TAG 03	2006	\$ 50.00		Calwest Capital Markets Inc	Marvin Calman, Robert Aguilera, Manu Chavira		Total Commitment \$ 250 MM, 25% of all fees & profit attributable to net commitment > \$250 MM, 25.5% of all fees & profit attributable			
52 Densmark Plus	2006	\$ 225.00		None						
53 ARE Note										
54 TAG was the sub-advisor to HFV Asset Management LP until March 2006; upon assuming the role of primary adviser, TAG agreed to engage Calwest Capital Markets as a third party marketer.										
55 Real Estate Real Assets										
56 Greentree Envested Real Estate III	2007	\$ 25.00		None						
57 Greentree	2007	\$ 25.00		None						
58 AMB Institutional Alliance REIT III	2008	\$ 20.00		None						
59 AMB Institutional Alliance Europe Fund I	2008	\$ 7.00		None						
60 Prima Mortgage Investment Trust LLC	2008	\$ 50.00		None						
61 Infrastructure										
62 CITI Infrastructure Partners	2008	\$ 50.00		None						
63 Allstate Infrastructure Partners	2008	\$ 50.00		None						
64 Timber & Agriculture										
65 NAREB Migration Banking Fund	2008	\$ 25.00		None						
66 Conservation Property	2008	\$ 25.00		None						
67 Public Securities										
68 Alliance-Benefit	2004	\$ 400		None						
69 Bank	2007	\$ 100		None						
70 Bank	2004	\$ 275		None						
71 Bank	2004	\$ 275		None						
72 SGI	2001	\$ 210		Academy 1000000						

New Mexico Educational Retirement Board
 Third Party Mortality

FUND NAME	Year Commenced	Year Terminated	Year Commenced	Year Terminated	Year Commenced	Year Terminated	Year Commenced	Year Terminated	Primary Mortality		Sub-Agent		Sub-Agent	
									GP Disposed Mortality	Associated Name	Fee (\$)	Term	Sub-Agent	Associated Name
71 Broadview	2007		2007		2007		2007		None					
72 Goldman Sachs	2003		2007		2007		2007		None					
80 Mellon	2007		2007		2007		2007		None					
81 Newberg	2006		2006		2006		2006		None					
82 Perimeter	2007		2007		2007		2007		None					
83 Pyramit	2003		2003		2003		2003		None					
84 Robson	2003		2003		2003		2003		None					
85 Rockwell	2002		2002		2002		2002		None					
86 Wachovia Securities Lending	2006		N/A		2006		2006		None					
87 WAMCO	2006		2006		2006		2006		None					
88 Wells Fargo	2007		2007		2007		2007		None					
89 Consultants														
91 NESC	2006		2006		2006		2006		None					
92 Certified Partners	2007		2007		2007		2007		None					
93 ORO	2007		2007		2007		2007		None					
94 Alder Equity	2007		2007		2007		2007		None					