



Meeting Date  
**10/02/13**  
Agenda Item  
**#10**

*Memorandum*

**Date:** September 23, 2013  
**To:** Board of Retirement, Contra Costa County Employees' Retirement Association  
**From:** Marty Dirks, Bob Helliesen and Dorian Young  
**Subject:** Lord Abbett – Recommendation to place on Manager Watch List

**Background**

Lord Abbett manages a domestic core fixed income portfolio for CCCERA. As of June 30, 2013 the portfolio had a value of \$232,445,896, approximately 4% of CCCERA's total assets.

**Current Developments**

Three personnel have left Lord Abbett recently:

Kristin Shofner	Director, Public Fund Services
James Bernaiche	Chief Compliance Officer
Patricia Lynn	Client Portfolio Manager

Kristin Shofner's departure was announced June 19th. Nick Johnston, Director, Institutional Services, is Milliman's new day-to-day contact, replacing Kristin Shofner.

James Bernaiche's retirement was announced on September 9th. He joined the Lord Abbett in 1997 and was made a Partner in the firm in 2001. Lord Abbett's General Counsel, Lawrence Kaplan, will act as an interim CCO and a search for a replacement for Mr. Bernaiche is ongoing.

We learned of Patricia Lynn's departure on Friday, September 20th. Patricia Lynn will be replaced by Thomas McDonald.

**Conclusion**

While these departures are not personnel on the investment management team, it is nevertheless a concern. We therefore recommend placing Lord Abbett on the CCCERA Manager Watch List. In addition, we recommend making an on-site visit to Lord Abbott in Jersey City, NJ.

We will contact Lord Abbett, and other industry contacts, and update CCCERA staff and the CCCERA Board as appropriate.