

**Governor's Conference Room and Microsoft Teams meeting**

**Join on your computer, mobile app or room device**

[Join the meeting now](#)

**Dial in by phone**

[+1 701-328-0950,,990177837#](#) United States, Bismarck

Phone conference ID: 990 177 837#

Meeting Coordinators: Catelin Newell – Dir. Admin Services & IT, Kate Schirado – Exec. Assistant

➤ = **Board Action Requested**

**1. Call to Order – Chairman**

A. Roll Call and Pledge of Allegiance

B. Consideration of Approval of January 23, 2025 [Meeting Minutes](#) by voice vote.  
– minutes available via link

**2. Operations – Joseph Heringer, Commissioner**

A. Commissioner's Report – pg. 2

B. Unclaimed Property Discussion – Susan Sommerfeld, Unclaimed Property Director – pg. 3

C. National Association of State Trust Lands Annual Programs Comparison – pg. 9

D. Financial Dashboard – pg. 10

**3. Division Reports – Joseph Heringer, Commissioner**

A. Surface – pg. 19

B. Minerals – pg. 20

C. Unclaimed Property – pg. 26

D. [Financials for period ended October 31, 2024](#) – pg. available via link

**4. Investments – Frank Mihail, CIO**

A. Investment Update – pg. 27

B. Crypto Currency Education Presentation – Coinbase Asset Management – pg. 32

**5. Special Projects – Joseph Heringer, Commissioner**

A. Leonardite Lease - Chris Suelzle, Minerals Director – pg. 50

B. Compensation Study Presentation – CBIZ, Joe Rice – pg. 53

**6. Litigation Update – Joseph Heringer – pg. 77**

➤ **Executive session under the authority of NDCC §§ 44-04-19.1 and 44-04-19.2 regarding: - pg. 79**

- **Royalty Settlements**

**Next Meeting Date – March 27, 2025**

**RE: Commissioner's Report**  
(No Action Requested)

**Special Mention Activities**

- Attended various hearings and meetings regarding legislative proposals affecting Land Board issues
- State Investment Board - attended January 24, 2025, and February 21, 2025, full State Investment Board meetings as a voting member
- State Investment Board Investment Committee - attended February 14, 2025, meeting as a voting member

**Human Resources**

- Investment Operations Officer – position filled with March 1, 2025, start date

**Legislative Session**

**DTL Sponsored Bills**

- Board Rule Making (HB 1057) – failed in House; looking at other legislative options
- Unclaimed Property (HB 1149) – passed House unanimously on January 28, 2025

**Other Board Related Bills**

- DTL Budget (SB 2013) – passed Senate unanimously on January 31, 2025, in basic form; additional funding / FTE's and potential incentive comp language will need to be requested on House side
- Digital Asset & Gold (HB 1184) – failed in House 32–57 on January 31, 2025
- Public Comments at Public Meetings (SB 2180) – amended to apply only to political subdivisions; passed Senate 41-6
- Coal Leases / Rare Earth Minerals (HB 1459) – proposed statutory structure governing extraction of rare earth minerals imbedded in mined coal; hearing held; passed House 85-2 on February 11, 2025
- Non-Development Lease Cancellations (SB 2302) – giving Board authority to cancel leases when lessee is intentionally not pursuing or blocking development of the natural resource; passed Senate 45-2 on February 12, 2025
- Unclaimed Property – conflicting budget bills regarding moving the unclaimed property program to the Treasurer's office

**Things to consider before moving the Unclaimed Property Division to the Treasurer's Office.**

<p>Actual number of FTE's required to administer the program.</p>	<p>The Dept. of Trust Lands has 4 designated FTEs for Unclaimed Property, in addition, in FY 2024 the department averaged 95 hours/month spread out among 14 additional employees. <i>See attached.</i></p> <p>SB2013 originally requested a 5<sup>th</sup> FTE for compliance purposes.</p> <p>In order to function properly, the Division would need 5 FTE's for sure, if not 6.</p>
<p>Relationship with Northern Trust</p>	<p>Northern Trust is the Custodian for over 1300 individual positions (equities and mutual funds). The fees Unclaimed Property pays are \$250/quarter and \$50/claimant registration which totals approximately \$2,000/year.</p> <p>Northern would have to open a new account under the Treasurer's office and individually re-register each position. Or, move custody altogether. This would be a heavy lift for Northern as well as Unclaimed Property.</p> <p>Unclaimed Property received a quote from its IT vendor, Kelmar to manage our securities custody through Wells Fargo in 2022. The quote at that time was \$7,500/month or \$90,000/year. See attached.</p>
<p>Accounting and cash management associated with the Common Schools Trust Fund</p>	<p>Unclaimed Property maintains its own DDA at BND for incoming cash. It also has its own account at the Treasurer's office (418).</p>
<p>Legal Counsel</p>	<p>Treasurer's Office would need legal support to address various issues that arise which would be additional cost.</p>
<p>Moving Tangible Items</p>	<p>Is there sufficient space for 6 very heavy fireproof cabinets, and can the floor support the weight? Is there adequate space for inventorying tangible items? Is there adequate security for this space? Handling of tangible property is handled under STRICT DUAL CONTROL.</p> <p>There will be a cost to moving these very heavy safes.</p>

Constituent Experience	The Trust Lands building is conveniently located with street parking directly in front. Upon entering, claimants can use a small office dedicated to their meetings. If unclaimed property were stored at the Capitol, constituents would have to manage parking, go through security, and then find the Treasurer's office. Additionally, the Treasurer's office would need a designated meeting space for walk-in claimants, as well as increased public hours.
Funds to Remodel Treasurer's Office	Will either be continuing authority under N.D.C.C. 47-30.2 or a special appropriation. Undetermined at this time.
Numerous Statutes and Administrative Rules to update	See attached
Update vendor contracts	8-3 <sup>rd</sup> party examiners, Kelmar for IT system, NCR (third party payor), LexisNexis, SURCH

#### **Duties performed by individuals other than Unclaimed Property staff.**

System Administrator	<p>The unclaimed property IT system (KAPS) is the first and only State system that was purchased "off the shelf". Its database is not housed with NDIT. Our System Administrator serves as the "administrator" of the Unclaimed Property IT system. This ensures the strict separation of duties.</p> <p><b>IT, responsibilities for the entire office but would charge to UP on timesheets if performing the following tasks specifically for UP staff:</b></p> <ul style="list-style-type: none"> <li>• Local Drive Permissions</li> <li>• Data clean up as requested</li> <li>• Basic desktop support</li> <li>• Security Roles/Permissions in KAPS</li> <li>• Submit tickets for KAPS if there are issues, we do not support the software in house</li> <li>• Some NDIT coordination re: certificate update for unclaimedproperty.nd.gov website. Website managed by Kelmar.</li> <li>• Data clean up as requested</li> </ul>
Administrative Staff	<p><b>Admin, Unclaimed Property Specific:</b></p> <ul style="list-style-type: none"> <li>• Mail outgoing claim checks and supporting documentation (the majority of outgoing checks are for Unclaimed Property)</li> <li>• Upload Deposit report into KAPS and On-Base</li> <li>• Deposit checks into Unclaimed Property account at BND</li> <li>• Walk in and phone call handling – a large portion of walk in traffic is unclaimed property related outside of when surface rent is due and there is an uptick in surface customers. Unclaimed Property</li> </ul>



	<p>has their own section on the phone menu when customers call. If calls come into the front office it is typically overflow during busy times.</p> <ul style="list-style-type: none"> <li>• UP Records Management – Admin Officer <ul style="list-style-type: none"> <li>○ RecordKeepers UP records offsite storage ending in the year 2033 when the final records would be destroyed, records since 2019 are held in KAPS.</li> <li>○ Approx \$36/month storage and \$50 annual destruction.</li> </ul> </li> <li>• Vault Access by double authentication (1 person from admin and 1 person from UP)</li> </ul> <p><b>Admin, responsibilities for the entire office but would charge to UP on timesheets if performing the following tasks specifically for UP staff:</b></p> <ul style="list-style-type: none"> <li>• Process incoming mail, peak season October/November (most “normal” days mail opening duties would be charged to operations on timesheets)</li> <li>• Process outgoing mail, USPS, UPS, FedEx.</li> <li>• HR hiring process assistance – job posting, employee onboarding, payroll.</li> <li>• Designing new State forms and editing current forms</li> <li>• Order supplies, envelopes, letter head, Etc.</li> <li>• Notarizing documents</li> <li>• Surplus items to State surplus</li> <li>• Asset tagging/cataloging assets</li> </ul>
Accounting Assistant	<ul style="list-style-type: none"> <li>• Creates journal entries for cash receipts in accounting system (FMA)</li> <li>• Processes holder refunds</li> <li>• Reconciles cash with bank</li> <li>• Verifies void and reissued checks with Treasurer Office</li> <li>• Transfers cash to Treasurer’s Office to cover expenditures and claim payments</li> </ul>
Senior Accountant	<ul style="list-style-type: none"> <li>• Finalizes journal entries in accounting system (FMA)</li> <li>• Prepares footnotes for financial statements</li> </ul>
Chief Financial Officer	<ul style="list-style-type: none"> <li>• During fiscal year 2023, spent a significant amount of time, along with the Legal Division, amending and updating the software contract and licenses for the KAPS</li> <li>• Serves as the procurement officer for the Department including Unclaimed Property</li> <li>• Identify and allocate expenditures, including salaries, that are Unclaimed Property to ensure compliance with Article IX on monthly basis</li> <li>• Collaborate with the Treasurer’s Office to request stop payments, reissue requests, and copies of cashed checks for claimants</li> <li>• Work with the Treasurer’s Office on outstanding checks</li> <li>• Finalize footnotes for financial statement</li> <li>• Manages payroll</li> </ul>

Paralegal	<p>Manages Bankruptcies reported to Unclaimed Property.</p> <p>Handles Unclaimed Property garnishments</p> <p>Manages open records requests for Unclaimed Property.</p> <p>Conducts various research projects.</p> <p>Notarized documents</p>
General Counsel	<p>Represents Unclaimed Property in multi-state issues. Reviews correspondence to holders resisting examination. Instrumental in writing statute that has lead the way for change in multiple states.</p> <p>Provides guidance on all areas of unclaimed property not only to defend when legal issues arise, but to prevent litigation before it happens.</p> <p>Reviews legal documents on difficult estate claims. Provides guidance on updates to statutes, and is active with the NAUPA legal committee.</p>
Commissioner	<p>Approves transactions with Northern Trust</p> <p>Overall authority for the program.</p> <p>Is the Administrator of the Unclaimed Property Program by statute.</p>
Investments Officer	Liaison between Unclaimed Property and Northern Trust
Chief Investment Officer	<p>Approved transactions in the absence of the commissioner.</p> <p>Replies to call back verification with Northern on re-registration transactions.</p>

## **Admin Rules**

Title 85 – Unclaimed Property

Title 70 – Real Estate Commission – 70-02-01-15-2.d

## **Century Code**

N.D.C.C. Ch. 47-30.2 – Revised Uniform Unclaimed Property Act

N.D.C.C. Ch. 15-01 – Board of University and School Lands

N.D.C.C. § 15-02-05 – Duties of the Commissioner of University and School Lands

N.D.C.C. § 54-11-01 – Duties and powers of the state treasurer

N.D.C.C. § 44-04-18.25 – Open Records

N.D.C.C. Ch. 26.1-55 - Unclaimed Life Insurance Benefits

N.D.C.C. § 6-07.2-19 - Voluntary liquidation of a credit union

N.D.C.C. § 10-15-49 - Cooperative Associations – Amounts due unknown persons

N.D.C.C. § 9-12-29 - Contracts and Obligations – Claim of money by creditor—Extinguishment of lien

N.D.C.C. § 54-27-15.1 – State Treasurer Checks – Provide a list to Unclaimed Property

N.D.C.C. § 57-28-20 - Taxation – Disposition of proceeds of sales

N.D.C.C. § 30-1-20-14 – Uniform Probate Code – Disposition of unclaimed assets

N.D.C.C. § 57-39-2-23 – Taxation – Information Deemed confidential – Certain releases of information

N.D.C.C. § 57-38-57 – Income Tax – Information sharing

**RE: Unclaimed Property To Treasurer's Office - Commissioner Analysis**

**Pros**

- Alignment with majority of other states
- Ability for a statewide elected official to use their platform to promote the program

**Cons**

- Disruption to currently smooth-running program
- Transition issues outlined in Unclaimed Property Division Director's report; most notably additional costs/FTE's, office space, and legal support

**Analysis:** Goal is to do what is best for constituents and state as a whole. I do see some potential long-term advantages once up-front costs and difficult transition process is complete. However, this would require much more extensive pre-planning and, at minimum, a two-year delayed effective date to any legislation.

**Board Options:**

1. Remain Neutral – This would make it difficult for DTL staff to know how to testify at legislative hearings on this issue.
2. Oppose – Make judgment that potential long-term advantages **do not** outweigh short-term costs and disruption.
3. Support Delayed Effective Date – Make judgment that potential long-term advantages **do outweigh** short-term costs and disruption as long as identified issues are addressed in any legislation.

**FY24 State Program Data**

Representing	Fund Value	Trust Dist	K-12 Dist	K-12 Students	K-12 Each	Surface Ac	SubSurface Ac
Alaska Department of Natural Resources	\$ 833,816,028	\$ 32,240,700	\$ 32,240,700	131,264	\$ 245.62	103,500,000	220,000
Alaska Mental Health Trust	\$ 734,822,400	\$ 30,253,300				550,656	448,829
Arkansas Commissioner of State Lands	\$ -	\$ 15,432,423	\$ 12,345,938	474,337	\$ 26.03	0	0
Arizona State Land Department	\$ 8,640,000,000	\$ 456,090,000	\$ 424,250,000	1,680,000	\$ 252.53	9,178,789	8,970,633
California State Lands Commission	\$ 64,965,889	\$ 7,519,497	\$ -	5,837,700		458,843	790,000
Colorado State Board of Land Commissioners	\$ 1,588,000,000	\$ 156,000,000	\$ 156,000,000	881,000	\$ 177.07	2,800,000	4,000,000
Idaho Department of Lands	\$ 3,300,000,000	\$ 100,315,000	\$ 61,532,200	312,451	\$ 196.93	2,503,598	3,416,008
Minnesota Department of Administration - School Trust Land	\$ 2,240,000,000	\$ 51,000,000	\$ 51,000,000	847,400	\$ 60.18	2,500,000	3,500,000
Mississippi Office of Secretary of State							
Montana Dept. Natural Resources & Conservation	\$ 927,395,106	\$ 99,198,516	\$ 92,364,160	148,585	\$ 621.63	5,200,000	6,200,000
North Dakota Department of Trust Lands	\$ 7,000,000,000	\$ 308,500,000	\$ 292,500,000	127,000	\$ 2,303.15	706,000	2,600,000
New Mexico State Land Office	\$ 34,000,000,000	\$ 1,200,000,000	\$ 1,000,000,000	315,000	\$ 3,174.60	9,000,000	13,000,000
Nevada State Lands Division	\$ 488,956,340	\$ 41,396,155	\$ -	479,578	\$ -	2,914	0
Oklahoma Commissioners of the Land Office	\$ 2,900,000,000	\$ 145,182,184	\$ 108,308,712	599,573	\$ 180.64	1,200,000	735,582
Oregon Department of State Lands	\$ 2,367,625,357	\$ 74,168,181	\$ 74,168,181	542,271	\$ 136.77	697,200	768,000
South Dakota School and Public Lands	\$ 416,674,467	\$ 16,454,666	\$ 12,809,869	167,316	\$ 76.56	760,000	5,500,000
Texas General Land Office	\$ 52,290,773,000	\$ 2,156,354,000	\$ 2,156,354	5,015,234	\$ 430.00	4,711,760	13,147,990
Utah School and Institutional Trust Lands Administration	\$ 3,722,723,850	\$ 3,649,220,567	\$ 111,971,993	667,789	\$ 167.68	3,332,968	4,462,512
Washington Department of Natural Resources	\$ 1,315,045,061	\$ 181,225,112	\$ 71,036,953	1,100,059	\$ 64.58	3,142,432	6,010,793
Wisconsin Board of Commissioners of Public Lands	\$ 1,399,889,360	\$ 66,624,355	\$ 65,000,000	802,540	\$ 80.99	75,755	270,692
Wyoming Office of School Lands & Investments	\$ 5,940,155,814	\$ 413,176,959	\$ 326,570,576	89,228	\$ 3,659.96	3,500,000	3,900,000
	\$ 130,170,842,672	\$ 9,200,351,615	\$ 2,894,255,636	\$ 20,218,325	\$ 143	153,820,915	77,941,039

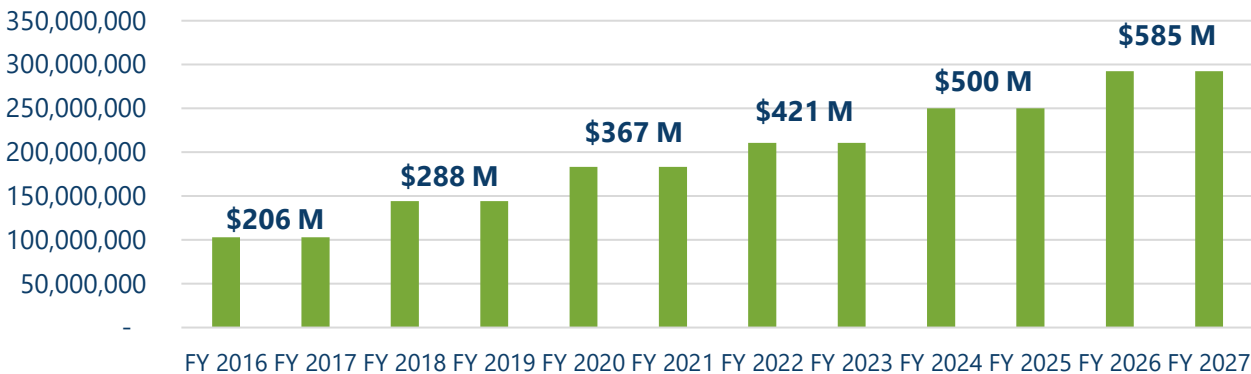
# COMMON SCHOOLS TRUST FUND (CSTF) OVERVIEW

## CSTF ASSET BALANCE as of 10/31/2024 (unaudited)

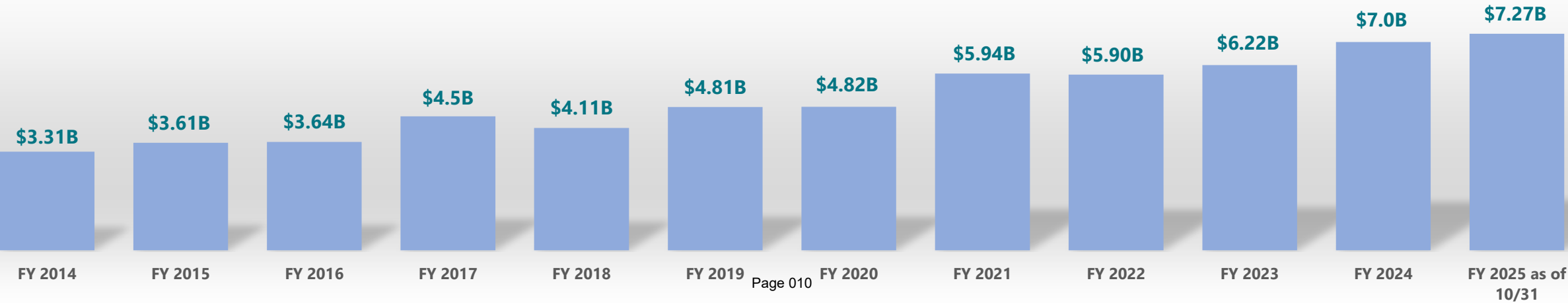
**\$7,272,642,048**

**+\$1.14 billion year-over-year from 10/31/2023  
balance of \$6.13 billion**

### CSTF DISTRIBUTION HISTORY PER BIENNIUM



### CSTF ASSET BALANCE HISTORY



# COMMON SCHOOLS TRUST FUND 2023-25 (CSTF) DISTRIBUTIONS

Monthly Distribution to the State Tuition Fund for the 2023-25 Biennium      \$27,770,000  
Multiplied by 9 months per year      = \$250,000,000  
Divided by 115,740 students      = \$2,160/student per year

North Dakota Cost to Educate Per Student      \$13,778/year  
75.7% State Funding Share      = \$10,430  
\$2,160 CSTF per Student Annual Distribution      **=21% of state funding share**

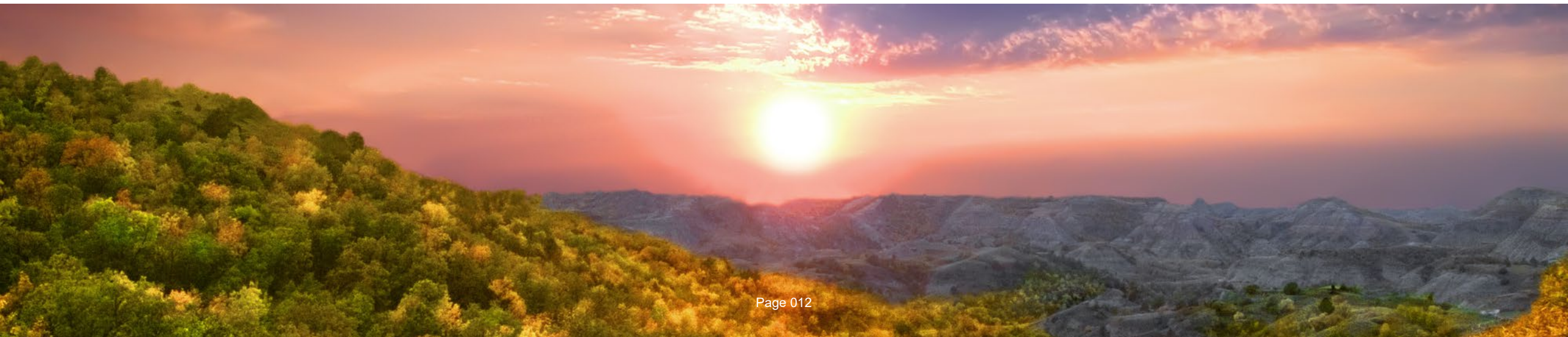




# COMMON SCHOOLS TRUST FUND 2025-27 (CSTF) DISTRIBUTIONS

Monthly Distribution to the State Tuition Fund for the 2025-27 Biennium      \$32,500,000  
Multiplied by 9 months per year      = \$292,500,000  
Divided by 116,598 students      = \$2,508/student per year

North Dakota Cost to Educate Per Student      \$13,778/year  
75.7% State Funding Share      = \$10,430  
\$2,508 CSTF per Student Annual Distribution      **=24% of state funding share**





**Current Biennium Distributions to the  
State Tuition Fund through 01/31/2025**

**\$388.92 million of  
\$500 million total**

---

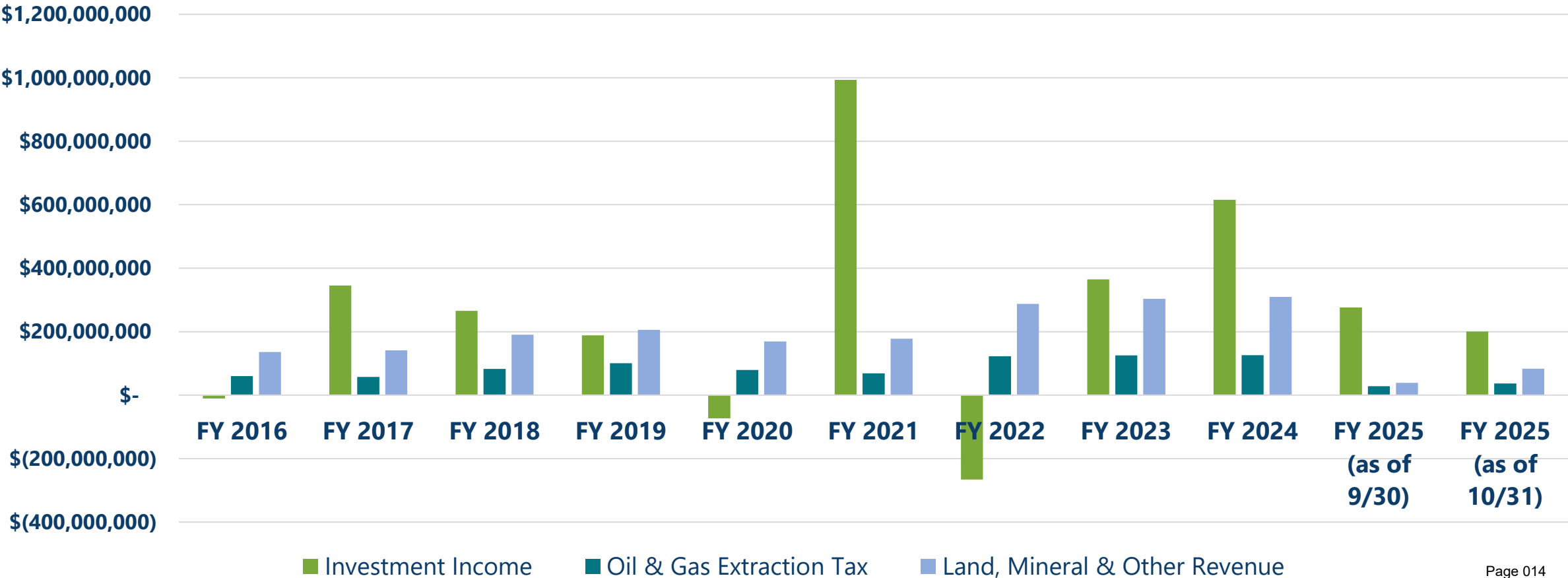
**CSTF Distributions Since FY 2014**

**\$2 BILLION OF PROPERTY TAX RELIEF!**



# COMMON SCHOOLS TRUST FUND (CSTF) OVERVIEW

COMMON SCHOOLS REVENUES  
July 1 – June 30 Fiscal Year



# STRATEGIC INVESTMENT & IMPROVEMENT FUND (SIIF) OVERVIEW

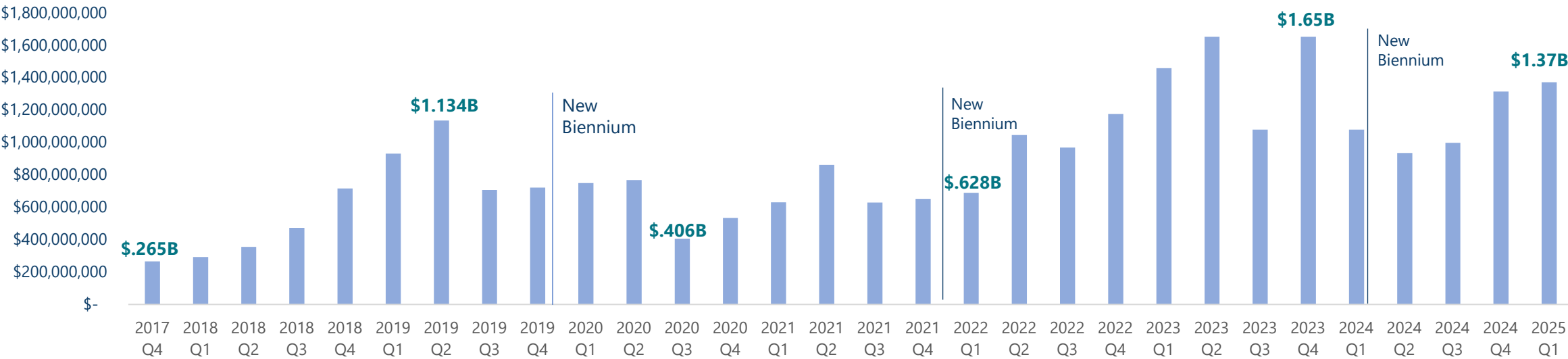
## SIIF BALANCE as of 09/30/2024 (unaudited)

- Total Balance - \$1,370,582,987
- Uncommitted Balance – \$1,056,604,798

## SIIF BALANCE as of 10/31/2024 (unaudited)

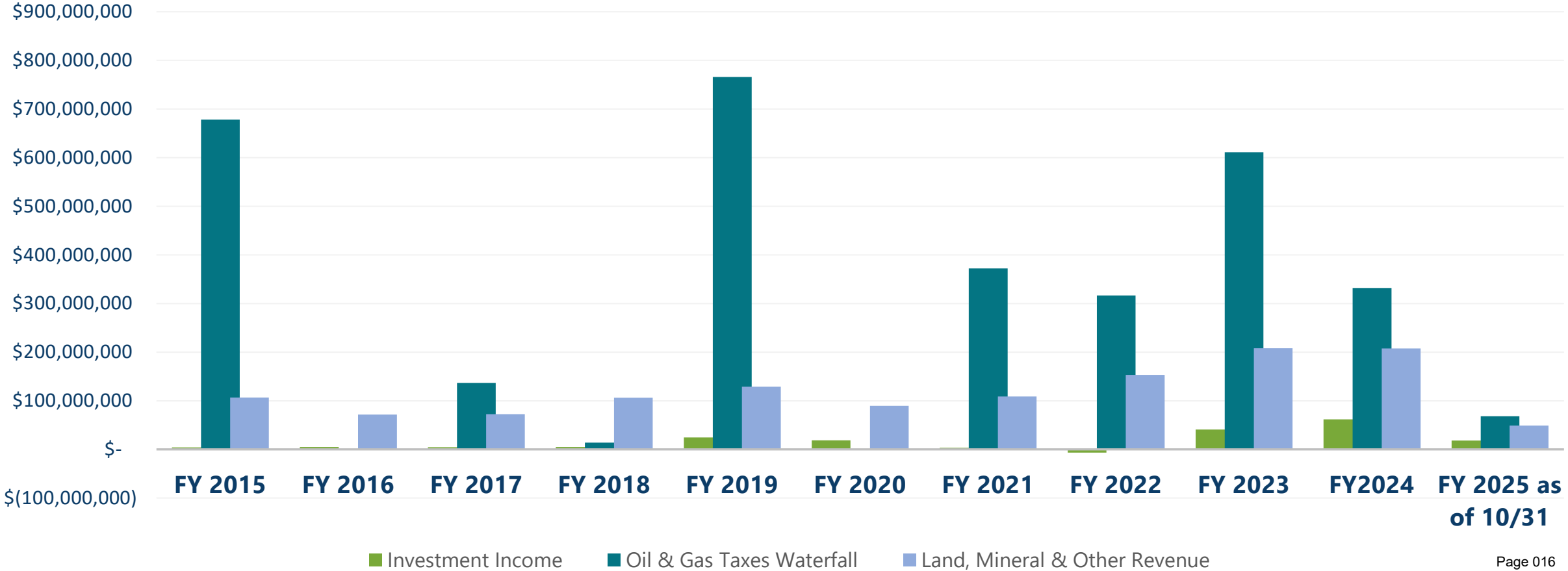
- Total Balance - \$1,354,745,602
- Uncommitted Balance – \$1,073,531,575

## SIIF QUARTERLY BALANCE HISTORY (UNAUDITED)



# STRATEGIC INVESTMENT & IMPROVEMENT FUND (SIIF) HIGHLIGHTS

SIIF REVENUES  
July 1 – June 30 Fiscal Year



**State General Fund**

**\$230M**

**Social Services Fund**

**\$250M**

**Budget Stabilization Fund**

**\$75M**

Currently at cap,  
receives no oil allocations

**State General Fund**

**\$230M**

**Lignite Research Fund**

**\$10M**

■ AMOUNT ALLOCATED

■ AMOUNT REMAINING

**State Disaster Relief Fund**

**\$8.5M**

**Strategic Investment & Improvements Fund (SIIF)**

**\$400M**

**Public Employees Retirement Fund**

**\$65M**

**Non-oil Producing Political Subdivision Infrastructure Funds**

**\$104.3M**

Municipal

**\$104.3M**

City Township

**\$10.7M**

**\$10.7M**

**Airport Infrastructure Fund**

**\$20M**

**Strategic Investment & Improvements Fund (SIIF)**

**Remainder**

# ESTIMATED TOTAL NET ASSETS as of 10/31/2024

**Mineral Tracker Valuation  
as of October 31, 2024, on  
2.6 million Mineral Acres  
\$2,461,271,622**



**Surface Fair Market Value  
as of April 18, 2024, on  
706,000 Surface Acres  
\$671,978,325**



**Estimated Total Net Assets\*  
as of October 31, 2024**



**\$10,944,701,224**



\* Total excluding SIIF



# SURFACE DIVISION

## ENCUMBRANCES ISSUED

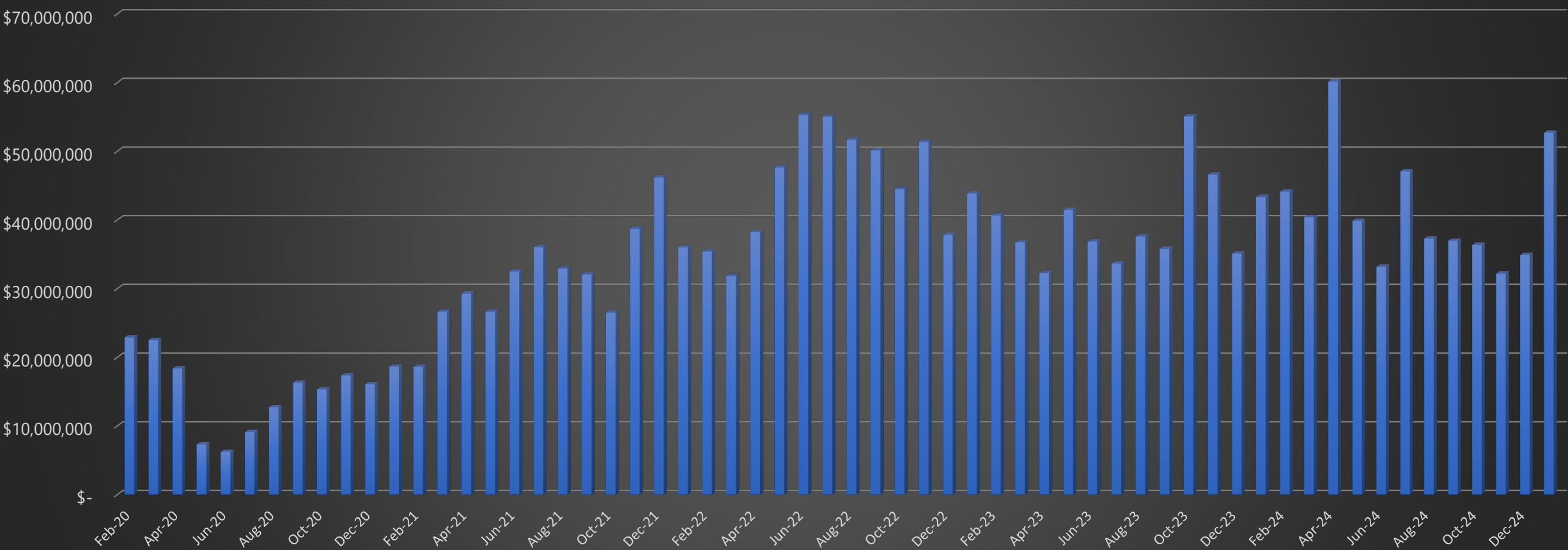
**Encumbrances issued by the Commissioner: 19 Right of Way Agreements in January generated a total of \$270,473 in income for the Trusts.**

**Photo Credit: Garret Hecker on Trust Lands on the coldest day of the year in Billings County 141-101-23-NW4**

# MINERALS DIVISION FISCAL YTD O/G ROYALTIES

As of January 31, 2025\*, for fiscal year 2024-25 the Department has received **\$277,554,051** in royalties as compared to **\$287,219,111** last fiscal year at this time.

ROYALTIES - CASH COLLECTED

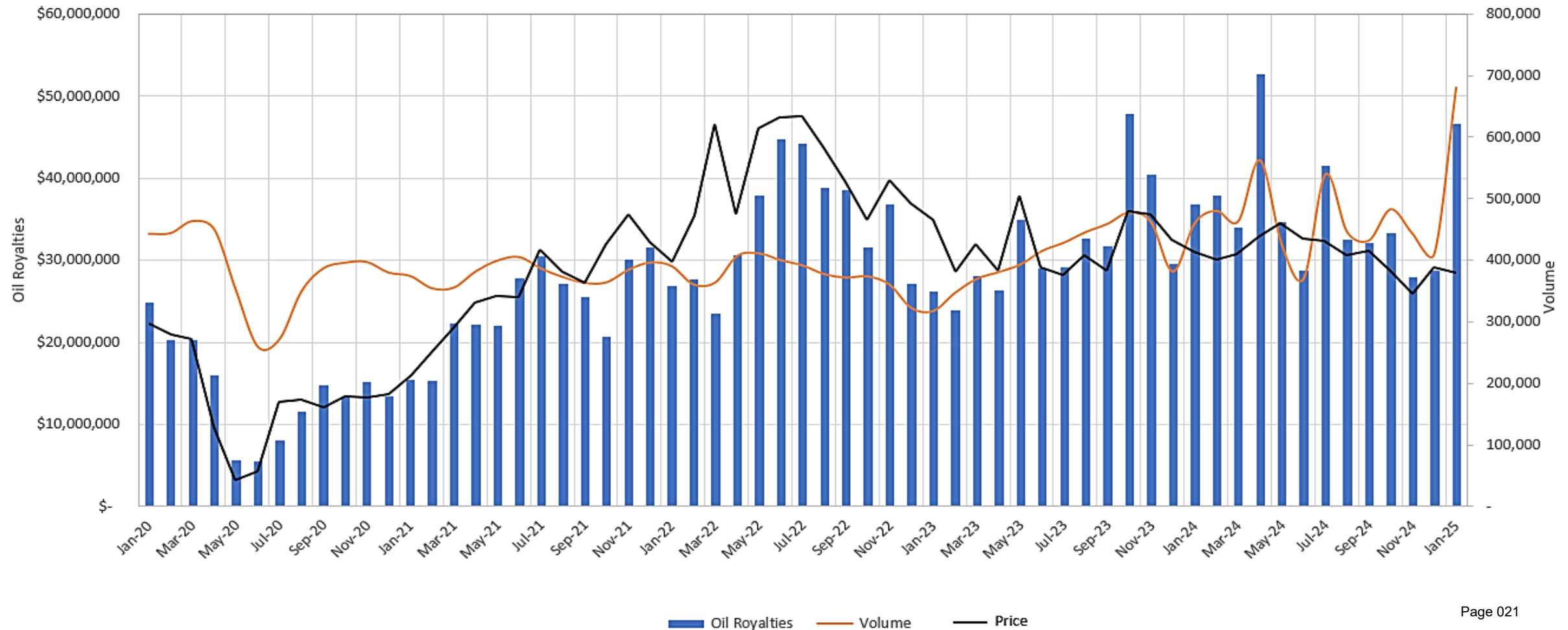


\*December royalty revenue is from November gas production and December oil production.



# PRICE MAIN DRIVER OF O/G ROYALTIES

In the early years production growth was the driver of the Department's royalty increases. Now that our net monthly production has been more stable, averaging 477,710 barrels per month over the past twelve months, the price of oil & gas is the main driver of monthly royalty variations.



# OIL & GAS LEASE AUCTION RESULTS SUMMARY

## 2025 Q1 (February) Online Oil & Gas Lease Auction

Bidding Snapshots	
Total tracts	136
Total acres	12,793.16
Total tracts receiving bids at auction	136
Total registered bidders	60
Total bidders who placed bid	39
Average unique bidders on tract with bid	3.63
Total bids	1439
High bid per tract	\$2,514,085.94
High bid per acre	\$30,098.00
Total bonus received	\$13,650,142.29



# OIL & GAS LEASE AUCTION RESULTS SUMMARY, CONTINUED

## 2025 Q1 (February) Online Oil & Gas Lease Auction

County	# Tracts	Net Min Acres	Total Bonus	Average Bonus/Net Acres
Billings	33	3,510.02	\$2,907,141	\$828
Bottineau	1	80.00	\$1,680	\$21
Burke	4	280.00	\$14,720	\$53
Divide	19	1,209.68	\$231,074	\$191
Dunn	2	160.00	\$46,000	\$288
Golden Valley	36	3,528.02	\$38,001	\$11
McKenzie	31	3,263.03	\$6,629,113	\$2,032
Mountrail	2	0.51	\$4,601	\$9,021
Williams	8	761.90	\$3,777,813	\$4,958
<b>TOTAL</b>	<b>136</b>	<b>12,793.16</b>	<b>\$13,650,142</b>	<b>\$1,067</b>

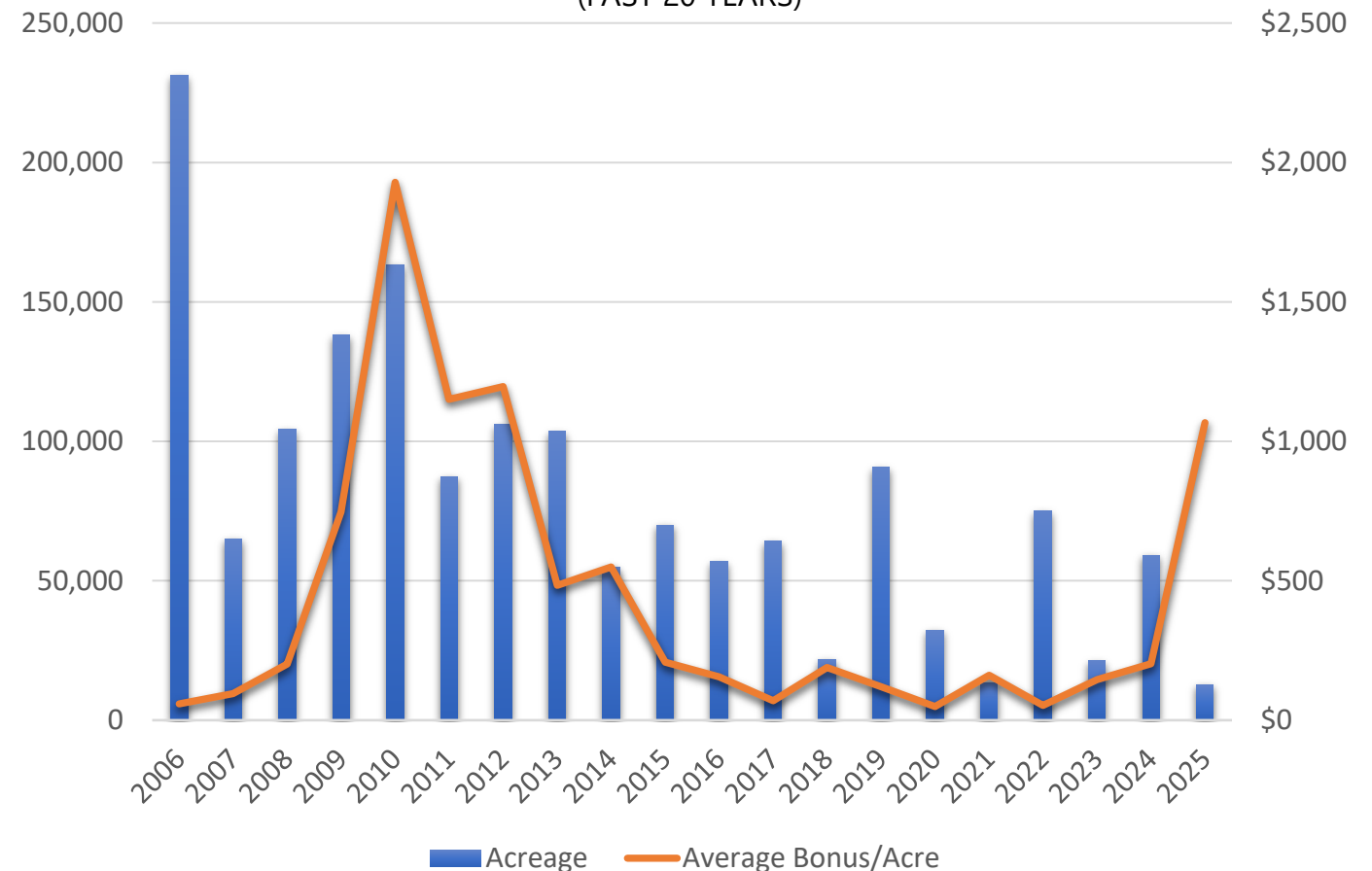
Trust/ Fund	Trust/Fund Name	# Tracts	Total Bonus
A	Common Schools	86	\$4,016,924
D	School for the Deaf	3	\$12,761
I	ND Industrial School	2	\$1,840
L, R	SIIF (Strategic Investment & Improvements Fund)	45	\$9,618,618
	<b>TOTAL</b>	<b>136</b>	<b>\$13,650,142</b>

# HISTORICAL AUCTION RESULTS

Year	# Tracts	Net Acreage	Bonus	Average Bonus/Ac
2006	2,886	231,264.52	\$13,576,948	\$59
2007	829	65,134.94	\$6,211,341	\$95
2008	1,213	104,235.20	\$20,991,009	\$201
2009	1,735	138,109.87	\$103,212,376	\$747
2010	2,083	163,367.37	\$315,126,366	\$1,929
2011	1,132	87,432.04	\$100,553,812	\$1,150
2012	1,236	106,013.08	\$126,785,716	\$1,196
2013	1,267	103,586.18	\$50,109,864	\$484
2014	635	54,693.19	\$30,057,524	\$550
2015	779	69,987.56	\$14,522,818	\$208
2016	684	56,889.36	\$8,862,765	\$156
2017	720	64,291.10	\$4,496,748	\$70
2018	241	21,865.22	\$4,130,246	\$189
2019	1,065	90,698.40	\$10,876,517	\$120
2020	329	32,219.90	\$1,576,562	\$49
2021	151	13,525.98	\$2,175,580	\$161
2022	1,008	75,119.39	\$3,942,573	\$52
2023	207	21,268.01	\$3,090,459	\$145
2024	690	59,153.37	\$11,934,332	\$202
2025	136	12,793.16	\$13,650,142	\$1,067
<b>TOTALS</b>	<b>19,026</b>	<b>1,571,647.84</b>	<b>\$845,883,698</b>	<b>\$538</b>

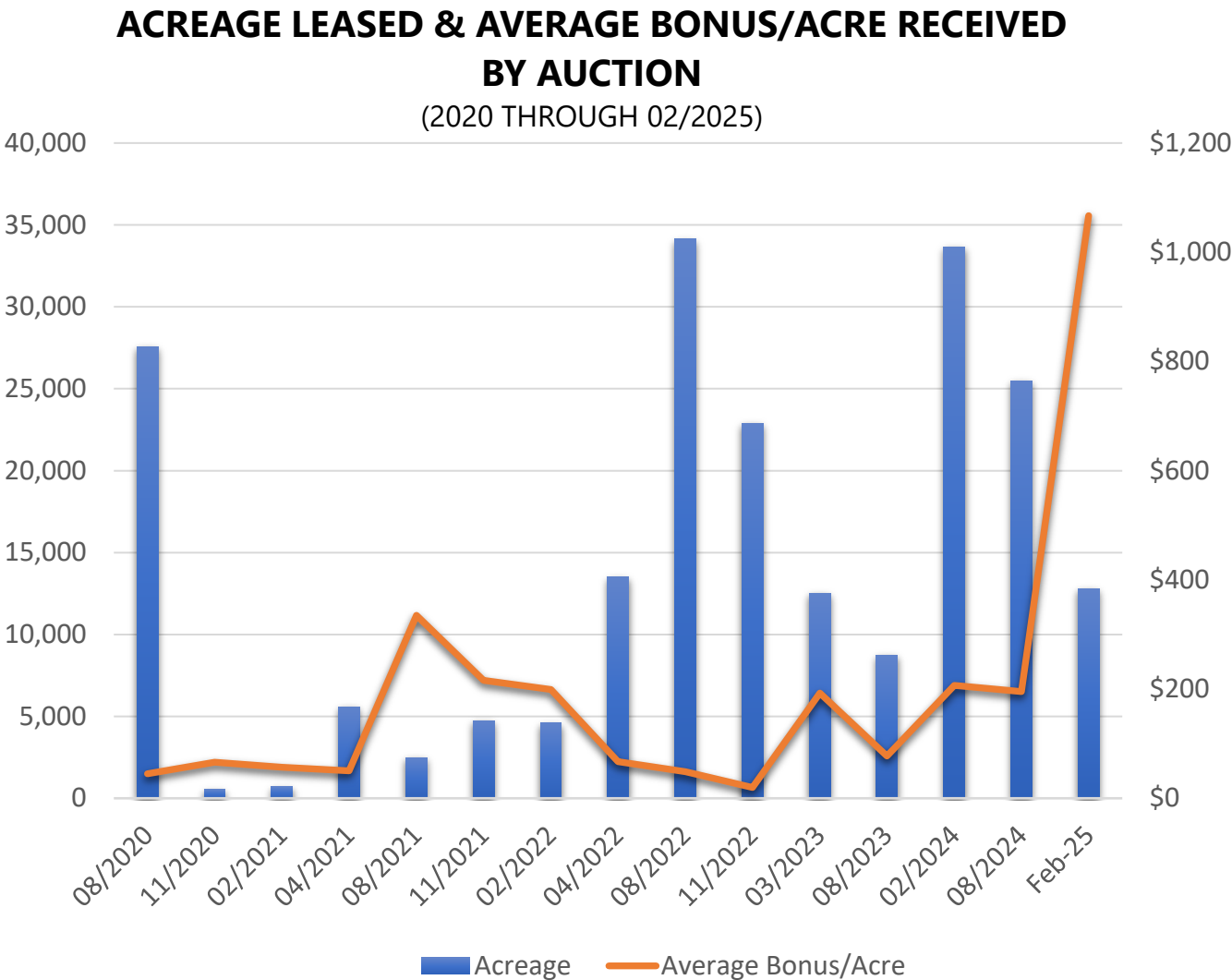
## ACREAGE LEASED & AVERAGE BONUS/ACRE RECEIVED BY YEAR

(PAST 20 YEARS)



# HISTORICAL AUCTION RESULTS, CONTINUED

Auction	# Tracts	Net Acreage	Bonus	Average Bonus/Acre
Aug-20	288	27,572.15	\$1,230,770	\$45
Nov-20	5	558.39	\$36,918	\$66
Feb-21	6	719.02	\$40,753	\$57
May-21	63	5592.27	\$281,476	\$50
Aug-21	23	2481.29	\$831,535	\$335
Nov-21	59	4733.4	\$1,021,816	\$216
Feb-22	57	4596.24	\$916,142	\$199
May-22	177	13,492.13	\$904,094	\$67
Aug-22	459	34,147.30	\$1,670,404	\$49
Nov-22	315	22,883.72	\$451,933	\$20
Mar-23	129	12,526.05	\$2,411,705	\$193
Aug-23	78	8741.96	\$678,754	\$78
Feb-24	375	33,674.48	\$6,957,468	\$207
Aug-24	315	25,478.89	\$4,976,864	\$195
Feb-25	136	12,793.16	\$13,650,142	\$1,067
TOTALS	2485	209,990.45	\$36,060,774	\$172



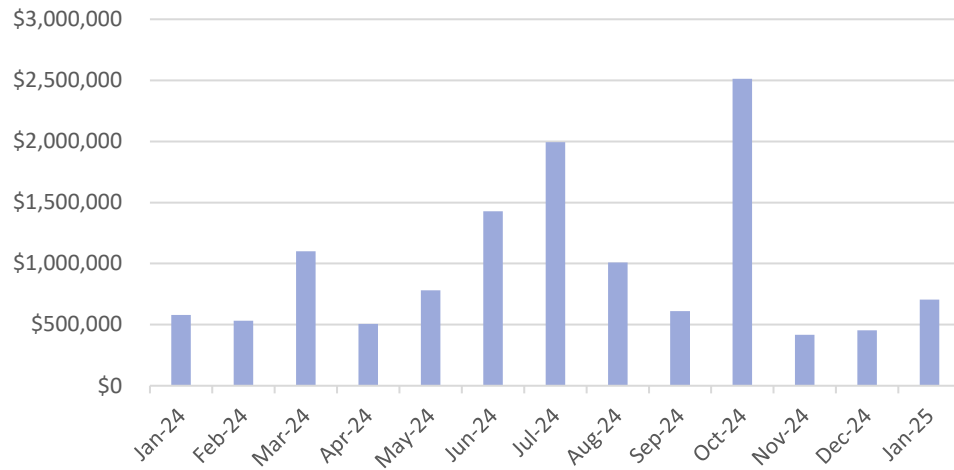


# UNCLAIMED PROPERTY DIVISION

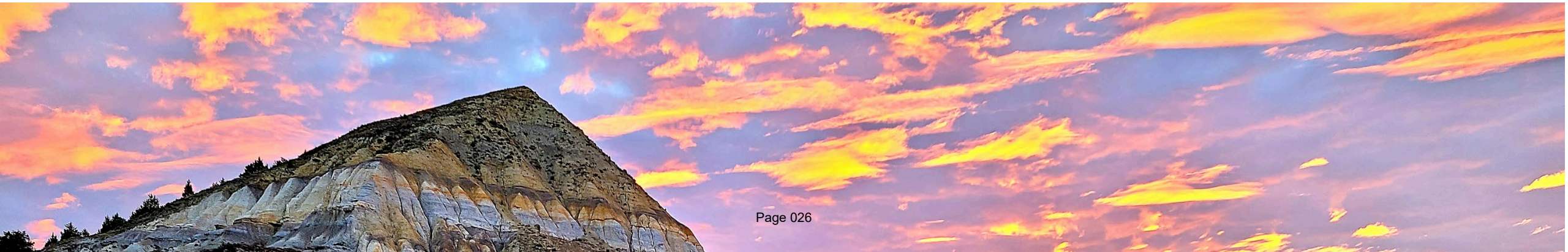
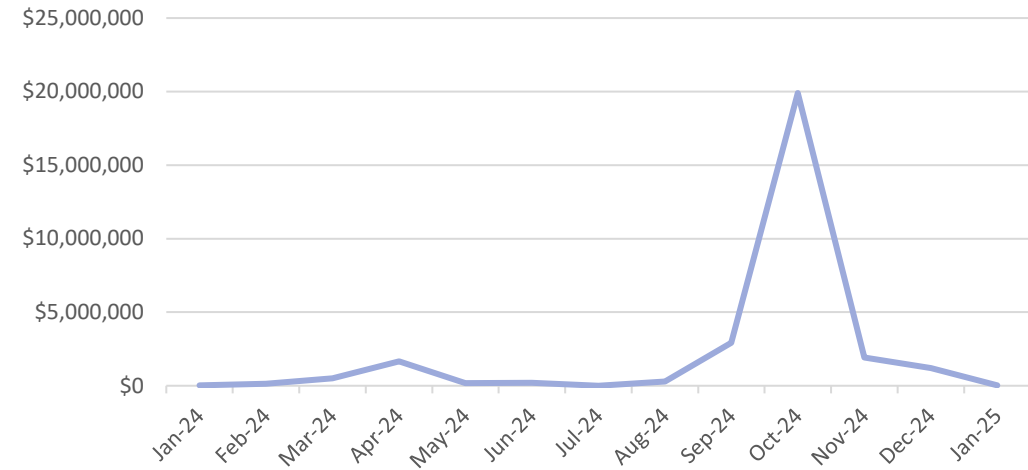
<https://unclaimedproperty.nd.gov>

For the month of January 2025, the Division paid 587 claims with \$705,699 returned to rightful owners. The Division also received 36 holder reports with a dollar value of \$22,419.

**TOTAL DOLLAR VALUE OF CLAIMS PAID**

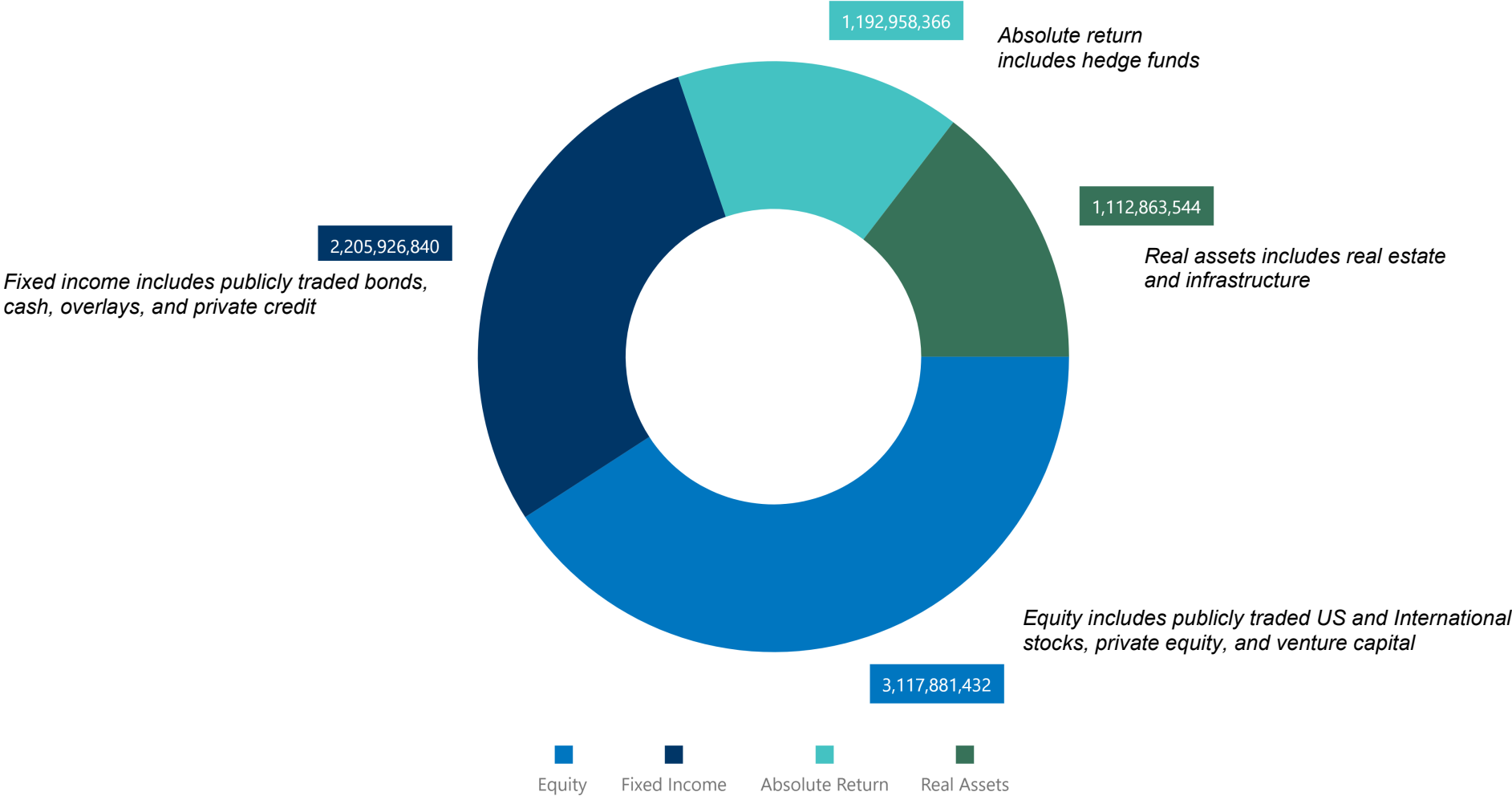


**TOTAL VALUE OF PROPERTY REPORTED**



Report as of 01/31/2025

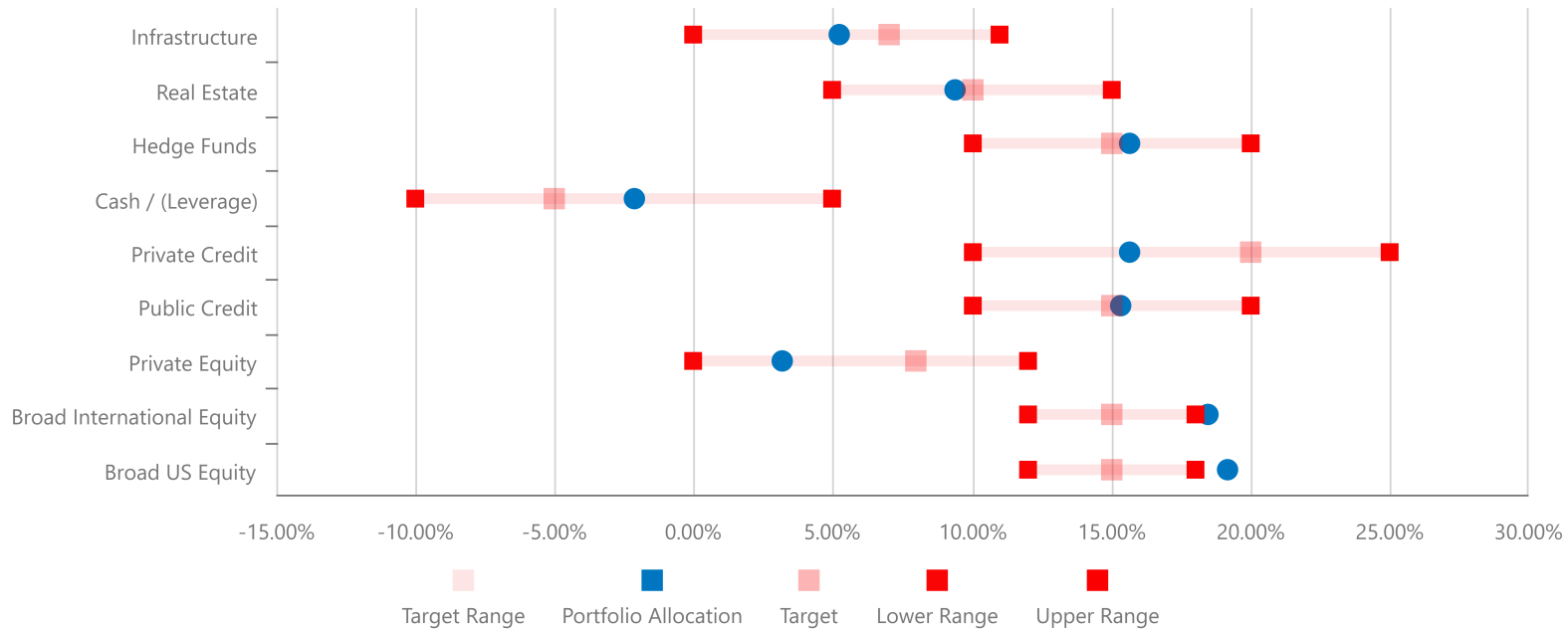
Asset Allocation



Asset	Total Value	% Of All Value
All	7,629,630,182.	100. %
Equity	3,117,881,432.	41. %
Fixed Income	2,205,926,840.	29. %
Absolute Return	1,192,958,366.	16. %
Real Assets	1,112,863,544.	15. %

Report as of 01/31/2025

### Actual vs. Target Weight



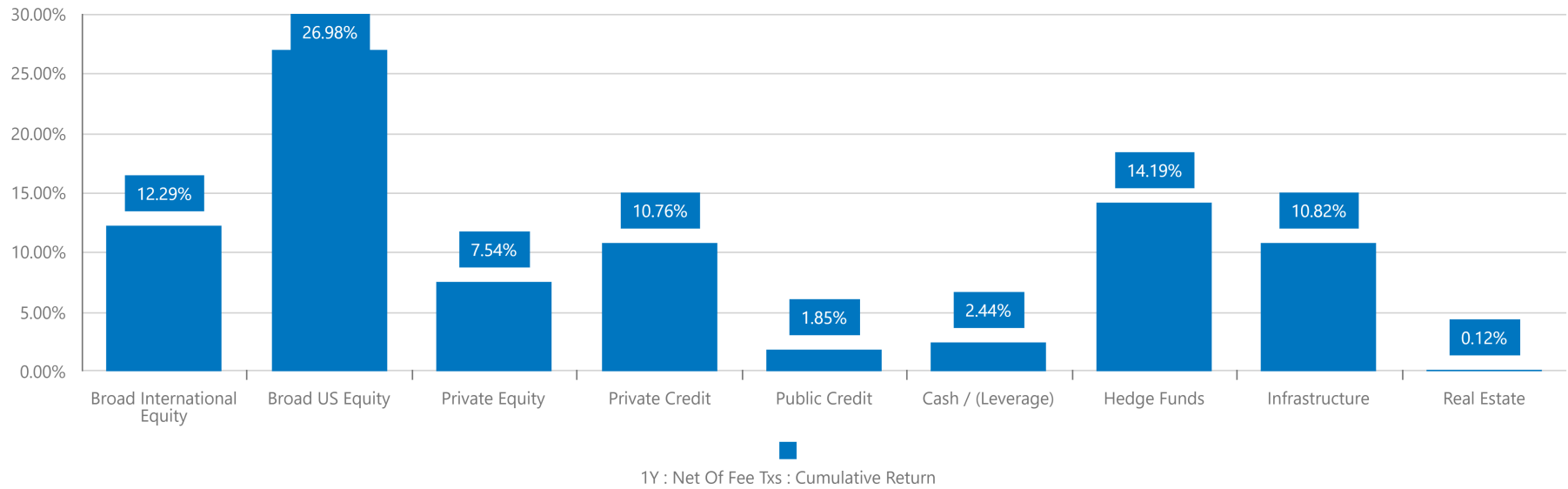
Asset	Total Value	% Of All Value	Target Weight	Over/Under %	Over/Under \$
<b>All (MTD)</b>	7,629,630,182.	100%	100%	0%	--
<b>Equity</b>	3,117,881,432.	40.87%	38%	2.87%	218,621,963.
Private Equity	244,241,203.	3.2%	8%	-4.8%	-366,129,211.
Broad International Equity	1,409,744,992.	18.48%	15%	3.48%	265,300,464.
Broad US Equity	1,463,895,237.	19.19%	15%	4.19%	319,450,710.
<b>Fixed Income</b>	2,205,926,840.	28.91%	30%	-1.09%	-82,962,214.
Cash / (Leverage)	-159,711,074.	-2.09%	-5%	2.91%	221,770,435.
Private Credit	1,195,188,009.	15.67%	20%	-4.33%	-330,738,028.
Public Credit	1,170,449,906.	15.34%	15%	0.34%	26,005,379.
<b>Absolute Return</b>	1,192,958,366.	15.64%	15%	0.64%	48,513,838.
Hedge Funds	1,192,958,366.	15.64%	15%	0.64%	48,513,838.
<b>Real Assets</b>	1,112,863,544.	14.59%	17%	-2.41%	-184,173,587.
Infrastructure	398,935,698.	5.23%	7%	-1.77%	-135,138,414.
Real Estate	713,927,845.	9.36%	10%	-0.64%	-49,035,173.



Report as of 01/31/2025

## Flash Performance Report

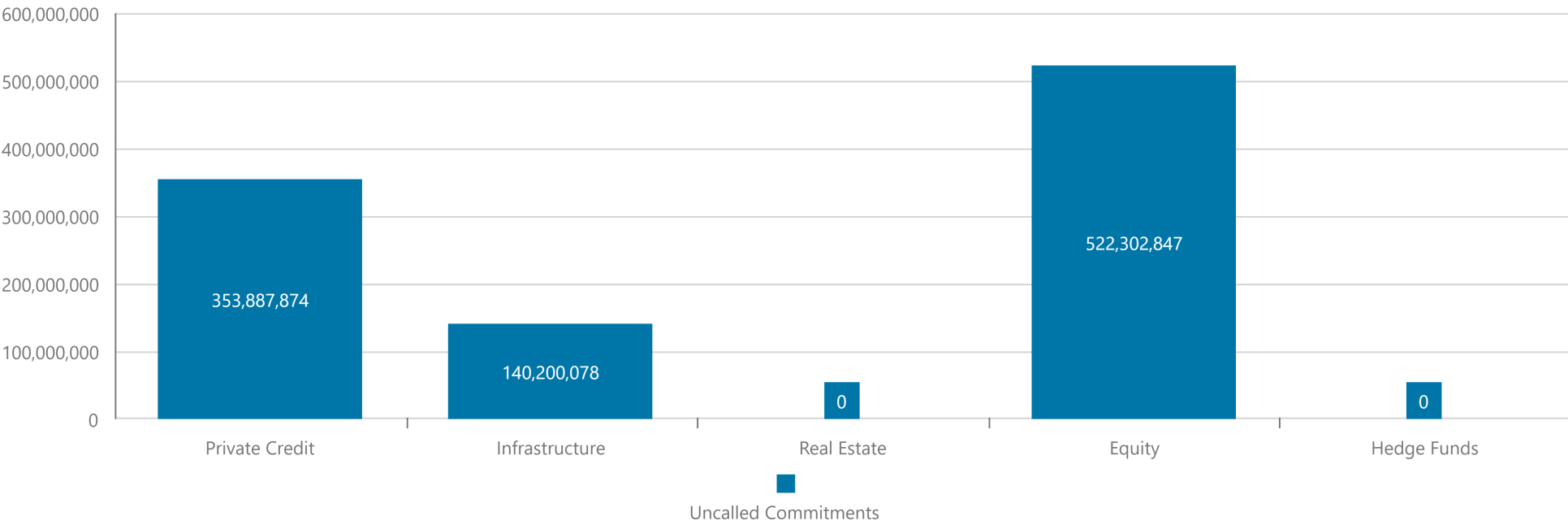
Unaudited preliminary estimates



	MTD	QTD	YTD	FYTD	1Y
	Net of Fees Tx's				
Asset	Cumulative Return	Cumulative Return	Cumulative Return	Cumulative Return	Cumulative Return
<b>Total Portfolio</b>	2.18%	2.18%	2.18%	6.17%	11.77%
<b>Equity</b>	4.38%	4.38%	4.38%	9.3%	19.01%
Broad International Equity	5.72%	5.72%	5.72%	5.05%	12.29%
Broad US Equity	3.91%	3.91%	3.91%	13.7%	26.98%
Private Equity	0%	0%	0%	5.49%	7.54%
<b>Fixed Income</b>	0.28%	0.28%	0.28%	2.78%	5.97%
Private Credit	0.16%	0.16%	0.16%	5.07%	10.76%
Public Credit	0.51%	0.51%	0.51%	0.76%	1.85%
Cash / (Leverage)	1.12%	1.12%	1.12%	2.44%	2.44%
<b>Absolute Return</b>	2.01%	2.01%	2.01%	8.76%	14.19%
Hedge Funds	2.01%	2.01%	2.01%	8.76%	14.19%
<b>Real Assets</b>	0%	0%	0%	2.25%	3.51%
Infrastructure	-0.01%	-0.01%	-0.01%	5.23%	10.82%
Real Estate	0%	0%	0%	0.73%	0.12%

Report as of 01/31/2025

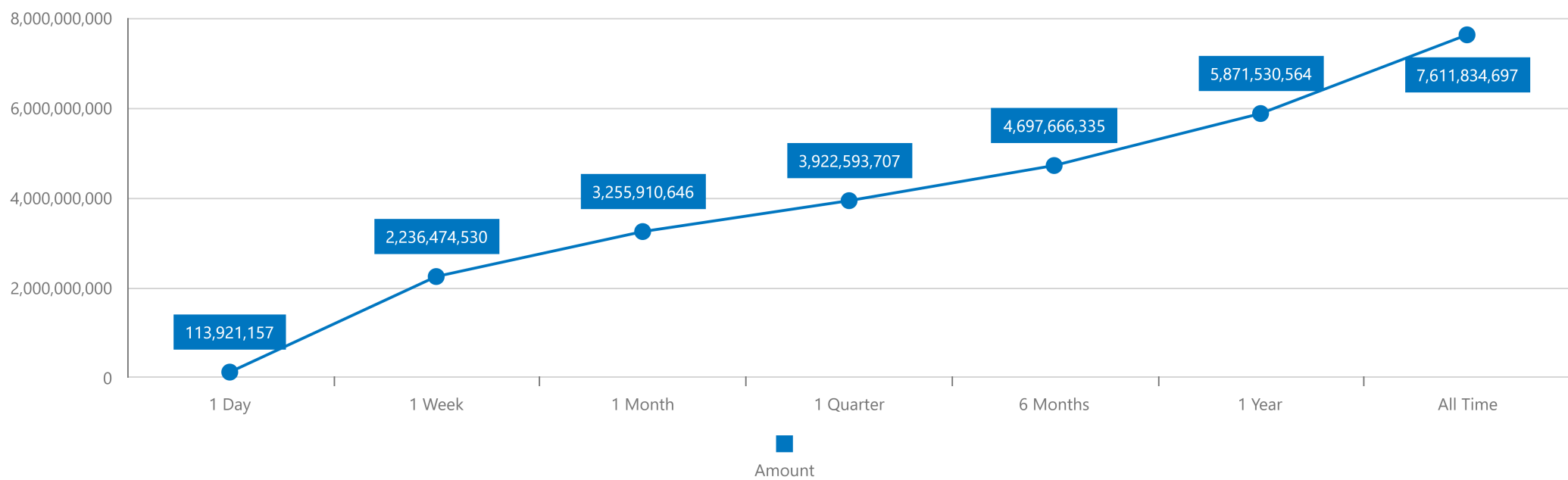
Uncalled Commitments



Asset	Commitment (\$M)	Funded Commitment (\$M)	Uncalled Commitments (\$M)
All (MTD)	3,967.	2,951.	1,016.
Ares	300.	100.	200.
GCM Grosvenor	580.	172.	408.
Hamilton Lane	50.	30.	20.
Khosla Ventures	35.	14.	21.
Monarch	120.	85.	35.
Blue Owl	125.	84.	41.
a16z	35.	5.	30.
Industry Ventures	50.	4.	46.
Pantheon	100.	5.	95.
Blackstone	120.	--	120.

Report as of 01/31/2025

Liquidity Waterfall



Entity ▾	1 Day (\$M) ▾	1 Week (\$M) ▾	1 Month (\$M) ▾	1 Quarter (\$M) ▾	6 Months (\$M) ▾	1 Year (\$1M) ▾	All Time (\$M) ▾
All ▾	114.	2,236.	3,256.	3,923.	4,698.	5,872.	7,612.
Equity ▶	--	1,228.	2,248.	2,874.	2,874.	2,874.	3,118.
Fixed Income ▶	114.	1,008.	1,008.	1,008.	1,251.	1,382.	2,206.
Absolute Return ▶	--	--	--	41.	441.	641.	1,184.
Real Assets ▶	--	--	--	--	131.	975.	1,104.

Measures how long it would take to liquidate the entire portfolio



**Custom Educational Market Update on Digital Assets**  
**Produced exclusively for North Dakota Land Trust**  
February 2025

Table of Contents

**Speakers**

Custom Educational Materials for NDLT

Appendix

# Speakers



**Sebastian Pedro Bea, OLY (President)** leads the client strategy team and represents CBAM externally. Sebastian has +20 years of experience across liquid public markets and institutional investing. Prior to Coinbase, Sebastian has held roles at One River/One River Digital, BlackRock, and Credit Suisse First Boston. At One River/One River Digital, Sebastian led Sales for One River, and served as President for One River Digital. Before One River, Sebastian was a MD at BlackRock SAE, and was the global co-head of investment strategy for BlackRock Systematic Active Equity. Prior to his role at SAE, Sebastian was an alternative strategist for BlackRock Alternative Strategists. Prior to that role, Sebastian worked for iShares, in its Institutional distribution group, covering west coast institutions. Prior to BlackRock, Sebastian worked in CSFB's equity sales & trading department, covering equity focused institutions. Sebastian holds a double major in English and Economics from the University of California, Berkeley. He is a World Champion and Olympic Silver Medalist in Rowing for the United States of America.



**Marcel Kasumovich (Deputy CIO)** leads the investment team at CBAM. Marcel has +30 years of experience in policy and investing. His career started at the Bank of Canada in 1994. Marcel joined Goldman Sachs in 1997 where he served as a strategist for global macro trading. He then joined Soros Fund Management as Chief Strategist in 2004, and was a key contributor to the firm's preparedness for the 2008 financial crisis. Marcel and former Soros colleagues launched Woodbine Capital in 2009, a macro hedge fund. During his sabbatical, Marcel served as a Visiting Scholar at the International Monetary Fund in 2012. Marcel was a day-one member of a macro hedge fund, Tse Capital, in 2013. He joined One River/One River Digital in 2021, acquired by Coinbase in 2023. Marcel holds a BA from Western University and an MA from the University of Toronto.



**Anthony Bassili, CAIA** is Head of Allocators & Tokenization for Coinbase Institutional. In this role, he is responsible for managing relationships with global financial institutions, advising on investment solutions related to digital asset hedge fund and venture strategies, tokenization, and facilitating capital introductions. His clients include Single and Multi-Family Offices, Endowments & Foundations, Consultants, Pensions, and Sovereign Wealth Funds globally. Prior to joining Coinbase, Mr. Bassili served as Head of Pensions for BlackRock iShares where he helped allocators develop active and niche strategies across public and private asset classes, including ESG and other thematic exposures. Prior to leading the iShares business, he spent more than a decade leading business development, investment strategy, and as a portfolio manager within the global trading platform at BlackRock. Mr. Bassili is a contributor to digital asset education with the [AIF Institute Center for Financial Innovation](#), the [Global Interdependence Center](#) (GIC), and the [Chartered Alternative Investment Management Association](#) (CAIA). He advises Web3.0 startups and is an active early stage investor.

Table of Contents

Speakers

**Custom Educational Materials for NDLT**

# Executive Summary

## What Are Digital Assets? Do they have Yield?

- Cryptographically based tokens that can be transferred peer to peer without a trusted third-party.
- Tokens generally have some sort of novel utility. Many are effectively financial commodities, enabling some activity or process.
- Bitcoin started in 2009 as a peer-to-peer payment network <sup>(1)</sup>. It is \$2 trillion asset today <sup>(2)</sup>.
- Ethereum was first discussed in 2014, in part to enable programmable money. It is a \$321 billion dollar asset today<sup>(3)</sup>.
- Total Digital Asset market capitalization is \$3.2T today. There are 73 tokens with more than \$1B of market value. (5)
- Bitcoin has no yield. It can be leant. Ethereum can have a positive yield if an investor stakes their ETH. .

## The Myths Have Been Dispelled

- AML/Terrorism: Blockchains are permanent and permanently record nefarious activities.
- Risk of Mishandling: Diminished substantially via qualified custodians.

## Why? And Why Now?

- Government debt is high: Risk of the use of inflation by governments to avoid hard default(6).
- Disruption has started: Some save in BTC. Payments increasingly over stablecoins.
- Regulatory momentum: Europe, UAE, Switzerland, SG, and possibly soon the USA.

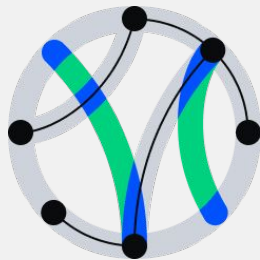
## How Asset Owners may invest?

- Important Context: 21 States have written legislation on owning Digital Assets.
- Venture: Illiquid, growth, tokens and equity. Long directional exposure, correlated to BTC/Indices.
- Hedge: Liquid, higher potential forecast Sharpe ratio due to emerging market dynamics (investors, change, volatility)
- Tokens: Liquid, highly volatile, may require new vendors/onboarding, with an asymmetric potential return profile.
- Securities: Liquid, can be highly volatile, fit into existing workflows for Asset Owners with internal management.



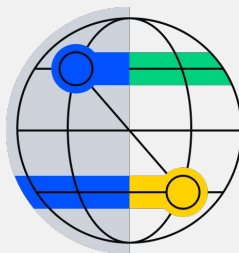
# What are Digital Assets?

**Digital Assets are tokens that are transferable via a decentralized crypto network, which operates without a single trusted third-party. Bitcoin was the first, created in 2009.**



## Decentralized

Digital asset networks generally operate peer-to-peer, through networks of computers.



## Transferable & Programmable

Most digital assets allow value to transfer globally and near-instantly, 24/7, for low fees, and without the need of an intermediary (e.g., banks).



## Secure

All transactions are executed and verified through blockchain networks, which are generally immutable digital ledger.

# What are Bitcoin and Ethereum? Is there Yield?

Bitcoin and Ethereum explained, with some methods to seek yield



## Bitcoin: Digital Gold Standard<sup>1</sup>

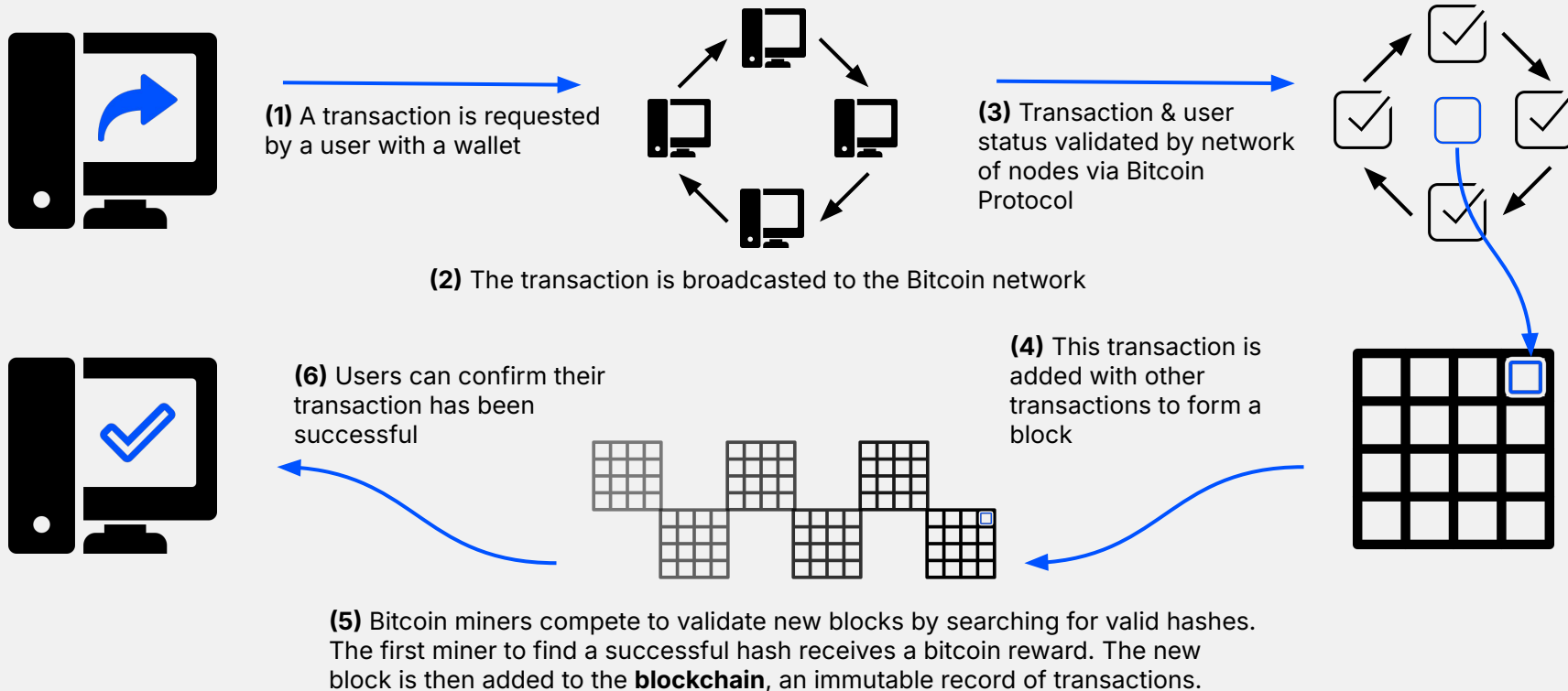
- **Created in 2009**, built to deliver peer-to-peer payments.
- Bitcoin is the first successful cryptocurrency, although most view it now as Digital Gold.
- **Bitcoin is approximately a \$2 trillion asset today.**
- Its security mechanism, **"proof-of-work"**, compensates Bitcoin miners for securing the network (not BTC holders).
- **As such, Bitcoin is not built to have yield (like Gold).**
  - You cannot stake Bitcoin in the Bitcoin protocol.
  - You can lend Bitcoin, but rates are low and there is risk to lending.



## Ethereum: Decentralized Computing Platform

- **Launched in 2015**, built to enable assets and money to be programmable.
- Ethereum is the most widely used smart contract platform.
- **Ethereum is approximately a \$378 billion asset today.**
- Its security mechanism is now **"proof-of-stake"**, where holders of the token can earn yield by staking their assets.
- **As such, Ethereum is built to have a yield.**
  - You can stake Ethereum in the Ethereum protocol and earn yield.
  - You can lend Ethereum, but rates are low and there is risk to lending.

# Bitcoin: A Peer-to-Peer Protocol



# Proof of Work vs Proof of Stake

## Proof of Work

### Block Production



The probability of producing a block is dependent on the amount of computational power

### Rewards



Miners receive block rewards and transaction fees to solve complex cryptographic puzzles

### Attacks



Hackers would need computers more powerful than 51% of the network to add a malicious block

## Proof of Stake



The probability of producing a block is dependent on the amount staked in the network



Validators receive transaction and priority fees for producing blocks



Hackers would need to stake more than 51% of staked cryptocurrency on the network, making attacks extremely unlikely

# What is Staking and How Does It Secure The Network?

By contributing your capital to better secure the network against attack, you can earn validator rewards.

## What is Staking in Ethereum?

**Staking is the act of depositing 32 ETH to activate validator software. Validators are responsible for storing data, processing transactions, and adding new blocks to the blockchain.**

**This activity seeks to keep the Ethereum network secure for everyone and earns validators new ETH rewards in the process.**



**33,489,754**  
Total ETH staked

**1,046,703**  
Total validators

**3.1%**  
Current APR

# Proof of Stake & Validation

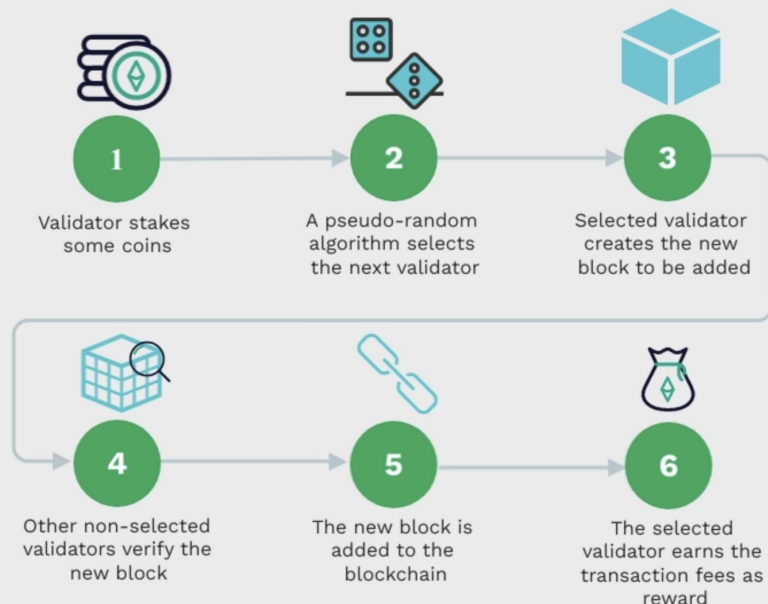
## Coinbase Validators (for example)

Coinbase operates staking validator infrastructure (similar to how AWS hosts cloud storage on your behalf).

Today, Coinbase hosts tens of billions of Proof of Stake assets in staking validator infrastructure on behalf of Coinbase customers.

It is Coinbase's responsibility to seek to maintain near 100% uptime and protect client assets when participating in our validator infrastructure.

## How Proof of Stake Validation Works



# North Dakota HB 1184

HB 1184 recently received a vote: Yeas 32 vs Nays 57 on 1/31/25

## What Did HB 1184 Say?

**University Board, School Lands, and the State Board may invest up to 10% of funds into precious metals and digital assets (>\$500B market cap).**

**These entities can stake digital assets as long the state retains ownership.**

**These entities can lend digital assets if such activity does not increase financial risk to the state.**

## What Did HB 1184 Mean?

**Three ND entities could buy:**

- **Precious metals - Gold, Silver, Platinum**
- **Digital Assets - Bitcoin (only asset with >\$500B market cap)**

**Precious metals cannot be staked. Bitcoin cannot be staked natively.**

**Precious metals and Bitcoin can be lent, but there is risk to any lending arrangement.**

## What's Next?

**While HB 1184 was voted down recently, we expect other states to approve a Strategic Bitcoin Reserve in 2025.**

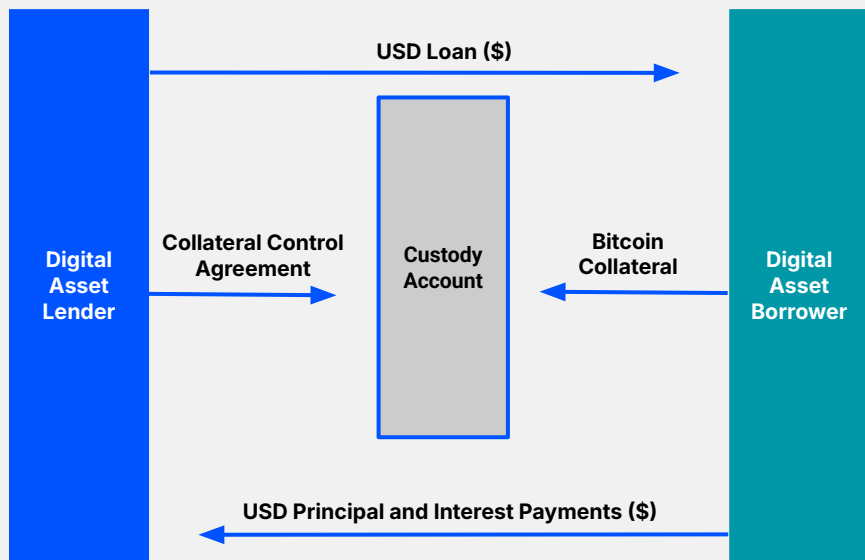
**Legislation in AZ and UT have received committee approval.<sup>1</sup>**

**South Dakota may be the first state to approve a Strategic Bitcoin Reserve<sup>2</sup> given its short legislative session.**

# Bitcoin Lending

Today Bitcoin holders usually borrow USD (left). There is some demand to borrow Bitcoin, but investors expect low USD returns.

## USD Loan to a Borrower with Bitcoin<sup>1</sup>



## Case Study: Marathon (MARA) lends ~16% of Bitcoin Holdings<sup>2</sup>

- MARA, the largest Bitcoin miner by market capitalization, now owns a total of 44,893 BTC, valued at \$4.2 billion.
- MARA Holdings was lending out 7,377 BTC, about 16% of its total. Per its release, they state that the focus on short-term arrangements with “well-established third parties”.
- **The release states that MARA generates “a modest single-digit yield”.**
-



# Bitcoin Strategic Reserve Legislation at State Level

21 US States have introduced legislation considering Strategic Bitcoin Reserves. Below we highlight bills from seven states.

State	Bill Name	Description
South Dakota	<a href="#">HB 1202</a>	Authorizes the State Investment Council to invest up to 10% of funds in Bitcoin.
Texas	<a href="#">Texas Strategic Bitcoin Reserve Act (SB 778)</a>	Establishes the Texas Strategic Bitcoin Reserve to allow 1) The state to own and hold Bitcoin, and 2) The acceptance of Bitcoin donations. The legislature may appropriate money for the purpose of purchasing Bitcoin in the reserve.
Arizona	<a href="#">Arizona Strategic Bitcoin Reserve Act (SB 1025)</a>	Authorizes a public fund to invest up to 10% of the public monies under its control in virtual currency holdings.
Utah	<a href="#">Blockchain and Digital Innovation Amendments (HB 230)</a>	Authorizes the state treasurer to invest up to 10% of public funds in digital assets (>\$500BN market cap) and regulated stablecoins. Protects rights to self-custody. Establishes exemptions from money transmission license (eg nodes, blockchain software).
Massachusetts	<a href="#">Bitcoin Strategic Reserve (SD 422)</a>	Authorizes the state treasurer to invest up to 10% in Bitcoin or digital assets in the Commonwealth Stabilization Fund.
Florida	<a href="#">Investments of Public Funds in Bitcoin (HB 487)</a>	Authorizes CFO to invest up to 10% of state funds in Bitcoin. Requires taxes and fees paid in Bitcoin to be transferred to General Revenue Fund.
New Hampshire	<a href="#">HB 302</a>	Authorizes the state treasury to invest up to 10% of public funds in precious metals, digital assets (>\$500BN market cap), and stablecoins.

# How Institutions May Invest in Digital Assets

We expect most asset owners will use existing investment categories to invest in digital assets, if appropriate. Given the rapid industry change, market volatility, and operational differences of digital assets, we expect most asset owners will use external asset managers at first. Below we summarize the investment actions that we expect will become increasingly common in 2025-2026.

Strategy	Potential Benefits and Potential Detractions
<b>Venture Capital</b>	<p><b>Potential Benefits:</b> Growth from a transformative industry that may create new markets, as well as disrupt existing markets.</p> <p><b>Potential Detractions:</b> Illiquidity. High correlation to digital assets (which may not be desired)</p>
<b>Liquid Alternatives</b>	<p><b>Potential Benefits:</b> Higher expected Sharpe Ratio vs some traditional strategies, due to nascent market of liquid tokens. Lower correlation to digital assets compared to VC, for some funds.</p> <p><b>Potential Detraction:</b> Increased need for operational due diligence. Shorter track records vs traditional strategies. Higher volatility for some funds vs traditional strategies.</p>
<b>Token Exposure</b>	<p><b>Potential Benefits:</b> Ability to trade 24/7/365. Lower explicit costs.</p> <p><b>Potential Detraction:</b> If owning directly, onboarding of new counterparties and vendors. High market volatility.</p>
<b>Direct Public Securities</b>	<p><b>Potential Benefits:</b> For those with internal management, crypto stocks/bonds fit into existing workflow (no new vendors).</p> <p><b>Potential Detraction:</b> Low investment breadth.</p>

# Risk Considerations

As Asset Owners consider Digital Assets, they recognize that programmable finance is a leap forward. They also recognize that every advance may contain new risks that need to be understood and managed. In most dimensions of risk, we estimate that risk has declined significantly in the past two years (post FTX). We believe this decline in risk is opening the door for Asset Owners to participate in the digital ecosystem.

Risks	Comments
<b>Regulation</b>	Estimated to be declining rapidly, with the US Administration's recent stated intention to classify crypto tokens across three categories: Commodities, Securities, and Collectibles. Investors should consider the risk a crypto asset being designated a security, as that designation could impact the asset's usefulness, potentially impacting its market value.
<b>Custody / Cybersecurity</b>	Since digital assets are generally bearer instruments, self-custody retains a real risk of total loss. Total loss could result if the keys are lost to assets held in self-custody, or a hack results in assets being stolen. This risk has been largely mitigated by those investors that utilize regulated qualified custodians.
<b>Trading</b>	There is some small risk to assets when they are transferred from Cold Storage to "Hot Wallets" when trading on exchange. The industry is currently devising risks to mitigate this risk. One such strategy to mitigate this risk: new trading models that keep client assets inside a Qualified Custodian, even whilst trading.
<b>Volatility</b>	Digital Assets exhibit significantly higher volatility than single name equities. Volatility has been declining over time. Bitcoin's 30 day annualized volatility is approx 38% as of 2/12/25*. This compares favorably to periods where it ranged from 50-100% annualized.

## Disclaimers

**Please note that past and hypothetical performance figures have many inherent limitations and assumptions and are not a guarantee of any future returns.**

The information contained within this presentation is confidential, cannot be distributed without the consent of COINBASE ASSET MANAGEMENT, LLC ("CBAM"), and is intended solely for use by accredited investors and qualified eligible persons. This information is not a solicitation for investment, is not comprehensive, and is qualified by (and if contradictory with the offering documents, superseded by) the relevant offering documents. This presentation is not an offer to sell or a solicitation of an offer to buy any securities and may not be relied upon in connection with the purchase or sale of any security. Any such offer would only be made by means of offering documents.

Please note that the Information is being provided to you because we believe (based on statements and other indications you have provided) that (i) you have sufficient knowledge, experience and professional advice to understand and to make your own independent evaluation of the merits, risks and suitability of making an investment of these types, (ii) you are not relying on CBAM for information, advice or recommendations of any sort, except factual information, about the terms of any proposed investment, and (iii) you have sufficient financial wherewithal to accept the risks of the transaction. In connection with the transaction described, CBAM will be acting for their own accounts and that of the funds it advises respectively and will not owe any fiduciary duties to you as an investor or prospective investor.

CBAM does not give any tax, accounting, legal or regulatory advice to you and you should satisfy yourself in this regard and ensure that you consult with appropriate advisors to assist in understanding the transactions contemplated by this document. Information provided reflects CBAM's views as of a particular time and are subject to change without notice. Prospective investors should not make investment decisions on the basis of any forward-looking statements contained herein.

This Presentation contains statements of opinion, including but not limited to, CBAM's analysis and views with respect to: digital assets, projected inflation, macroeconomic policy, the market adoption of digital assets, and the market in general. Statements of opinion herein have been formulated using CBAM's experience, research, and/or analysis, however, such statements also contain elements of subjectivity and are often subjective in nature. In addition, when conducting the analyses on which it bases statements of opinion, CBAM will incorporate assumptions, which in some cases may be shown to be inaccurate in the future, including in certain material respects.

Use of indices: Any indices and other financial benchmarks shown are provided for illustrative purposes only, are unmanaged, reflect reinvestment of income and dividends and do not reflect the impact of advisory fees. Investors cannot invest directly in an index. Comparisons to indexes have limitations because indexes have volatility and other material characteristics that may differ from the CBAM Funds.

Certain information contained herein may have been obtained from third party sources and such information has not been independently verified by CBAM. No representation, warranty, or undertaking, expressed or implied, is given to the accuracy or completeness of such information by CBAM or any other person. While such sources are believed to be reliable, CBAM does not assume any responsibility for the accuracy or completeness of such information.

Certain information contained in this Presentation constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Forward-looking statements made in this Presentation are based on current expectations, speak only as of the date of this meeting or presentation, as the case may be, and are susceptible to a number of risks, uncertainties and other factors. Assumptions relating to the foregoing involve judgments with respect to, among other things, projected inflation, the regulation of digital assets and macroeconomic policy, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the assumptions underlying the projected results and forward-looking statements are reasonable, any of the assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this presentation will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation to future results or that the objectives and plans expressed or implied by such forward-looking statements will be achieved.

## Disclaimers

There is no guarantee that the investment objectives will be achieved. Moreover, **PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.**

Investments in Virtual Currencies, Virtual Currency Derivatives, or Digital Assets are speculative and have unique risks including but not limited to, (i) that they are not legal tender in the United States and as such the value is based on the agreement of the parties in the transaction, (ii) the price of a virtual currency is based on the perceived value of the virtual currency and subject to changes in sentiment, which make these products highly volatile potentially subject to rapid and substantial price movements which could result in significant losses, (iii) the lack of a centralized pricing source poses valuation challenges for market participants trying to exit a position, particularly during periods of stress, (iv) a cybersecurity event which could result in a substantial, immediate, and irreversible loss for market participants that trade virtual currencies, (v) virtual currency balances are generally maintained as an address on the blockchain and are accessed through private keys, which may be held by a market participant or a custodian, (vi) the lack of regulatory oversight creates a risk that a virtual currency exchange may not hold sufficient virtual currencies and funds to satisfy its obligations and that such deficiency may not be easily identified or discovered resulting in significant losses, (vii) currently virtual currencies face an uncertain regulatory landscape in the United States and many foreign jurisdictions and laws, these changing regulations or directives may impact the price of virtual currencies, (viii) the new and rapidly evolving technology underlying virtual currencies could also have adverse implications for investors, (ix) many virtual currencies allow market participants to introduce fees which may not be defined or known adding to the cost on a pass through basis to investors.

None of the products mentioned in this presentation have an active secondary market. A lack of an active secondary market could mean investors are unable to redeem subscriptions at prices at or near NAV, especially in distressed market conditions. It could also mean the value of investments could change suddenly and unpredictably, or that reported NAV may not be as certain as for other types of investments with active secondary markets.

CBAM is a Registered Investment Adviser, Commodity Pool Operator, and Commodity Trading Advisor. Registration with the SEC and membership with the NFA in no way imply a certain level of skill or expertise or that any of the SEC, CFTC, NFA, or DOL have endorsed CBAM.

**COINBASE ASSET MANAGEMENT, LLC (CBAM) IS A MEMBER OF NFA AND IS SUBJECT TO NFA'S REGULATORY OVERSIGHT AND EXAMINATIONS. CBAM HAS ENGAGED OR MAY ENGAGE IN UNDERLYING OR SPOT VIRTUAL CURRENCY TRANSACTIONS IN A COMMODITY POOL OR MANAGED ACCOUNT PROGRAM. ALTHOUGH NFA HAS JURISDICTION OVER CBAM AND ITS COMMODITY POOL OR MANAGED ACCOUNT PROGRAM, YOU SHOULD BE AWARE THAT NFA DOES NOT HAVE REGULATORY OVERSIGHT AUTHORITY FOR UNDERLYING OR SPOT MARKET VIRTUAL CURRENCY PRODUCTS OR TRANSACTIONS OR VIRTUAL CURRENCY EXCHANGES, CUSTODIANS OR MARKETS. YOU SHOULD ALSO BE AWARE THAT GIVEN CERTAIN MATERIAL CHARACTERISTICS OF THESE PRODUCTS, INCLUDING LACK OF A CENTRALIZED PRICING SOURCE AND THE OPAQUE NATURE OF THE VIRTUAL CURRENCY MARKET, THERE CURRENTLY IS NO SOUND OR ACCEPTABLE PRACTICE FOR NFA TO ADEQUATELY VERIFY THE OWNERSHIP AND CONTROL OF A VIRTUAL CURRENCY OR THE VALUATION ATTRIBUTED TO A VIRTUAL CURRENCY BY CBAM.**

**HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.**

# MINERAL LEASE APPLICATIONS

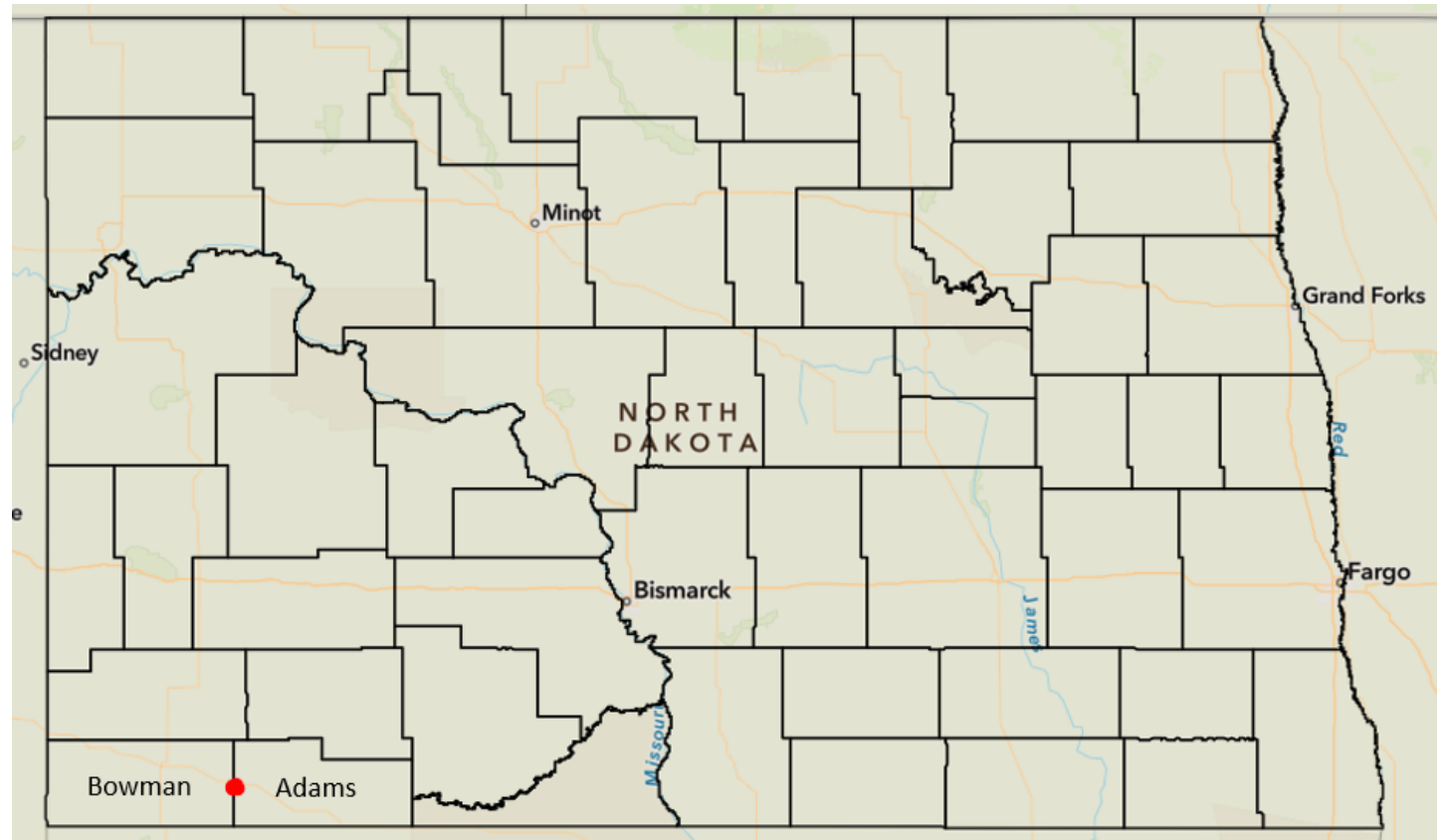
Applicant:

**American Colloid Company**

Minerals:

**Leonardite**

Mineral Tract	Min Int	Gross Ac	Net Ac	Applicant Ton Est (Net Ac)
<b>130-98-7 E2SE</b> (Adams County)	.50	80	40	2,899.5
<b>130-98-8 SW</b> (Adams County)	.50	160	80	315,204
<b>130-99-1 SW</b> (Bowman County)	.50	160	80	53,128





# MINERAL LEASE APPLICATIONS

## American Colloid Company

Leonardite Lease Applications, *continued*

Proposed Term of Lease

**10 years**

Proposed Bonus:

**\$100 per net coal acre**

Proposed Royalty:

**\$0.25 per ton or 6% of the price per ton, whichever is greater**

Proposed Annual Rental:

**\$5 per net coal acre**





# MINERAL LEASE APPLICATIONS

**Recommended Motion:** The Board determine under Admin Rule 85-06-02-04 that it is willing to lease the three identified tracts for leonardite production and direct the Commissioner to begin lease negotiations on its behalf.

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Howe					
Superintendent Baesler					
Treasurer Beadle					
Attorney General Wrigley					
Governor Armstrong					



# State of North Dakota Department of Trust Lands Compensation Study Results

February 2025

# Project Overview

---

- Developed job architecture to create a top-down framework for job standards**
- Identified market comparisons tied to industry, geography, and size**
- Completed market analysis and developed market competitive salary structures**
- Create annual incentive plan**
- Calculated plan implementation cost**

# Developed Job Architecture

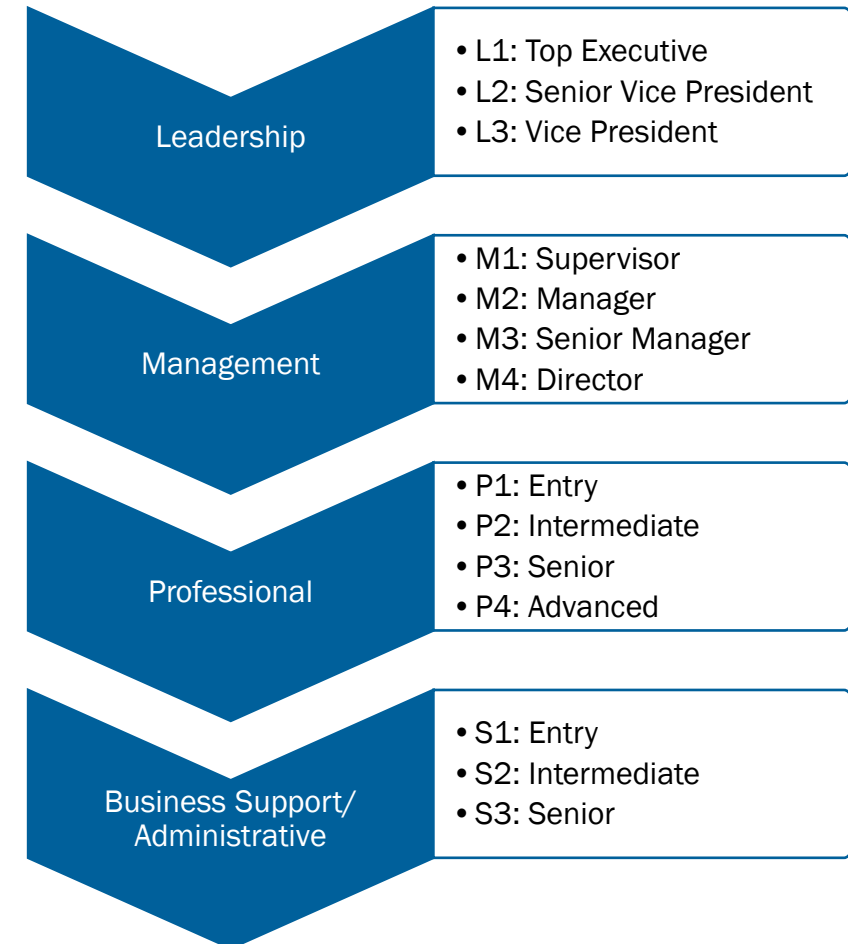
**Top-down exercise to define job expectations and requirements**

**Framework for job consistency**

- Overview
- Complexity & Problem Solving
- Collaboration
- Leadership
- Typical Education & Experience

**Title review for market comparison and internal consistency**

**Promote career path conversations, mapping, and movement**



# Labor Markets & Competitiveness



## SIZE

- \$9 billion assets under management



## GEOGRAPHY

- Bismarck, ND
- National



## INDUSTRY

- Government/State comparisons
- Oil & gas
- Broader labor market



## PLACEMENT

- 50<sup>th</sup> base salary

# Market Analysis

## Evaluate job documentation

## Sources of compensation data

- Published survey data

## Job matching

- Compare job descriptions to survey descriptions
- Match based on duties, scope, and qualifications

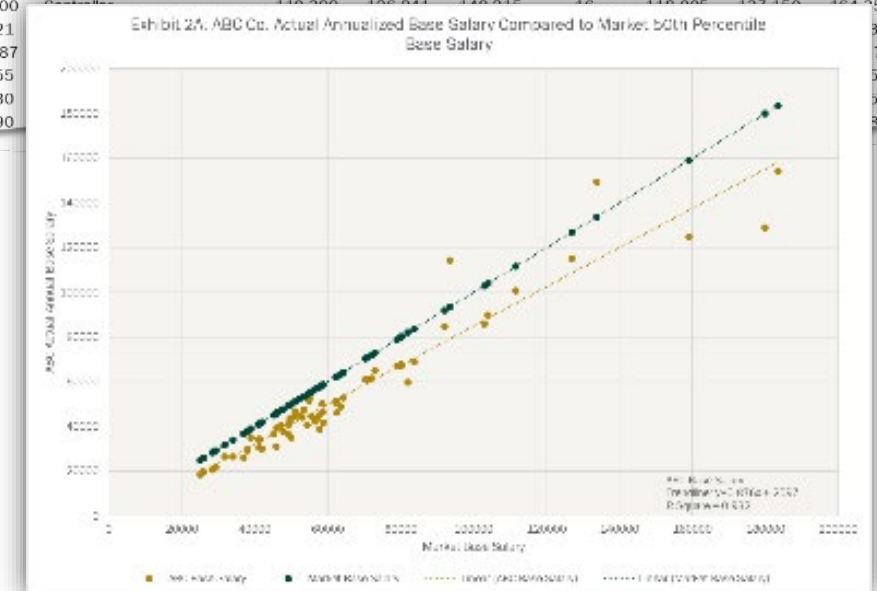
## Age data

## Summarize results

- Aggregate market percentiles
- Base salary
- Total cash compensation
- Benefits
- Total Compensation

ABC Co.  
Preliminary Compensation Study Results  
Exhibit 1 - Market Summary  
Data Effective July 1, 2021

CBIZ/ Code	Annualized Average Base	Annualized Average Total Cash	Current Job Title	Market Base Salary			Proposed Pay Grade	Market Total Cash Compensation		
				25th	50th	75th		25th	50th	75th
100	30,042	30,042	Accounting Specialist	39,499	42,065	45,423	7	40,335	42,959	46,391
101	35,085	35,085	Administrative Assistant	36,586	38,948	42,098	6	37,107	39,506	42,704
181	43,629	43,629	Archives Librarian	52,686	56,267	61,394	9	53,673	57,346	62,589
107	46,863	46,863	Benefits Coordinator	47,725	51,029	55,389	8	48,734	52,114	56,570
187	40,842	40,842	Bibliographer	46,807	49,391	53,202	8	57,408	60,866	65,818
102	41,614	41,614	Communications Specialist	55,205	58,783	63,901	10	56,241	59,908	65,144
104	50,825	50,825	Content Managing Editor	59,230	62,242	66,608	10	61,471	64,633	69,197
105	115,200	135,200	Controller	110,000	120,000	140,000	12	110,000	120,000	140,000
112	40,621	40,621								
115	149,287	159,287								
116	39,255	39,255								
165	42,330	42,330								
117	51,490	51,490								



# Base Salary Compared to Market 50th Percentile Base Salary





# Designed Pay Structure

---

**Structures simplify ongoing compensation administration**

**Integrate market and internal equity**

**Consists of a series of grades, each with a minimum and maximum level of pay**

- Range minimum establishes attractive entry level pay
- Range midpoint approximates the market 50th percentile
- Range maximum establishes top out pay
  - Encourage employees to develop new skills, seek new roles

# Salary Structure

<i>Grade</i>	<i>Minimum</i>	<i>Midpoint</i>	<i>Maximum</i>	<i>Range Spread</i>	<i>Midpoint Differential</i>
1	\$47,422	\$53,350	\$59,278	25%	
2	\$51,030	\$58,685	\$66,340	30%	10.0%
3	\$56,133	\$64,554	\$72,974	30%	10.0%
4	\$61,747	\$71,009	\$80,271	30%	10.0%
5	\$67,922	\$78,110	\$88,298	30%	10.0%
6	\$74,714	\$85,921	\$97,128	30%	10.0%
7	\$82,185	\$94,513	\$106,841	30%	10.0%
8	\$90,404	\$103,964	\$117,525	30%	10.0%
9	\$97,033	\$116,440	\$135,846	40%	12.0%
10	\$108,677	\$130,413	\$152,148	40%	12.0%
11	\$119,980	\$149,974	\$179,969	50%	15.0%
12	\$137,976	\$172,471	\$206,965	50%	15.0%
13	\$186,268	\$232,835	\$279,402	50%	35.0%
14	\$232,835	\$291,044	\$349,253	50%	25.0%

## Highlights

- Separate from state classification plan
- Narrower ranges offer market appropriate starting pay, bring down maximums
- More grades for flexibly

# Classify Jobs

The midpoint of each job's assigned salary grade is designed to closely approximate the market 50th percentile

- Jobs are slotted into salary grades based on this relationship

If the market 50th percentile falls between two grade midpoints, the job is assigned to the grade with the nearest midpoint to ensure accurate alignment with market data

Grades will contain jobs of similar market value

Adjustments made for internal equity

Title: Job XYZ

Market Benchmark: \$35,455

Grade	Minimum	Midpoint	Maximum
1	\$24,778	\$30,972	\$37,166
2	\$27,398	<b>\$35,618</b>	\$43,838
3	\$31,508	\$40,960	\$50,412

*Illustrative Structure*

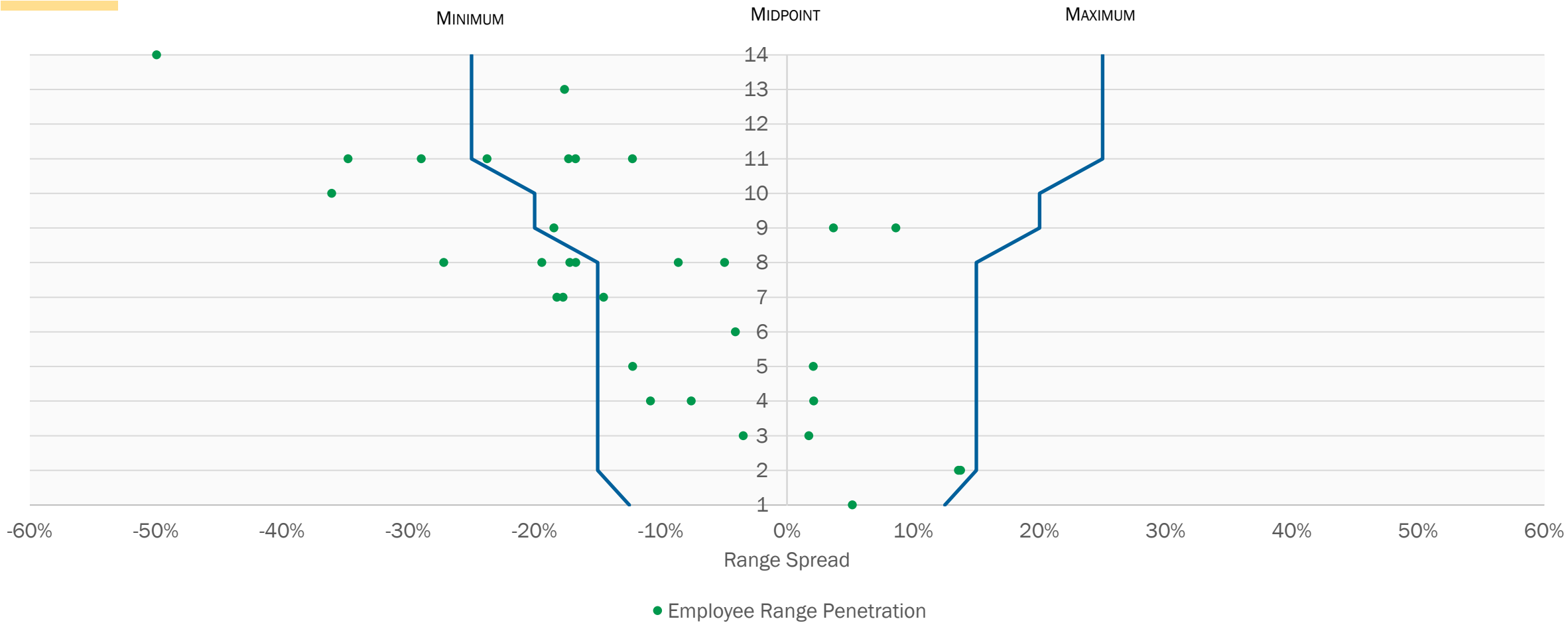
# Classification List



Grade	Proposed Title	Minimum	Midpoint	Maximum
14	Chief Investment Officer	\$232,835	\$291,044	\$349,253
13	Land Commissioner	\$186,268	\$232,835	\$279,402
12		\$137,976	\$172,471	\$206,965
11	Chief Financial Officer Director of Administrative & IT Divisions General Counsel Minerals Division Director Revenue Compliance Division Director Surface Division Director	\$119,980	\$149,974	\$179,969
10	Unclaimed Property Division Director Senior Investment Officer Senior Investment Operations Officer	\$108,677	\$130,413	\$152,148
9	Investment Operations Officer Investments Officer Senior Minerals Management Officer	\$97,033	\$116,440	\$135,846
8	Minerals Management Officer Senior Accountant Senior Auditor Senior Surface Management Officer	\$90,404	\$103,964	\$117,525

Grade	Proposed Title	Minimum	Midpoint	Maximum
7	Surface Management Officer	\$82,185	\$94,513	\$106,841
6	Auditor Senior Systems Administrator Accountant	\$74,714	\$85,921	\$97,128
5	Administrative Officer Paralegal	\$67,922	\$78,110	\$88,298
4	Executive Assistant Unclaimed Property Lead Systems Administrator	\$61,747	\$71,009	\$80,271
3	Account Technician Unclaimed Property Claims Processor Unclaimed Property Holder Reporting	\$56,133	\$64,554	\$72,974
2	Accounting Assistant Administrative Assistant	\$51,030	\$58,685	\$66,340
1	Front Office Administrative Assistant	\$47,422	\$53,350	\$59,278

# Employee Range Penetration



# Financial Impact Analysis

## Integration of structure with employee data

- Identify below min/above max of base pay ranges
- The average overall compa-ratio as compared to the market 50th percentile is 92.5%

## Compression adjustments provide an increase between current salary and the calculated ideal range placement.

- The ideal range placement is modeled based on an employee's time in current role.
  - Employees move 5% through the range per year of service (i.e., move from minimum to maximum in 20 years)
  - Pay advancement is capped at 90% range penetration (i.e.,  $\frac{3}{4}$  through the pay range)

	BELOW SALARY RANGE MINIMUM	ABOVE SALARY RANGE MAXIMUM	COMPRESSION ADJUSTMENTS
NUMBER OF EMPLOYEES	12	0	25
TOTAL AMOUNT (\$)	\$115,608	\$0	\$221,770
TOTAL AMOUNT AS A % OF PAYROLL	3.8%	0.0%	7.2%

\* Compa-ratio is calculated by dividing an employee's salary by the market base salary 50<sup>th</sup> percentile

# Benefits/Total Compensation Analysis

Benefits	Average Market Data	DTL Actual Benefits	Compa-Ratios
	Fixed Cost Tied to Headcount		
Payments for Medical Related	\$15,041	\$19,717	131.1%
Medical Insurance Premiums	\$14,506	\$19,532	
Dental Insurance Premiums	\$369	\$0	
Vision Insurance Premiums	\$59	\$0	
Employer Contributions to HSA	\$106	\$185	
<b>Total Fixed Cost</b>	<b>\$15,041</b>	<b>\$19,717</b>	<b>131.1%</b>
	Variable Cost Tied to Payroll		
Payments for Time Not Worked	11.3%	14.1%	124.6%
Payments for Holidays	3.5%	3.8%	
Payments for Vacations	5.1%	5.7%	
Sick Leave Pay	2.7%	4.6%	
Retirement and Savings	23.1%	12.3%	53.1%
<b>Total Variable Cost</b>	<b>34.4%</b>	<b>26.4%</b>	<b>76.7%</b>
<b>Benefits Formula</b>	<b>15,041 + 34.4% x Base Salary</b>	<b>19,717 + 26.4% x Base Salary</b>	

## Enhanced fringe formula

### Fixed-cost benefits

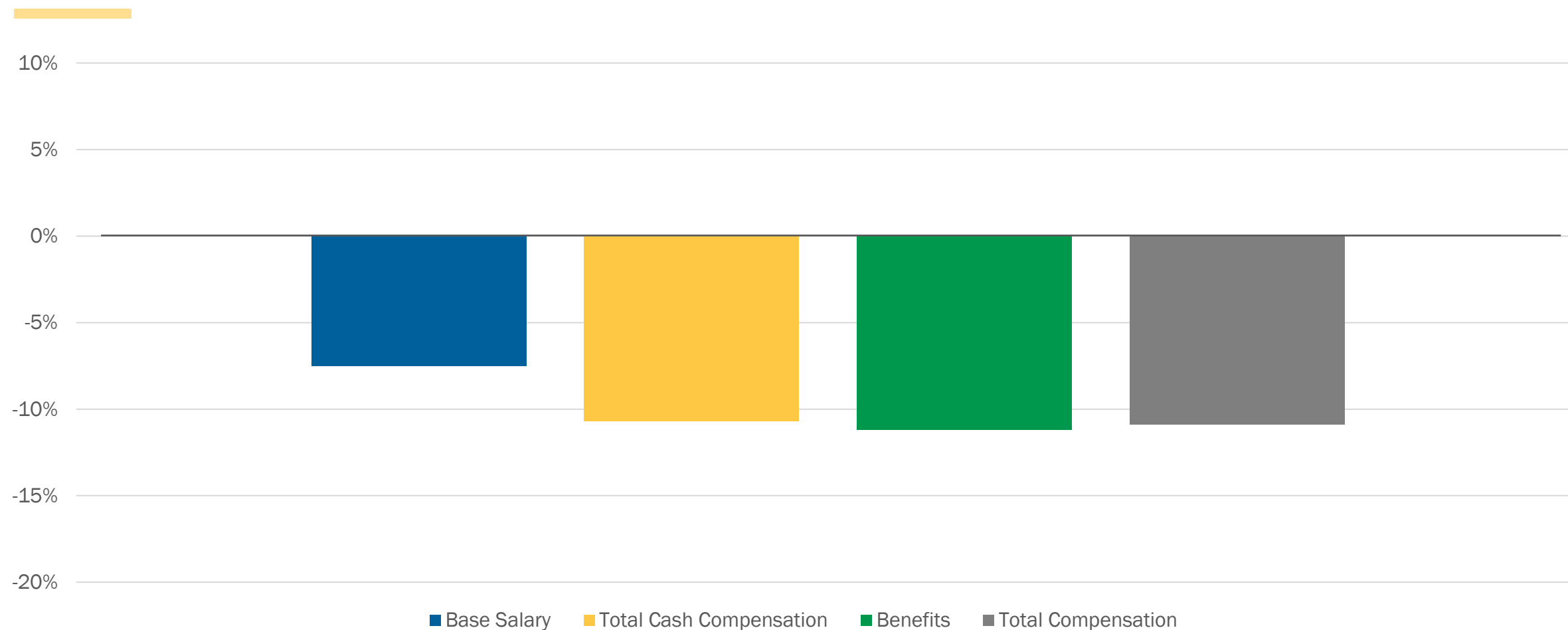
- Medical/medically-related benefits (e.g., medical, dental, vision, STD, LTD, and life insurance),
- Compare data to the market and value the total as an average cost per employee

### Variable-cost benefits

- Retirement and time-off benefits
- Compare plans and capture an employee cost as a percentage of salary



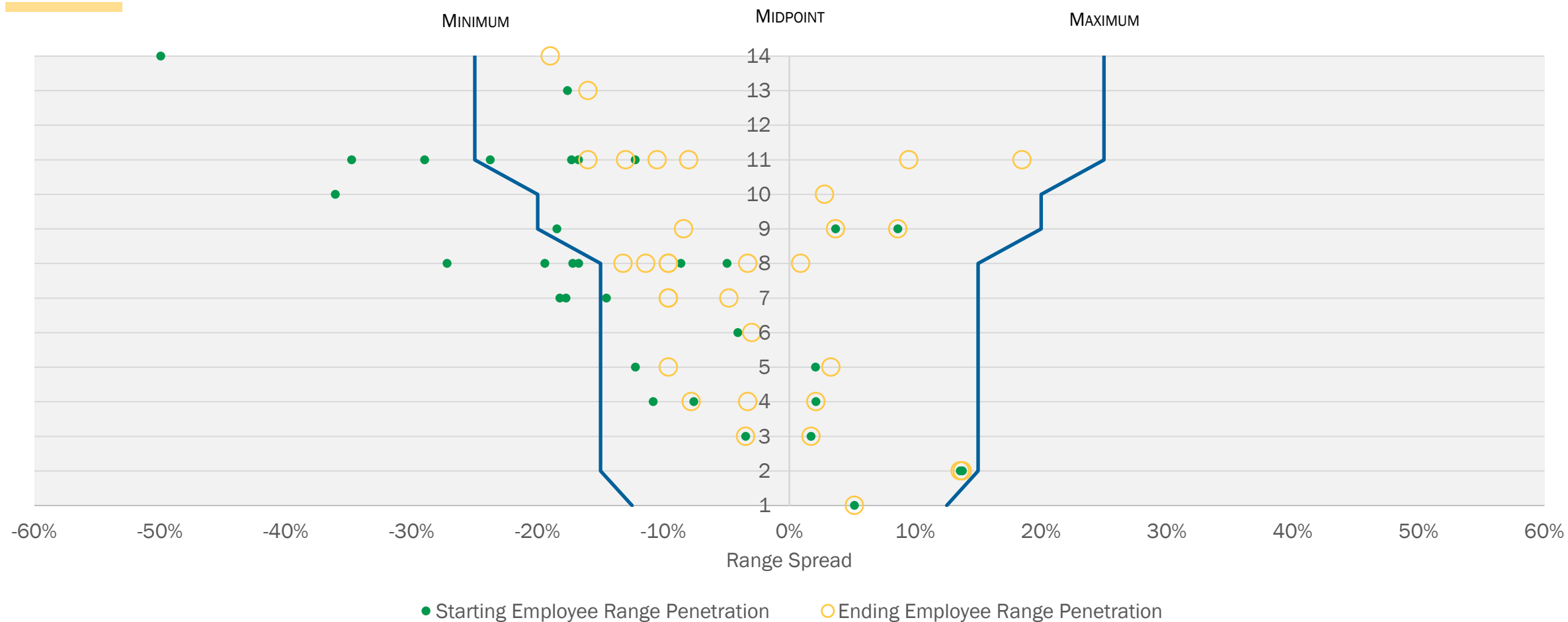
# Total Compensation Analysis Position to Market



# Salary Adjustment Considerations

Category	Rationale	Cost	% of Payroll
Increase to Minimum:	<ul style="list-style-type: none"> <li>At risk of losing employees due to pay</li> </ul>	\$115,608	3.8%
Compression Increase:	<ul style="list-style-type: none"> <li>Alleviate pay compression based on time in role and performance</li> <li>Improve overall pay position</li> </ul>	\$221,770	7.2%
<b>Total Increases:</b>		<b>\$337,377</b>	<b>11.0%</b>

# Post Increase Range Placement



# Incentive Plan Payout Percentages

## Designed incentive plan based on level within the Department

- Threshold (50% of target)
- Target
- Maximum (200% of target)

## Determined weighting of incentives on organizational and divisional goals

- Organizational goal – growth of the Common School Trust Fund
- Divisional goal – tailored to divisions with well defined metrics, quantifiable for success

Career Level	Recommended Bonus Payout (as % of Base Salary)			% Based On Goals	
	Threshold	Target	Maximum	Organization	Division
L3	17.5%	35.0%	70.0%	100%	0%
L2	0%	35.0%	70.0%	0%	100%
L1	10.0%	20.0%	40.0%	50%	50%
M4	7.5%	15.0%	30.0%	50%	50%
M3	7.5%	15.0%	30.0%	50%	50%
M2	7.5%	15.0%	30.0%	50%	50%
M1	5.0%	10.0%	20.0%	50%	50%
P4	5.0%	10.0%	20.0%	50%	50%
P3	5.0%	10.0%	20.0%	50%	50%
P2	2.5%	5.0%	10.0%	50%	50%
P1	2.5%	5.0%	10.0%	50%	50%
S3	1.3%	2.5%	5.0%	50%	50%
S2	1.3%	2.5%	5.0%	50%	50%
S1	1.3%	2.5%	5.0%	50%	50%

# Incentive Plan Measures

Division	Metric	Measurement
Accounting	CS Trust Fund Growth	Rolling 3 Year Average % Growth
Administrative Services	CS Trust Fund Growth	Rolling 3 Year Average % Growth
Investments	Investments	Rolling 3 Year Average vs Benchmark (BPS)
Information Technology	CS Trust Fund Growth	Rolling 3 Year Average % Growth
Land Commissioner	CS Trust Fund Growth	Rolling 3 Year Average % Growth
Legal	CS Trust Fund Growth	Rolling 3 Year Average % Growth
Minerals	Minerals Revenue	Rolling 3 Year Average Royalty & Bonus Revenue
Revenue Compliance	CS Trust Fund Growth	Rolling 3 Year Average % Growth
Surface	Surface Revenue	Rolling 3 Year Average Rental Revenue
Unclaimed Property	Claims Paid/Holder Reports	Number of Claims and Holder reports processed

# Incentive Payout Potential

## Modeling assumes:

- All employees receive both increases to the minimum of their salary range and compression adjustments
- All employees achieve the same level of payout

PAYOUT LEVEL	PAYOUT AMOUNT	% OF PAYROLL
THRESHOLD	\$196,904	5.8%
TARGET	\$480,189	14.1%
MAXIMUM	\$960,378	28.1%

# Recommendations

---

# Recommendations

## 01

Increase the compensation of all employees to the minimum of their respective proposed salary ranges

- Range minimum represents the level at which entry-level pay can be considered market-competitive
- Implementation of the compensation plan should occur uniformly across all positions to avoid pay equity issues

## 02

Consider adopting the compression-based pay adjustments

- Help ensure that employee compensation is commensurate with experience and performance
- Allow for enhanced flexibility to onboard new employees without creating pay inequities

## 03

Consider implementing the annual incentive plan

- Motivates and engages employees
- Aligns performance with Department goals
- Help attract and retained high-quality candidates

## 04

Compare to market every three to five years

- Adjust ranges annually
- Budget for market competitive increases annually



# Annual Salary Planning

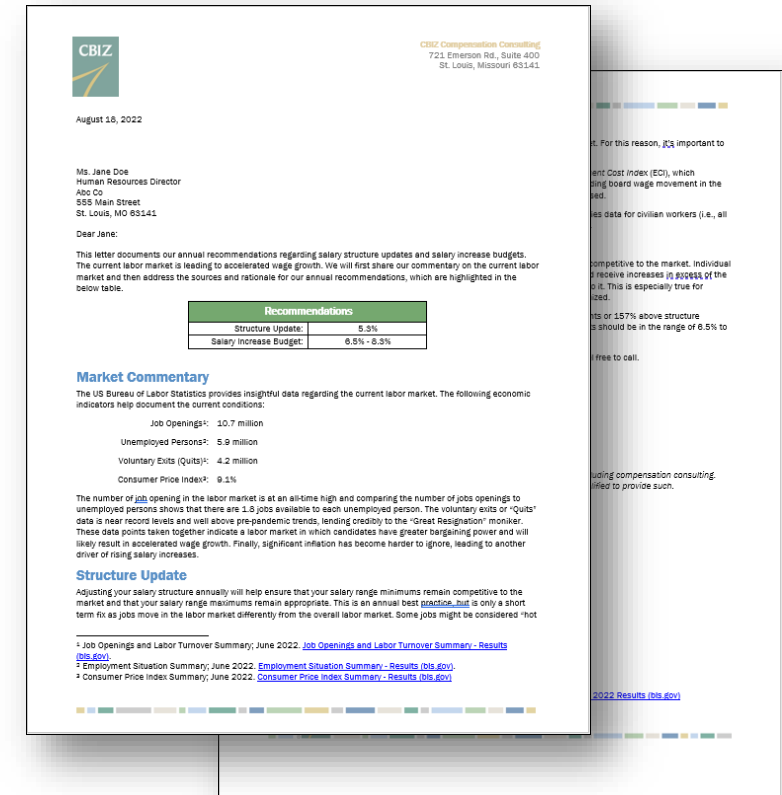
## Budget for market competitive salary increases

### Adjust structures annually to ensure:

- The new compensation system remains competitive for years to come
- Minimums stay competitive to the market
- Maximums stay appropriate

## CBIZ will provide salary structure update factors for up to five years

## CBIZ tracks data associated with cost of labor, not cost of living, changes





# CBIZ

## QUESTIONS?

**RE: Draft DTL Budget Bill Incentive Compensation Enabling Language**

SECTION 4. A new section to chapter 15-02 of the North Dakota Century Code is created and enacted as follows:

15-02-11. Incentive Compensation Program – Report to Legislative Management

The commissioner may develop an incentive compensation program for full-time equivalent positions within the department of trust lands, subject to approval of the board of university and school lands. The program must promote profitability, productivity, and responsible management of the assets under the board's jurisdiction. The provisions of the program must be approved by the board each biennium. Any amounts paid under this program must be considered compensation and not personal profit on behalf of the employee. Each interim, the commissioner of university and school lands shall provide a report on the program to legislative management. The report shall include details such as the program's provisions, the total amount of incentives paid out to employees each year, and the minimum, maximum, and average payout per eligible full-time equivalent position. There is appropriated annually the amounts necessary to pay for the incentive compensation program.

**RE: Litigation Update**  
(No Action Requested)

- **Mandan, Hidatsa, and Arikara Nation v. United States Department of the Interior**

**Case Summary:** Missouri riverbed ownership – Quiet title action brought by the federal government is proceeding, with discovery now completed; the U.S. and MHA filed separate summary judgment motions; our response briefs are due March 18<sup>th</sup>; the Court has not yet ruled on MHA's motion for judgment on the pleadings (similar to a summary judgment motion) that is now fully briefed.

Commencement: July 2020

ND Assigned Attorneys: James Auslander, Kathryn Tipple, Peter Schaumberg, and Nessa Coppinger (Beveridge & Diamond, Washington, D.C.)  
Matthew Sagsveen, AG Dir. of Natural Resources and Native American Affairs

Counsel for MHA: Steven D. Gordon (Holland & Knight's Washington, D.C.)  
Philip Merle Baker-Shenk (Holland & Knight's Washington, D.C.)  
Timothy Purdon (Robins Kaplan, Bismarck, ND)  
Timothy Billion (Robins Kaplan, Minneapolis, MN)

Counsel for United States  
Department of Interior: Reuben S. Schiffman (Washington, D.C.)

Court: United States District Court for the District of Columbia

Judge: Honorable Amy Berman Jackson

Win = North Dakota owns historical Missouri Riverbed (mineral rights) through Fort Berthold Indian Reservation resulting in release to state of tens of millions of dollars in withheld oil & gas royalties.

Lose = U.S. owns the riverbed in trust for MHA Nation so royalties are released to the tribe

- **State of North Dakota, ex. rel. v Virginia Leland, et.al.**

**Case Summary:** OHWM river island ownership; trial was held September 12-16, 2022; Judge Schmidt issued a Phase I Memorandum Decision on April 30, 2024, finding 1) the at issue Yellowstone River segment was navigable at statehood; 2) the at issue west bank of the river is owned by the state; 3) the at issue north island is not owned by the state; 4) the at issue south island is owned by the state; and 5) the state's claim is not barred by laches. The remaining issues of conveyances, mineral acreage calculations, etc. are now being determined in Phase II proceedings. On December 19, 2024, the Court granted opposing parties' summary judgment motion on certain issues. A trial to determine the remaining issues was held January 29, 2025, in Watford City. We now await the judge's decision.

Commencement: January 2016

ND Assigned Attorneys: Zachary Pelham (Pearce Durick, Bismarck)  
  
Matthew Sagsveen, AG Dir. of Natural Resources and Native American Affairs  
James Wald, DTL General Counsel

Counsel for Whiting Oil and Gas Corp: Paul Forster (Crowley Fleck, PLLP, Bismarck, ND)  
Shane Hanson (Crowley Fleck, PLLP, Bismarck, ND)

Counsel for Defendant(s): Kevin Chapman (Chapman Law Firm, P.C., Williston, ND)  
Ariston Johnson (Johnson & Sundeen, Watford City, ND)  
and Others

Court: State District Court, McKenzie County

Judge: Honorable Robin Schmidt

Win = State owns at issue Yellowstone River islands and related mineral interests

Lose = Plaintiffs owns at issue Yellowstone River islands and related mineral interests

- **Continental Resources, Inc. v. North Dakota Board of University and School Lands and the United States of America (Interpleader)**

**Case Summary:** OHRM fed/state dispute – ND Federal District Court issued opinion March 21, 2023, granting Board's motion for partial summary judgment on "Acquired Federal Lands" issue; this means the Wenck survey controls for establishing the historical ordinary high-water mark of the Missouri River in areas where the uplands were acquired by the federal government, and not original "public domain lands"; federal government appealed and we filed a cross appeal; 8<sup>th</sup> Circuit oral arguments on the appeals were held October 22, 2024, and we now await the Court's decision.

Commencement: December 2016

ND Assigned Attorneys: Philip Axt, ND Solicitor General

Counsel for Continental: Lawrence Bender (Fredrikson & Byron P.A., Bismarck, ND)  
Spencer Ptacek (Fredrikson & Byron P.A., Bismarck, ND)

Counsel for USA: Shaun Pettigrew (Environment and Natural Resources Division (ENRD)) of the U.S. Department of Justice

Court: United States District Court, District of North Dakota

Judge: Magistrate Judge Clare R. Hochhalter

Win = State survey controls where U.S. lands abut the Wenck line resulting in retention of 2,500 mineral acres

Lose = Federal surveys control resulting in net loss of approximately 2,500 mineral acres

## **Procedures for Executive Session Regarding Attorney Consultation and Consideration of Closed Records**

### Overview

- 1) The governing body must first meet in open session.
- 2) During the meeting's open session the governing body must announce the topics to be discussed in executive session and the legal authority to hold it.
- 3) If the executive session's purpose is attorney consultation, the governing body must pass a motion to hold an executive session. If executive session's purpose is to review confidential records a motion is not needed, though one could be entertained and acted on. The difference is that attorney consultation is not necessarily confidential but rather has "exempt" status, giving the governing body the option to consult with its attorney either in open session or in executive session. Confidential records, on the other hand, cannot be opened to the public and so the governing body is obligated to review them in executive session.
- 4) The executive session must be recorded (electronically, audio, or video) and the recording maintained for 6 months.
- 5) Only topics announced in open session may be discussed in executive session.
- 6) When the governing body returns to open session, it is not obligated to discuss or even summarize what occurred in executive session. But if "final action" is to be taken, the motion on the decision must be made and voted on in open session. If, however, the motion would reveal "too much," then the motion can be abbreviated. A motion can be made and voted on in executive session so long as it is repeated and voted on in open session. "Final actions" DO NOT include guidance given by the governing body to its attorney or other negotiator regarding strategy, litigation, negotiation, etc. (See NDCC §44-04-19.2(2)(e) for further details.)

Recommended Motion to be made in open session:

**Under the authority of North Dakota Century Code Sections 44-04-19.1 and 44-04-19.2, the Board close the meeting to the public and go into executive session for purposes of attorney consultation, to review confidential records, and discuss negotiating strategy regarding:**

- **Royalty Settlements**

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Howe					
Superintendent Baesler					
Treasurer Beadle					
Attorney General Wrigley					
Governor Armstrong					

**Statement:**

“This executive session will be recorded and all Board members are reminded that the discussion during executive session must be limited to the announced purpose for entering into executive session, which is anticipated to last approximately 20 minutes.

The Board is meeting in executive session to provide guidance or instructions to its attorneys regarding the identified litigation. Any formal action by the Board will occur after it reconvenes in open session.

Board members, their staff, employees of the Department of Trust Lands and counsel with the Attorney General staff will remain, but the public is asked to leave the room.

The executive session will begin at: \_\_\_\_\_AM, and will commence with a new audio recording device. When the executive session ends the Board will reconvene in open session.”

Statements upon return to open session:

State the time at which the executive session adjourned and that the public has been invited to return to the meeting room.

State that the Board is back in open session.

State that during its executive session, the Board consulted with attorneys regarding the identified legal issue.

State that no final action will be taken at this time as a result of the executive session discussion

**-or- .**

Ask for a formal motion and a vote on it.

**Move to the next agenda item.**