



# MEBT Municipal Employees' Benefit Trust

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## **William Blair Trading Issue – Sell Order instead of Buy Order**

To: MEBT Plan Chairs:

### **Explanation of Issue:**

On October 23, 2014 MEBT provided UBS and Wilmington Trust instructions to rebalance the MEBT account. Part of the rebalance was to move \$2,400,502 from the Vanguard account to the William Blair account.

William Blair received a communication from UBS regarding a \$2,400,502 cash flow from MEBT into their account for trade date 10/28/2014. Unfortunately, there was a miscommunication between William Blair's Client Service and the Trade Desk where the direction was treated as a sell rather than a buy order. The mistake was caught later in the afternoon of 10/28/14 and the trade was reversed. The net effect was a \$7,938.02 loss to MEBT's account and William Blair wired funds to make the account whole.

Since there was no one directly harmed under MEBT rules and there does not appear to be any operational or valuation error on the part of the Plans or Trust, MEBT vendors and legal counsel recommended to staff that the amount go into the MEBT pooled fund as earnings

### **Corrective Actions:**

William Blair wired \$7,938.02 to Wilmington Trust to deposit into the MEBT account on November 3, 2014.

### **Who was impacted and by how much?**

There was no one harmed under MEBT rules and there does not appear to be any operational or valuation error on the part of the Plans or Trust.

### **What was done to correct the issue?**

On October 30, 2014 the MEBT Chair directed Wilmington Trust to deposit the \$7,938.02 received from William Blair into the MEBT pooled fund as earnings. The MEBT Trust Committee ratified the action of the Chair at the November 18, 2014 meeting.