

IN THE CIRCUIT COURT OF THE STATE OF OREGON  
FOR THE COUNTY OF MULTNOMAH

URSULA WHITE, BRUCE N. REITER,  
and MARGARET RETZ,  
Plaintiffs, vs  
PUBLIC EMPLOYEES RETIREMENT  
BOARD,  
Defendant,  
and  
STATE OF OREGON, LANE COUNTY,  
CITY OF EUGENE, MULTNOMAH COUNTY,  
CITY OF PORTLAND, CITY OF  
ROSEBURG, CITY OF HUNTINGTON,  
CANBY UTILITY BOARD, and ROGUE  
RIVER VALLEY IRRIGATION,  
Intervenor,  
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URSULA WHITE, BRUCE N. REITER,  
and MARGARET RETZ,  
Petitioners, vs  
PUBLIC EMPLOYEES RETIREMENT  
BOARD,  
Respondent,  
and  
STATE OF OREGON, LANE COUNTY,  
CITY OF EUGENE, MULTNOMAH COUNTY,  
CITY OF PORTLAND, CITY OF  
ROSEBURG, CITY OF HUNTINGTON,  
CANBY UTILITY BOARD, and ROGUE  
RIVER VALLEY IRRIGATION,  
Intervenor.

Case No.  
0404-04118

DEPOSITION OF JAMES F. DALTON  
Taken in Behalf of the Plaintiffs  
Friday November 30, 2007

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1 BE IT REMEMBERED THAT, the deposition of  
2 JAMES F. DALTON was taken before MARK D. KRSKA, a  
3 Certified Shorthand Reporter for Oregon, on Monday,  
4 December 3, 2007, commencing at the hour of 3:00 p.m.,  
5 in the law offices of Bennett, Hartman, Morris & Kaplan,  
6 in the City of Portland, County of Multnomah, State of  
7 Oregon.

8 APPEARANCES:

9  
10  
11 BENNETT, HARTMAN, MORRIS & KAPLAN  
12 Attorneys at Law  
13 By Mr. Gregory A. Hartman  
14 Appearing in behalf of the Plaintiffs

15  
16 ORRICK, HERRINGTON & SUTCLIFFE  
17 Attorneys at Law  
18 By Mr. Joseph M. Malkin and Ms. Sarah Marriott  
19 Appearing in behalf of the Defendants

20  
21 HARRANG, LONG, GARY, RUDNICK  
22 Attorneys at Law  
23 By Ms. Susan Marmaduke  
24 Appearing in behalf of the Intervenor

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1 JAMES F. DALTON  
2 was thereupon produced as a witness in behalf of the  
3 Plaintiffs and, having been first duly sworn on oath,  
4 was examined and testified as follows:  
5

6 EXAMINATION

7 BY-MR. HARTMAN:

8 Q. Mr. Dalton, I discovered in the course of the  
9 deposition the other day a fact that I didn't know, and  
10 that's that you are an attorney. I want to promise you  
11 I won't hold that against you.

12 A. Thank you.

13 Q. I simply had not realized that before.

14 Were you engaged in private practice, taking  
15 depositions, and things of that nature, before you took  
16 your current position?

17 A. You know, I might have sat in on one. I never  
18 gave one, never took -- I've been deposed once in my  
19 career before this.

20 Q. Okay. Well, since you are a --

21 A. I know what they're about.

22 Q. -- relative novice to this process, let me give  
23 you a couple warnings or thoughts. Not really warnings,  
24 but kind of explain the process.

25 I'll be asking a number of questions.

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1 Obviously the court reporter is busy taking down what we  
2 say. At the end of the day he will produce a booklet  
3 that kind of looks like that with all our -- hopefully  
4 with all our words in there.

5 And, of course, your testimony is taken for  
6 purposes of the White case, which is currently pending.  
7 And it can be used at a later time either to remind you  
8 of your thoughts about these issues at the time your  
9 deposition was taken or if your deposition -- if your  
10 testimony changes then that's often brought to your  
11 attention at the time of trial. So it's important that  
12 you take your time, answer audibly.

13 One thing I always caution witnesses, if you  
14 don't fully understand my question, please ask me to  
15 rephrase, repeat or do whatever I have to to make sure  
16 we're communicating clearly. Can you do that?

17 A. Yes.

18 Q. Okay. Your attorney is here. If at any time you  
19 want to take a break and discuss something with him or  
20 her, or both, you're at liberty to do that. We do ask  
21 you to complete your answer to the pending question  
22 unless your answer would raise issues relating to  
23 attorney-client privilege.

24 And if for any other reason you simply want  
25 a break, all you've got to do is tell us that. Okay?

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1 A. Yes.

2 Q. Let me start with a couple background questions.  
3 And can you tell us a little bit about your professional  
4 employment background. Perhaps just working backwards  
5 from your current position and give us a brief rundown  
6 on the things that you've done professionally.

7 A. I work for Tektronix. My current position is as  
8 an executive officer, senior vice president of corporate  
9 development. I'm also the general counsel and  
10 secretary. In that capacity I have over the last 10 --  
11 I've been a corporate officer for 10 years, maybe 11.  
12 And I've managed the human resources, Central  
13 Engineering, a subsidiary, information systems,  
14 corporate development, and the law department at various  
15 times during that period of time. I have been employed  
16 in different divisions of Tektronix going back to 1989.  
17 And I was in private practice from 1985 to 1986 in  
18 Portland.

19 Q. I'm sorry, did you say '85 to '86?

20 A. '85 to '89, excuse me.

21 Q. '89. Who did you practice with?

22 A. Black Helterline.

23 Q. What was the nature of your practice? Were there  
24 particular focus of areas that you --

25 A. Oh, like a typical associate, they try to expose

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1 you to everything, but it was primarily business.  
2 Corporate.

3 Q. Litigation or transactional primarily?

4 A. Transactional.

5 Q. In either your experience in private practice or  
6 later in your experience with Tektronix, did you have  
7 particular reason to become involved in pension plans or  
8 pension plan issues?

9 A. Not in private practice, but certainly at  
10 Tektronix we had a -- we have a cash balance plan and we  
11 have a 401(k) plan and have about a billion dollars in  
12 assets, so -- and we have some foreign pension plans.  
13 So I'm -- you know, I'm obviously not an expert at  
14 ERISA, but I'm familiar with it enough to know when I  
15 need to seek counsel.

16 Q. Prior to your appointment to the PERS board, did  
17 you have any particular knowledge about Oregon's PERS  
18 system?

19 A. No.

20 Q. Who asked you to accept the appointment to the  
21 PERS board?

22 A. The governor.

23 Q. And I suppose he told you it's only one meeting a  
24 month, really not that big of deal? You don't have to  
25 answer that, that was somewhat facetious.

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1 Did you and the governor talk about any  
2 substantive issues, about issues that either were before  
3 the PERS board or were going to be coming before the  
4 PERS board should you take the appointment?

5 A. No, my -- my memory is a bit fuzzy, but I think  
6 it was a short -- I even forget who had lined us up for  
7 the meeting. But he gave a brief explanation of what  
8 the reform legislation was about, what some of his goals  
9 were. I told him I was not a democrat, I was a  
10 republican, he said that was okay. I told him I didn't  
11 vote for him, he said that was okay. And I said I'm  
12 going -- I would be independent, you know, if I went on  
13 the board, and he said that was okay. And he proposed  
14 me anyway.

15 Q. Do you recall what the governor said his -- in  
16 summary, what his goals were for the reform legislation?

17 A. The feeling I got was that he had tried to  
18 balance the interests of a lot of constituencies and  
19 come up with what he thought was an equitable solution,  
20 or he thought the legislature had, and that he was  
21 supportive of it. And that it was not perfect for  
22 anyone, but a good balancing to a severe problem the  
23 state had.

24 Q. By that time there was -- either was or would  
25 very shortly be a legal challenge pending to the

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Hartman Affidavit  
Exhibit 25, p. 2 of 3

C E R T I F I C A T E

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I, Mark D. Krska, a Certified Shorthand Reporter for the State of Oregon, do hereby certify that JAMES F. DALTON personally appeared before me at the time and place mentioned in the caption herein; that the witness was by me first duly sworn on oath, and examined upon oral interrogatories propounded by counsel; that said examination, together with the testimony of said witness, was taken down by me in stenotype and thereafter reduced to typewriting; and that the foregoing transcript, Pages 4 to 35, both inclusive, constitutes a full, true and accurate record of said examination of and testimony by said witness, and of all other oral proceedings had during the taking of said deposition, and of the whole thereof.

Dated at Portland, Oregon, this 17th day of December, 2007.

*Mark D. Krska*  
Mark D. Krska

CSR No. 90-0215

