



MENDOCINO COUNTY EMPLOYEES
RETIREMENT ASSOCIATION

State Teachers Retirement System of Ohio Case Study

Board of Retirement

February 18, 2026

About STRS Ohio



- Defined Benefit plan providing retirement, disability, death and healthcare benefits
- Serving 543,000 public educators, retired educators and their families
- Net position at 6/30/2025, \$101.8 billion, making it one of the 20 largest pension plans in the U.S.
- Run by an 11-member Board comprised of four political appointees and seven elected active and retired teachers.

Issues at STRS Ohio



Numerous issues at STRS including:

- Political efforts to restructure the Board.
- Allegations of improper influence over the Board.
- Transparency and governance concerns.
- Compensation of STRS investment staff.
- Fees of alternative investments.
- Resignation of board members, staff, and consultants.
- Allegations of corruption and breach of fiduciary duty.

This case study will primarily only focus on the issues around the investment firm, QED.

The Players



Board Members:

- Wade Steen, Chief Financial Officer for Cleveland Metro Parts and the former Franklin County Treasurer.
- Dr. Rudy Fichtenbaum is an economist and professor emeritus at Wright State University.
- Robert (Bob) Stein, former board member

QED:

- Jonathan (JD) Tremmel, Co-founder
- Seth Metcalf, Co-founder

OTHERS:

- Dave Yost, Ohio State Attorney General
- Anonymous Whistleblower (later identified as STRS Ohio Chief Legal Counsel, Stacey Wideman)
- Ohio Retired Teachers Association (ORTA)

About QED



- A private investment firm, co-founded by Jonathan (JD) Tremmel and Seth Metcalf.
- Seth Metcalf is the former Ohio Deputy Treasurer and former Ohio Public Employees Retirement System Board member.
- A start-up firm with no clients and no track record.
- Not registered with the SEC or FINRA.

The QED Conundrum



Aspect	QED's Position/Claims	STRS Staff & Cliffwater's Objections
Core promise	Strategy could boost STRS returns and improve long-term performance.	Promised benefits were not supported by a verifiable track record.
Risk profile	Framed as risk-mitigating, diversifying, and portfolio-stabilizing.	Belief that QED understated or mischaracterized risk; strategy seen as unproven.
Track record	Leaned on founders' prior experience rather than QED's own history.	No institutional clients, no audited long-term performance—too new for a pension fund.
Transparency/detail	Presented as sophisticated and data-driven.	Staff/Cliffwater reportedly found the proposal too vague to validate claims.
Operational strength	Claimed capability to manage a sizable mandate.	Concerns about governance, infrastructure, and ability to handle pension-scale assets.
Comparative value	Pitched as a unique, high-value opportunity for STRS.	Viewed as not competitive with other available, more established options.

The summary above was generated by Copilot AI from news coverage and public statements regarding QED's proposal and Cliffwater's analysis. Information contained in this summary is believed accurate but has not been confirmed by MCERA staff.

Competing Narratives



Reformers Argue

- Fundamental problems with STRS
 - Underperformed for years*
 - Paid excessive fees**, bonuses, and lack of transparency
 - Loss of retiree COLA
- QED is an innovative potential solution not a takeover
 - Lower fees, increased transparency
 - Communications were due diligence

Cause for Alarm

- Fiduciary Risk
- Governance Red Flags
 - Board members undisclosed communications with QED
 - Consultant, staff and board resignations
- Lack of Transparency
- Claims of “Hostile Takeover”

Whistleblower Allegations



1. Attempted take over of control of \$90 billion pension fund
2. Backroom deal with private investment firm, QED
3. Breach of Fiduciary Duty / Misconduct
4. Coordinated messaging and undisclosed assistance to board members to promote QED
5. Concern about “unprecedented actions by board leadership” and the safety and integrity of the Plan’s funds.
6. ORTA worked with QED to elect board members more sympathetic to or favorably inclined toward QED.

Further Turmoil



- 2022
 - STRS Ohio hires Funston Advisory for a fiduciary audit.
 - STRS hires Aon to implement recommendations from the audit.
- 2023
 - Cliffwater declines to submit a proposal to continue as STRS' Alternative Investment Consultant.
 - Ohio Governor removes board members, Steen and Fitchenbaum.
- 2024 – April 18th
 - Aon presents on enterprise risk management at the STRS' board meeting.
 - Court decision reverses the removal of board members (restoring their appointments)
 - Steen arrives mid-meeting to reclaim his seat on the Board
 - Aon resigns at the board meeting.

More Consultant Conflict



May 2024 RFP for Governance Consultant after Aon's resignation.

- Segal and Global Governance Advisors (GGA) selected as finalists.
- Fichtenbaum asked to have Hackett Group brought forward as well.
- Due diligence review showed:
 - Segal and GGA has strong references for governance consulting
 - Quotes for the two firms were \$163,000 and \$100,000
 - Hackett's cost was \$385,000 and only one of three references responded. That reference was a decade old and for an audit engagement, not governance consulting.
- Media reports claim that Fitchenbaum communicated with Hackett during the RFP blackout period; Hackett representative made comments critical of STRS on social media.

May 2024 Civil Lawsuit



- Anonymous whistleblower sends 14-page document to Ohio AG
- Ohio AG Dave Yost filed civil suit against two STRS Ohio board members alleging breach of fiduciary duty and financial gain by seeking to steer control over STRS investments to QED.
- Allegations have not been publicly substantiated. **No** evidence yet of:
 - Personal financial ties between Steen, Fichtenbaum and QED founders
 - Payments, gifts, compensation, or ownership stakes
 - Family or business relationships

Suit concluded in October 2025. Judge's ruling has not been issued yet.

Timeline



Spring 2020: STRS Board directs investment staff to connect with QED. QED pitches its strategy.

Dec. 2020: Despite STRS' objections Steen, et al, address a memo to the Board (apparently with QED's input) urging partnership with QED/OpenAI.

Feb. 2021: Cliffwater presents its QED due diligence findings and recommends STRS' not engage with QED.

Nov. 2021: Steen, Fichtenbaum, & Stein pitch a partnership with QED (outside STRS' typical investment review process).

May 2023: Gov. removes Steen as his appointee to the Board.

April 2024: Steen wins court decision returns to STRS Board. Aon governance consultant resigns.

May 2024: Reformers gain a majority on the 11-member STRS Board.

May 2024: AG files civil suit against Steen and Fichtenbaum for breach of fiduciary duty relating to QED.

Oct 2025: Civil suit concludes, waiting on Judge's decision.

What Would You Do?



Small Group work. Each group will receive

- A Question Card that includes fiduciary, governance, transparency and/or investment questions
- A set of MCERA policy reference cards to assist you with answering the questions.
- The spokesperson for each group will present their approach to address their group's questions.

Questions



The End