



GENTNER DRUMMOND
ATTORNEY GENERAL

May 6, 2026

Via Email

The Honorable Todd Russ
State Treasurer of Oklahoma
Oklahoma State Capitol Building
2300 N. Lincoln Boulevard, Room 217
Oklahoma City, Oklahoma 73105

RE: Proposed Contract with 311 Capital Management LLC under the Invest in Oklahoma Program

Dear Treasurer Russ:

On May 1, 2026, your Chief Investment Officer, Lisa Murray, advised the Trustees of the Invest in Oklahoma Board (the "Board") that the regularly scheduled May 12 meeting had been canceled because, in her words, "[t]he Office of the Attorney General has not provided a contract to fully engage with 311 Capital Management at this time." That description is incomplete and warrants correction.

On April 24, 2026, your Chief Policy Advisor, Andy Ferguson, asked Assistant Attorney General Benjamin Graves about the "drafting plan" for a contract to memorialize the February 17, 2026, award. That inquiry — sent more than two months after the award and two days after the Governor signed House Bill 4072 — is the only communication this Office has received from the Treasurer's Office regarding the preparation of a contract.

Regardless, I have determined that this Office will not draft, review, or approve a contract between the State of Oklahoma and 311 Capital Management LLC purporting to memorialize the Board's February 17, 2026, award. The award is invalid as a matter of law, the procurement that produced it was tainted by collusion and undisclosed conflicts of interest, and a contract executing the award would be void by operation of statute. If you, the Board, or any other state officer executes such a contract notwithstanding this letter, this Office intends to file a lawsuit immediately upon execution to declare the contract void, to enjoin its performance, and to recover any public funds disbursed to 311 Capital.

The reasons are as follows.

I. 311 Capital Cannot Satisfy the Mandatory Qualifications of the RFP or the Statutory Criteria of 62 O.S. § 2401.

The Invest in Oklahoma Act commands that the State Treasurer evaluate prospective advisors and managers against ten enumerated criteria, including rate of return, years of operation, sufficiency of capitalization, investment performance track record, differentiation and sustainability of investment strategy, fee structure, background of limited partners, ratio of capital invested in this state, and the experience of the firm’s investment professionals. 62 O.S. § 2401(B). Independent of those criteria, the State Treasurer must satisfy the prudent-investor standard codified at § 2401(C)(1) — the same standard the Invest in Oklahoma Board adopted as Section 2.01 of its February 17, 2026, Policy Statement, which by its own terms invokes “all applicable fiduciary duties under Oklahoma law.”

311 Capital cannot satisfy any meaningful threshold of those criteria. At the time it submitted its proposal in response to the January 8, 2026, RFP, 311 Capital had been in existence for fewer than five months, having been incorporated on September 17, 2025 — weeks before the first RFP was issued. It had no investment performance track record, no rate of return, no demonstrated capitalization, and no ratio of capital invested in Oklahoma. The private fund identified in 311 Capital’s investment adviser registration, 311 Capital Fund I LLC, had a gross asset valuation of zero dollars as of March 11, 2026 — three weeks after the Board’s award. And 311 Capital is, on its own filings, controlled by, under common control with, and located at the same physical address as Citizen Capital LLC.

Each of these facts is taken from public records, including filings made by 311 Capital itself. Each is dispositive standing alone. Together they establish that 311 Capital cannot, as a matter of objective fact, demonstrate the threshold metrics the Legislature commanded the State Treasurer to consider. Section 2401(B) does not authorize the selection of a bidder that cannot demonstrate any meaningful indicator the statute commands the Treasurer to consider, and the prudent-investor standard of § 2401(C)(1) does not permit it.

The RFP itself confirms the result. Section II of the January 8, 2026, RFP designates as “Mandatory Qualifications” requirements that “[e]ligible Firms must meet . . . at the time of proposal submission,” including (on information and belief) registration and good standing with the United States Securities and Exchange Commission and the Oklahoma Department of Securities; the disclosure of all material conflicts of interest and material regulatory actions; the certification of compliance with mandatory requirements; and full disclosure of conflicts related to Oklahoma entities, general partners, and placement-fee or revenue-sharing arrangements. If 311 Capital certified compliance with these requirements, that certification was false. If 311 Capital disclosed its disqualifying deficiencies, the evaluators were obligated to reject its bid. In either event, 311 Capital was ineligible for award.

II. Statutory Criteria Cannot Be Relaxed by Administrative Fiat.

On or about January 20, 2026 — three days before the bid submission window closed — your staff issued a question-and-answer document purporting to authorize consideration of first-time and emerging managers without engaging the requirements of § 2401 or the Mandatory Qualifications established in the RFP. The Q&A document was not a lawful exercise of your authority and cannot displace the statutory criteria of the Invest in Oklahoma Act.

Nor could the Board lawfully be bound by such a document. The Q&A is, in any event, flatly inconsistent with the Board’s own Policy Statement, Sections 2.01 and 8.03. Section 2.01 adopts the prudent-investor standard. Section 8.03 expressly provides that emerging entities “will be evaluated on such criteria as rate of return, years of operation, sufficiency of capitalization, investment performance record, differentiation and sustainability of investment strategy, fee structure, background of limited partners and the ratio of capital invested in the state.” The Board adopted the Policy Statement at the same February 17, 2026, meeting at which it voted to award the contract. The Board therefore voted to award a contract on terms inconsistent with the policy it had just adopted, and on the basis of a Q&A document the Board had no authority to ratify.

III. The Procurement Was Tainted by Collusion and Undisclosed Conflicts.

Title 74, Section 85.22A is an anti-corruption provision. It renders void any bid procured through “agreement or collusion among state officers or employees and bidders or prospective bidders intended . . . to give a bidder or prospective bidder a competitive advantage, for any purpose or by any manner prohibited in [21 O.S. § 365], whether or not in exchange for anything of value.” 74 O.S. § 85.22A. The certification the Central Purchasing Act requires of bidders applies “whether competitively bid or not.” *Id.* § 85.22. And § 85.22B reaches the same misconduct from the State-employee side by prohibiting the unlawful disclosure of bid information. *Id.* § 85.22B. The provision applies to the contract you propose to execute regardless of any procurement track under which the award was issued.

The undisputed facts give rise to a strong inference of agreement and collusion within the meaning of § 85.22A. 311 Capital was incorporated weeks before the first RFP was issued, for the express purpose of bidding on the resulting contract. 311 Capital’s December 4, 2025, vendor registration with the State of Oklahoma was filed under Citizen Capital’s supplier name, address, and corporate email — further evidence that the two entities were operationally a single concern. During the active procurement period, the same registered lobbyist, Jason Dunnington, simultaneously represented 311 Capital’s parent (Citizen Capital) and the procuring office (the State Treasurer). Governor Stitt — a member of the Invest in Oklahoma Board who serves as its chair and who voted on the award — was, at the time of the vote, identified in his 2024 personal financial disclosures as an investor in JRB Citizen LLC, an entity connected to Stephen Bond Payne and to Citizen Capital. The mid-procurement Q&A document described in Part II purported to soften the very statutory criteria 311 Capital could not meet. Ultimately, the award went to a bidder that did not meet the threshold qualifications the RFP designated as mandatory and that, by its own filings, is functionally indistinguishable from Citizen Capital.

These facts, taken together, satisfy the standard for inferring “agreement or collusion” under § 85.22A. The bid is void by operation of law, and the Board’s award rests on a void bid.

IV. HB 4072 Does Not Change the Analysis.

I anticipate the argument that House Bill 4072 of the 2026 Session, signed April 22, 2026, exempts the proposed contract from the Central Purchasing Act and, by extension, from § 85.22A. It does not.

HB 4072 created a narrow CPA exemption that reaches only “professional custodians, consultants, and managers of the assets of the Trust Fund” — meaning the newly created Taxpayer Endowment Trust Fund, not the Invest in Oklahoma Program. 62 O.S. § 34.102A-4(C)(1), (D). The Legislature did not amend § 2401, did not exempt Invest in Oklahoma Program contracting from the CPA, and did not provide retroactive effect for the narrow exemption it did create. The negative inference cuts the other way: had the Legislature understood the Invest in Oklahoma Program to be already exempt, there would have been no reason to enact a separate, fund-specific exemption for the Taxpayer Endowment Trust Fund. Section 85.22A, in any event, is an anti-corruption provision rather than a competitive-bidding rule, and applies to the contract you propose to execute regardless of whether competitive-bidding rules apply.

Further, the February 17, 2026, contract award occurred more than two months before HB 4072 was signed. Therefore, even if HB 4072 prospectively exempted Invest in Oklahoma Program contracting from the CPA — and it does not — the exemption could not retroactively cure a contract that was void when awarded.

Conclusion

Accordingly, this Office demands that you immediately:

1. Rescind the February 17, 2026, contract award to 311 Capital Management LLC;
2. Withdraw the January 8, 2026, RFP and any operative Q&A or supplemental documents purporting to modify it;
3. Conduct any future procurement under the Invest in Oklahoma Program in conformity with 62 O.S. §§ 2401–2403, the Central Purchasing Act, and the Board’s adopted Policy Statement, with full and contemporaneous disclosure of all conflicts of interest by every participating officer; and
4. Provide written confirmation to this Office, on or before May 19, 2026, that the foregoing actions have been taken.

These remedies are directed to you in the first instance because the State Treasurer is responsible for the procurement under § 2401. The Invest in Oklahoma Board, however, voted to award this contract notwithstanding the deficiencies catalogued above, and any path forward — whether rescission, reprocurement, or otherwise — will require Board action as well.

I want to reiterate that if you, the Board, or any other state officer executes such a contract notwithstanding this letter, I intend to file a lawsuit immediately upon execution to declare the contract void, to enjoin its performance, and to recover any public funds disbursed to 311 Capital.

This Office stands ready to confer with you on a lawful path forward. We are not prepared to provide legal cover for the path you have chosen.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Gentner Drummond', with a stylized, cursive script.

GENTNER DRUMMOND
Attorney General

cc:

The Honorable J. Kevin Stitt, Governor of Oklahoma and Chair, Invest in Oklahoma Board
The Honorable Matt Pinnell, Lieutenant Governor of Oklahoma
The Honorable Speaker, Oklahoma House of Representatives
The Honorable President Pro Tempore, Oklahoma State Senate
The Honorable Cindy Byrd, Oklahoma State Auditor and Inspector