

MEETING NO. 3796
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM
HELD WEDNESDAY, **MAY 27, 2009**
9:00 A.M.

RETIREMENT SYSTEMS' CONFERENCE ROOM
910 COLEMAN A. YOUNG MUNICIPAL CENTER
DETROIT, MICHIGAN 48226

PRESENT

Wendell Anthony	Trustee
David Clark	Trustee
Cedric Cook	Trustee
Gerald Fischer	Trustee & Vice Chairperson
Susan Glaser	Trustee
Ronald Gracia	Trustee
Sheila Kneeshaw	Trustee & Chairperson
Timothy Ngare	Ex-Officio Trustee & Treasurer
Walter Stampor	Executive Secretary
Myron T. Terrell	Assistant Executive Secretary
Ronald Zajac	Legal Counsel
Richard Huddleston	Investment Analyst
Pamela S. Edwards	Recording Secretary

EXCUSED

Sheila Cockrel	Ex-Officio Trustee & Councilwoman
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Vice Chairman Fischer called the General Retirement System Board of Trustees meeting to order at 9:45 a.m.

SERVICE RETIREMENTS

By: Trustee Glaser – Supported By: Trustee Clark

RESOLVED, that the following applications for Service Retirement be hereby APPROVED, as reflected below.

NAME, TITLE, DEPARTMENT	Kenneth Pettis – TEO - Transportation
SERVICE CREDIT	22-08
EFFECTIVE DATE	05-13-09

NAME, TITLE, DEPARTMENT	Frank M. Sloan, Jr. – Senior Clerk – Water & Sewerage
SERVICE CREDIT	30-10
EFFECTIVE DATE	04-17-09

NAME, TITLE, DEPARTMENT	Sarilynne J. Stinson – Water Systems Investment – Water & Sewerage
SERVICE CREDIT	31-10
EFFECTIVE DATE	05-05-09

NAME, TITLE, DEPARTMENT	Carl Ward, Sr. – TEO - Transportation
SERVICE CREDIT	35-07
EFFECTIVE DATE	05-07-09

NAME, TITLE, DEPARTMENT	Vickie E. Washington – Equipment Dispatcher - DPW
SERVICE CREDIT	12-05
EFFECTIVE DATE	04-24-09

Yeas – Trustees Clark, Cook, Glaser, Ngare and Vice Chairman Fischer – 5

Nays – None

CONFIRMATIONS

By: Trustee Glaser - Supported By: Trustee Clark

RESOLVED, that the Receipts, Disbursements, Pay-Offs and Draws, reflected as follows be hereby CONFIRMED:

CONFIRMATIONS (cont'd)

RECEIPTS

Behringer Harvard REIT, Inc. – May 22, 2009 - \$28,677.25 – Distribution, May 2009
Capri Capital Partners – May 20, 2009 - \$82,255.40 – Remittance (Terrace Communities), April 2009
Detroit Gateway Park (Banyan) – May 18, 2009 - \$5,343.86 – Remittance, Add'l April 2009
HRJ Legends, Ltd. – May 19, 2009 - \$1,373,233.91 – Liquidation Proceeds
ICG Leaseback Fund I, LLC – May 20, 2009 - \$106,106.78 – Remittance, May 2009
The City of Detroit – May 22, 2009 - \$458,073.72 – Weekly Annuity Contribution
The Police & Fire Retirement System – May 22, 2009 - \$16,908.81 – Reimbursement for Staff Wages,
May 2009

TOTAL - \$2,070,599.73

DISBURSEMENTS

ADP – May 21, 2009 - \$33,717.63 – Staff Wages, May 2009
Board of Trustees Account #109909 – May 21, 2009 - \$50,000.00 – Account Replenishment
First Independence National Bank – May 19, 2009 - \$973,463.83 – Refund List #6908
First Independence National Bank – May 19, 2009 - \$159,657.44 – Checkwrite
Syndicated Communications Venture Partners V, LP – May 19, 2009 - \$922,727.00 – Draw #31

TOTAL - \$2,139,565.90

Yeas – Trustees Clark, Cook, Glaser, Ngare and Vice Chairman Fischer – 5

Nays – None

REFUND OF ACCUMULATED CONTRIBUTIONS
LIST NO. 6910 – Amount: \$1,195,524.76

By: Trustee Clark – Supported By: Trustee Glaser

RESOLVED, that the contributions to the Annuity Savings Fund by members of the General Retirement System, as set forth on List No. 6910 in the amount of \$1,195,524.76 including interest, be REFUNDED, pending audit by Retirement Systems' Accounting Staff as reflected.

Yeas – Trustees Clark, Cook, Glaser, Ngare and Vice Chairman Fischer – 5

Nays – None

ASSISTANT EXECUTIVE SECRETARY'S REPORT

CAPITAL CALL

Re: 6200 Second Avenue Lofts (CAP) – \$8,701.30

By: Trustee Ngare – Supported By: Trustee Cook

WHEREAS, the Board has been presented with a communication dated May 24, 2009 from Capozzoli Advisory for Pensions wherein a Capital Call request is made in the amount of \$8,701.30, therefore be it

RESOLVED, that subject to final approval of all transaction documents by the Board's Legal Counsel, the Board approves said funding.

Yeas – Trustees Clark, Cook, Glaser, Ngare and Vice Chairman Fischer – 5

Nays – None

Re: Billing Payment Requests

By: Trustee Ngare – Supported By: Trustee Cook

WHEREAS, the Board of Trustees is in receipt of the following invoices requesting payment for services rendered, and

WHEREAS, the Board is satisfied that the services were provided to the Board as requested and required, therefore be it

RESOLVED, that subject to staff audit, the Board approves payment of said invoices as reflected below:

FIRM OR INDIVIDUAL, DATE, AMOUNT, SERVICE(S) PROVIDED

BlackRock – May 14, 2009 - \$18,067.00 – Management Fees, 1st Quarter 2009
HSBC Global Asset Management – April 22, 2009 - \$46,103.82 – Management Fees, 1st Quarter 2009
Elkins McSherry LLC – May 19, 2009 - \$7,750.00 – Trade Cost Analysis Domestic 2009, 1st Quarter
Mayfield Gentry – May 15, 2009 - \$10,733.33 – Servicing Fees for May 2009

FIRM OR INDIVIDUAL, DATE, AMOUNT/GRS TOTAL, SERVICE(S) PROVIDED

Couzens, Lansky, Fealk, Ellis, Roeder & Lazar, P.C. – May 26, 2009 - \$11,042.74/\$5,521.37 -
Legal Fees for GVC Winstar/Network

ASSISTANT EXECUTIVE SECRETARY'S REPORT (cont'd)

Re: Billing Payment Requests (cont'd)

FIRM OR INDIVIDUAL, DATE, AMOUNT/GRS TOTAL, SERVICE(S) PROVIDED

G. Housey Co. LLC – May 7, 2009 - \$1,085.00/\$542.50 – Lawn Maintenance, 7850 E. Jefferson
Quill Corporation – May 14, 2009 - \$133.27/\$66.63 – Office Supplies

Yeas – Trustees Clark, Cook, Glaser, Ngare and Vice Chairman Fischer – 5

Nays – None

Re: Ballot Recounts

Assistant Executive Secretary Myron Terrell announced that the ballot recounts for Active and Retired trustee will be held on Tuesday, June 2, 2009 at the American Arbitration Association.

Re: Banyan Realty

Each member of the Board and Executive Secretary staff were provided with copies of the "Detroit Gateway Shopping Center Third Loan Modification Update."

Re: Terrace Communities

IQ 2009 Quarterly Monitoring Report was distributed to the Board and appropriate staff. The report is consistent with report given by MDS at their most recent Board appearance. At the direction of Vice Chairman Fischer, staff was directed to refer this item to New England Pension Consultants for review.

Re: Artio (formerly Julius Baer)

Notification was received from Artio regarding their intention to separate private banking and asset management businesses into two independently listed companies. According to the Investment Analyst, there is no obvious negative or positive impact on Detroit General Retirement System, but staff recommends that this item be referred to New England Pension Consultants. At the direction of Vice Chairman Fischer, staff was directed to refer this item to New England Pension Consultants.

❖ *Trustee Gracia joined the meeting at 9:56 a.m.*

ASSISTANT EXECUTIVE SECRETARY'S REPORT (cont'd)

Re: Seneca Nob Hill CLO

The Investment Analyst reported that Seneca Nob Hill CLO failed to make the February and May 2009 distributions and they aren't anticipating paying anything in August. Investment analyst recommended that this item be referred to NEPC and whoever performed the due diligence. At the direction of Vice Chairman Fischer, staff was directed to refer this item to NEPC as recommended by the Investment Analyst.

Re: Schedule Board Appearance – Seneca Nob Hill CLO

At the direction of Vice Chairman Fischer, staff is hereby directed to schedule representatives from Seneca Nob Hill CLO to appear before the Board of Trustees to provide a status report as recommended by the Investment Analyst.

Re: Behringer Harvard REIT

The Investment Analyst reported that the monthly distribution of Behringer Harvard REIT has been cut roughly in half. At the direction of Vice Chairman Fischer, staff was directed to forward this item to The Townsend Group for review as recommended by the Investment Analyst.

Re: Alpha Partners

Notification was received from Alpha Partners (large cap growth manager) that Robert Warfield, President and CEO, is taking a leave of absence from the firm to serve as communications director for Mayor Bing. Portfolio manager Dawna Edwards-Rogers will be assuming Mr. Warfield's marketing and client related responsibilities. This is significant personnel change. At the direction of Vice Chairman Fischer, staff was directed to refer this item to NEPC.

Re: Abbey Capital

The Board is in receipt of an alternative investment request from Abbey Capital. The General Retirement System is currently grossly overcommitted in this area. At the direction of the Chairman Fischer, staff was directed to forward correspondence to Abbey Capital politely informing them of the Board's lack of interest.

PRESENTATION

Capozzoli Advisory for Pensions, Inc.

Mr. Joe Capozzoli, Gene Thompson, Matt Byron, Mark Korinek and Brad Gaubatz of Capozzoli Advisory for Pensions, Inc. appeared before the Board to discuss the 2009 operating budget of the General Retirement System.

- ❖ *Trustee Anthony joined the meeting at 10:13 a.m. during the presentation.*
- ❖ *Trustee S. Kneeshaw joined the meeting at 11:32 a.m. just prior to the conclusion of the presentation.*
- ❖ *The Board recessed for lunch at 11:45 a.m. and was called back to order by Chairperson S. Kneeshaw at 12:40 p.m.*
- ❖ *Present: Trustees Anthony, Clark, Cook, Fischer, Glaser, Ngare and Chairperson S. Kneeshaw – 7*

ASSISTANT EXECUTIVE SECRETARY'S REPORT

Re: Capozzoli Advisory for Pensions, Inc.

By: Trustee Fischer – Supported By: Trustee Glaser

RESOLVED, that the 2009 Budgets presented to the Board of Trustees by Capozzoli Advisory for Pensions on this date, May 27, 2009, be accepted and approved.

Yeas – Trustees Anthony, Clark, Cook, Fischer, Glaser, Ngare and
Chairperson S. Kneeshaw – 7

Nays – None

Re: Elio Motors – Due Diligence Report

By: Trustee Fischer – Supported By: Trustee Glaser

WHEREAS, the Board is in receipt of correspondence from Elio Motors dated May 19, 2009 requesting a copy of the due diligence report filed by James McTevia on Elio Motors to the General Retirement System on Wednesday, March 25, 2009, and

WHEREAS, the Board has discussed this matter, therefore be it

ASSISTANT EXECUTIVE SECRETARY'S REPORT (cont'd)

Re: Elio Motors – Due Diligence Report

RESOLVED, that the request from Elio Motors for a copy of the due diligence report filed by James McTevia be granted.

Yeas - Trustees Anthony, Clark, Cook, Fischer, Glaser, Ngare and
Chairperson S. Kneeshaw – 7

Nays – None

❖ *Trustee Gracia rejoined the meeting at 12:42 p.m.*

LEGAL COUNSEL'S REPORT

The Board's Legal Counsel discussed the following matters with the Board and provided copies of the documents indicated below:

Re: FOIA Request Dated May 22, 2009 from Jennifer Dixon/Detroit Free Press
Re: Presenter Questionnaires and Third Party Marketing Agreements

Each trustee and member of administrative staff was provided with a copy of the FOIA request dated May 22, 2009 from Jennifer Dixon/Detroit Free Press regarding presenter questionnaires and third party marketing agreements for Inheritance Capital Group/ICG/Robert Shumake; Behringer Harvard REIT; Capri Urban Fund; Lightstone; McRae Land Development and Kona Oasis and Terraces at Kahalu'u Development.

General Counsel reported that a response would be made consistent with the Retirement System's procedure and policy with the assistance of special legal counsel as deemed appropriate by general counsel.

Re: FOIA Request Dated May 22, 2009 from Jennifer Dixon/Detroit Free Press
Re: Reviewing of Investment Companies Records

Each trustee and member of administrative staff was provided with a copy of the FOIA request dated May 22, 2009 from Jennifer Dixon/Detroit Free Press regarding the opportunity to review records of several investment companies of the General Retirement System.

General Counsel reported that a response would be made consistent with the Retirement System's procedure and policy with the assistance of special legal counsel as deemed appropriate by general counsel.

LEGAL COUNSEL'S REPORT (cont'd)

Re: Independent Contractor Agreement/James R. Hollins

By: Trustee Gracia – Supported By: Trustee Glaser

WHEREAS, the Board has been requested to execute the following document: Independent Contractual Agreement with James R. Hollins dated May 27, 2009 relative to the aforesaid transaction, and

WHEREAS, the execution of said document has been recommended by the Board's special legal counsel, and

WHEREAS, the execution of said documents have been reviewed and approved as to form by the Board's legal counsel and the execution of said document is consistent with prior action of the Board, therefore be it

RESOLVED, that said document be executed by two authorized signatories on behalf of the Board, and be it further

RESOLVED, that the executed original document be forwarded to the appropriate party and copies be maintained in the Retirement System records.

Yeas – Trustees Anthony, Clark, Cook, Fischer, Glaser, Gracia, Ngare and
Chairperson S. Kneeshaw – 8

Nays – None

Re: Lawsuit of Coletta Estes

Each trustee and member of administrative staff was provided with a copy of the court document titled *Temporary Restraining Order Regarding Documents* dated May 15, 2009.

Re: Confidentiality Resolution (Draft)

Legal Counsel Ronald Zajac reported that the draft of the Confidentiality resolutions is pending revision. This item will be discussed at a later date.

LEGAL COUNSEL'S REPORT (cont'd)

Re: Zwerling, Schachter & Zwerling, LLP

By: Trustee Gracia – Supported By: Trustee Glaser

WHEREAS, the Board of Trustees is in receipt of a request dated May 22, 2009 to allow the law firm of Zwerling, Schachter & Zwerling, LLP to make a presentation to the Board of Trustees to be added to the Retirement System's approved list of class action law firms to represent the Retirement System as lead plaintiff or co lead plaintiff in class action litigation, be it

RESOLVED, that the request of Zwerling, Schachter & Zwerling, LLP to make a presentation to the Board if trustees is granted, and

RESOLVED, that a copy of this resolution be forwarded to Zwerling, Schachter & Zwerling, LLP, Attn: Jeffrey W. Beasley, 990 Stewart Avenue, Suite 600, Garden City, NY 11530.

Yeas – Trustees Anthony, Clark, Fischer, Glaser, Gracia and
Chairperson S. Kneeshaw – 6

Nays – Trustees Cook and Fischer – 2

Re: Response to FOIA Request Dated May 8, 2009 from John J. Conway
Re: Contracts and Insurance

Each trustee and member of administrative staff was provided with a copy of the response to the FOIA request dated May 20, 2009 to John J. Conway, PC regarding insurance policies relative to the General Retirement System.

Re: Board Request

At the request of the Board, legal counsel will document the amount of money and time the General Retirement System is spending on the lawsuit of Coletta Estes.

Re: Lawsuit of Coletta Estes

Each trustee and member of administrative staff was provided with a copy of the *Plaintiff's Motion for Leave to File Her Second Amended Class Action Complaint and Jury Demand in COLETTA ESTES v. DAVID CLARK, et al.*, dated May 26, 2009.

LEGAL COUNSEL'S REPORT (cont'd)

Re: Lawsuit of Coletta Estes (cont'd)

Each trustee and member of administrative staff was provided with a copy of the *Plaintiff's Motion for a Preliminary Injunction Enjoining the Destruction of Documents* in COLLETTA ESTES v. DAVID CLARK, et al., dated May 19, 2009.

Each trustee and member of administrative staff was provided with a copy of the *Response of Trustee Defendants In Opposition to Motion for Preliminary Injunction* in COLLETTA ESTES v. DAVID CLARK, et al. dated May 26, 2009.

Each trustee and member of administrative staff was provided with a copy of the *Trustee Defendants in Opposition to Plaintiff's Motion for Leave to File Second Amended Complaint* in COLETTA ESTES v. DAVID CLARK, et al., dated May 26, 2009.

Re: Detroit Free Press – Responses to FOIA Requests

Each trustee and member of administrative staff was provided with a copy of the *Reply to Defendants General Retirement System of the City of Detroit and Police and Fire Retirement System of the City of Detroit's Brief in Opposition to Plaintiff's Motion for Preservation of Documents* in DETROIT FREE PRESS, INC. v. GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT, et al., dated May 20, 2009;

Each trustee and member of administrative staff was provided with a copy of the *Reply to Defendants General Retirement System of the City of Detroit and Police and Fire Retirement System of the City of Detroit's Brief in Opposition to Plaintiff's Motion for Summary Disposition* in DETROIT FREE PRESS, INC. v. GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT, et al., dated May 20, 2009;

Each trustee and member of administrative staff was provided with a copy of the *Addendum to Defendants General Retirement System of the City of Detroit and Police and Fire Retirement System of the City of Detroit's Brief in Opposition to Plaintiff's Motion for Summary Disposition* in DETROIT FREE PRESS, INC. v. GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT, et al., dated May 21, 2009.

❖ *Trustee Ngare was excused for the remainder of the meeting at 1:31 p.m.*

LEGAL COUNSEL'S REPORT (cont'd)

Re: Detroit Gateway Shopping Center

By: Trustee Glaser – Supported By: Trustee Gracia

WHEREAS, the Board of Trustees is in receipt of a "Third Loan Modification Update" report dated May 26, 2009 in which Banyan requests correction of an oversight relating to the loan commitment regarding the holdback of one million (\$1,000,000.00) dollars pending the execution of an approved lease with an anchor tenant, and

WHEREAS, the Board has discussed this matter,

RESOLVED, that the Board accepts the correction/clarification as set forth in the aforesaid May 26, 2009 letter from Banyan, and

RESOLVED, that a copy of this resolution be forwarded to Gateway and Banyan.

Yeas – Trustees Anthony, Clark, Cook, Fischer, Glaser, Gracia and
Chairperson S. Kneeshaw – 7

Nays – None

Re: FOIA Request Dated May 27, 2009 from Jennifer Dixon/
Detroit Free Press, Re: Asian Village

Each trustee and member of administrative staff was provided with a copy of the FOIA request dated May 27, 2009 from Jennifer Dixon/Detroit Free Press regarding Asian Village.

General counsel reported that a response would be made consistent with the Retirement System's procedure and policy with the assistance of special legal counsel as deemed appropriate by general counsel.

Re: Hence Fennoy (retired employee) vs. General Retirement System

By: Trustee Gracia - Supported By: Trustee Clark

RESOLVED, that special counsel, Lawrence D. Walker is assigned the matter regarding Hence Fennoy, and be it further

RESOLVED, that said special counsel coordinate with the Board's general counsel per usual established procedures, and be it further

LEGAL COUNSEL'S REPORT (cont'd)

Re: Hence Fennoy (retired employee) vs. General Retirement System (cont'd)

RESOLVED, that a copy of this resolution be forwarded to special legal counsel, Lawrence D. Walker.

Yeas – Trustees Anthony, Clark, Cook, Fischer, Glaser, Gracia and
Chairperson S. Kneeshaw – 7

Nays – None

Re: Detroit Free Press, Inc. Litigation

Each trustee and member of administrative staff was provided with a copy of the Stipulated Order Regarding Preservation of Documents dated May 22, 2009.

OLD BUSINESS

Re: Amendment to Approved Minutes – April 8, 2009

After careful review of the April 8, 2009 minutes of the General Retirement System Board Meeting of April 8, 2009, Trustee Wendell Anthony made the following observation regarding the Employee Loan Program on page 12: A motion was made following discussions relative to the Benefits Advantage and First Independence Bank presentations of April 1, 2009 by Trustee Anthony and was supported by Trustee Gracia. Trustee Anthony reported that his motion was withdrawn and Trustee Cook then made the motion and was supported by Trustee Gracia. This information will be forwarded to the Recording Secretary for revisions.

Re: Press Releases Resolution (Draft)

The drafted Press Releases Resolutions will be discussed at next week's meeting on June 3, 2009.

NEW BUSINESS

Re: Minutes for Distribution to Board

At the direction of Chairperson S. Kneeshaw, effective immediately, the DRAFT overlay is to be included on minutes for distribution to the General Retirement System Board. Once the minutes are approved by the Board, the DRAFT overlay can be removed.

NEW BUSINESS (cont'd)

Re: Change of Option Form

The Board requested that Assistant Executive Secretary Myron Terrell create a Change of Option form to be used by the General Retirement System members.

❖ *Trustee Clark excused himself for the remainder of the meeting.*

Re: NCPERS Trustee Handbook

Assistant Executive Secretary Myron Terrell was instructed to order copies of the NCPERS Trustee Handbook as the supply of the General Retirement System has been depleted.

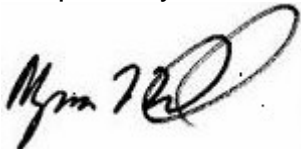
Re: Paragon Capital Partners, LLC

The Board is in receipt of a letter from Paragon Capital Partners dated May 14, 2009 regarding the "Real Estate Investment Fund." At the direction of Chairperson S. Kneeshaw, Executive Secretary Walter Stampor was instructed to prepare a response on behalf of the General Retirement System.

ADJOURNMENT

There being no further business to come before the Board of Trustees, the General Retirement System Board meeting hereby adjourned at 1:55 p.m. until Wednesday, June 3, 2009 at 9:00 a.m. in the Retirement Systems' Conference Room, 910 Coleman A. Young Municipal Center, Detroit, MI 48226.

Respectfully submitted,



Myron T. Terrell
Assistant Executive Secretary