

MEETING NUMBER **#3932**

**JOURNAL OF PROCEEDINGS OF THE BOARD OF TRUSTEES  
OF THE GENERAL RETIREMENT SYSTEM OF THE CITY OF  
DETROIT**



**PROCEEDINGS HELD WEDNESDAY,  
JANUARY 4, 2012 9:00 A.M.  
IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS  
910 COLEMAN A. YOUNG MUNICIPAL CENTER  
DETROIT, MICHIGAN 48226**



**PRESENT**

DAVID CLARK  
CEDRIC COOK  
JAMES EDWARDS  
SUSAN GLASER  
LOUIS HATTY  
JOHN RIEHL  
THOMAS SHEEHAN

TRUSTEE  
TRUSTEE  
EX/OFFICIO MAYOR ALTERNATE  
CHAIRPERSON  
TRUSTEE  
TRUSTEE  
VICE CHAIRPERSON

RONALD ZAJAC  
WALTER STAMPOR  
MARILYN ROC BERDIJO  
WILHELMINA BALDWIN

LEGAL COUNSEL  
EXECUTIVE SECRETARY  
ASSISTANT EXECUTIVE SECRETARY  
RECORDING SECRETARY

**EXCUSED**

WENDELL ANTHONY

TRUSTEE

**ABSENT**

SAUNTEEL JENKINS  
CHERYL JOHNSON

EX/OFFICIO TRUSTEE/COUNCIL REPRESENTATIVE  
EX/OFFICIO TRUSTEE/TREASURER

CHAIRPERSON – SUSAN GLASER

VICE CHAIRPERSON – TOM SHEEHAN

AT THE **CHAIRPERSON'S** DIRECTION, ROLL CALL WAS TAKEN AT **9:45 A.M.** BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

**RE: SERVICE RETIREMENTS**

**BY: TRUSTEE RIEHL – SUPPORTED BY TRUSTEE SHEEHAN**

**RESOLVED**, THAT THE FOLLOWING APPLICATIONS FOR **SERVICE RETIREMENT** BE HEREBY **APPROVED**, AS REFLECTED BELOW:

**SERVICE RETIREMENTS**

NAME, TITLE, DEPARTMENT	Patricia Delores Butler – Recreation Lead- Female - Recreation
SERVICE CREDIT	25-05
EFFECTIVE DATE	11-26-11

NAME, TITLE, DEPARTMENT	Cheryl A. Campbell – Sec Deputy Fire Comm – Fire (Civilian)
SERVICE CREDIT	36-01
EFFECTIVE DATE	12-06-11

NAME, TITLE, DEPARTMENT	Dennis M. Jackson – Auto Repair Supt. - Transportation
SERVICE CREDIT	25-01
EFFECTIVE DATE	12-03-11

NAME, TITLE, DEPARTMENT	Philemon R. Lowe – Body Shop Foreman-Transt - Transportation
SERVICE CREDIT	34-03
EFFECTIVE DATE	12-02-11



**RE: CONFIRMATIONS**

**BY: TRUSTEE SHEEHAN – SUPPORTED BY TRUSTEE RIEHL**

**RESOLVED**, THAT THE RECEIPTS, DISBURSEMENTS, PAY-OFFS, AND DRAWS REFLECTED AT THE END OF THESE PROCEEDINGS BE HEREBY **CONFIRMED**.

**YEAS: Trustees Clark, Edwards, Hatty, Riehl, Sheehan and  
Chairperson Glaser - 6**

**NAYS: None**

ASSISTANT EXECUTIVE SECRETARY REPORT

PRE-EMPLOYMENT MILITARY SERVICE CREDIT

RE: TERRY JEROME TERRELL - MILITARY SERVICE CREDIT

BY: TRUSTEE CLARK – SUPPORTED BY TRUSTEE RIEHL

**WHEREAS**, THE INDIVIDUAL WHOSE NAME IS DESIGNATED BELOW HAS APPLIED TO THIS BOARD FOR **PRE-EMPLOYMENT MILITARY SERVICE CREDIT** AND HAS COMPLIED WITH ALL OF THE NECESSARY REQUIREMENTS OF **SECTION 54-5-3-B** OF THE **CHARTER PROVISIONS**, THEREFORE BE IT

**RESOLVED**, THAT PAYMENT OF THE FULL AMOUNTS BE MADE TO THE PENSION ACCUMULATION FUND BY THE METHOD SELECTED BY THE INDIVIDUAL AND THE NUMBER OF MONTHS ELIGIBLE ACTIVE DUTY BE CREDITED HIM AS MEMBERSHIP SERVICE CREDIT SUBJECT TO THE CONDITIONS AND LIMITATIONS OF THE AUTHORIZING ORDINANCE PROVISIONS:

**TERRY JEROME TERRELL**  
**PENSION #196921**  
**S.S. #0886**  
**FROM: NOVEMBER 29, 1974 TO MARCH 19, 1976**

**YEAS: Trustees Clark, Edwards, Hatty, Riehl, Sheehan and  
Chairperson Glaser - 6**

**NAYS: None**

JANUARY 4, 2012

**RE: MAPERS ONE DAY SEMINAR SERIES, FRIDAY, FEBRUARY 3, 2012**

**BY: TRUSTEE SHEEHAN – SUPPORTED BY TRUSTEE CLARK**

**WHEREAS**, THE BOARD WAS PRESENTED WITH AN INVITATION TO THE **MAPERS MESIROW INVESTMENT MANAGEMENT AND ULLICO INC.** ONE DAY SEMINAR TO BE HELD IN DEARBORN, MICHIGAN, **THEREFORE BE IT**

**RESOLVED**, THAT THE BOARD **APPROVES** EXPENDITURES FOR ALL TRUSTEES, THE EXECUTIVE SECRETARY; THE ASSISTANT EXECUTIVE SECRETARY AND THE INVESTMENT ANALYST TO ATTEND SAID CONFERENCE, **AND FURTHER**

**RESOLVED**, THAT A COPY OF THIS RESOLUTION BE PROVIDED TO EACH TRUSTEE AND A COPY MAINTAINED IN THE GENERAL RETIREMENT SYSTEM RECORDS.

**YEAS: Trustees Clark, Edwards, Hatty, Riehl, Sheehan and Chairperson Glaser - 6**

**NAYS: None**

**RE: FRAZIER KIMPSON**

**ENTRY:**

The Assistant Executive Secretary provided the Trustees with copies of correspondence received from Myron Terrell which had previously been submitted by Mr. Frazier Kimpson.

After discussion, it was decided to allow Mr. Kimpson to appear before the Board to present additional evidence for his request.

**RE: DEERFIELD STATION RE-ORGANIZATION**

**ENTRY:**

The Assistant Executive Secretary provided each Trustee with a copy of a memorandum received from J. Ellsworth Summers, Jr., Esq. regarding the above reference. The Board decided to bring this matter back to the table later in the meeting for discussion with legal counsel.

**Assistant Executive Secretary concluded/**

**INVESTMENT ANALYST REPORT**

The Investment Analyst updated the Board with his thoughts and recommendation with regard to funds performance on construction loans.

An update was also provided to the Board regarding Life Assurance wherein the Investment Analyst informed the Board that he is awaiting information from Stout Risius Ross.

- Chairperson Glaser stepped out of the Board Room – 9:52 a.m.
- Vice Chairman Sheehan was present and took control – 9:52 a.m.

**CITY OF DETROIT  
GENERAL RETIREMENT SYSTEM  
BOARD MEETING #3932**

**JANUARY 4, 2012**

**RE: DEERFIELD STATION, LLC's Chapter 11 Reorganization - Accept  
\$25K Offer**

**BY: TRUSTEE RIEHL – SUPPORTED BY TRUSTEE CLARK**

**WHEREAS**, on September 29, 2006, the General Retirement System entered into a Credit Agreement to make a mezzanine loan of \$4,750,000 (the "Retirement System Loan") to Deerfield Station, LLC, a Georgia limited liability company ("Borrower"). York Deerfield Station, LLC, a Georgia limited liability company ("York") is the sole member of the Borrower. The collateral for the Loan was an assignment of 100% of the limited liability company interests in the Borrower owned by York (the "Assigned Interests"),

**WHEREAS**, the Borrower borrowed \$16,500,000 (the "First Mortgage Loan") from RBC Centura Bank, now known as RBC Bank (USA) to acquire the land where the project is located and begin development activities on the land,. and the Retirement System and RBC Centura Bank entered into an Intercreditor Agreement at the time of the closing of the Retirement System Loan,

**WHEREAS**, the Borrower defaulted on the Retirement System Loan and on July 14, 2010, the Retirement System instituted a lawsuit in the Broward County, Florida Circuit Court against both the Borrower and York to foreclose York's ownership of the Assigned Interests,

**WHEREAS**, on March 1, 2011, the Borrower filed a Chapter 11 bankruptcy case, and although York did not file bankruptcy, the Assigned Interests are subject to the bankruptcy court's jurisdiction, and the Retirement System's case in the Circuit Court was stayed,

**WHEREAS**, Mr. Dennis Suarez, the managing partner of the Borrower has offered to purchase the Retirement System Loan for \$25,000.00,

**WHEREAS**, the Board has received a recommendation dated December 19, 2011, from its real estate advisor, Capozzoli Advisory for Pensions, Inc., to accept the foregoing offer, and the Board has received a Memorandum dated January 3, 2012, from its Florida bankruptcy counsel, Rogers Towers, P.A., stating that the \$25,000.00 offer should be strongly considered,

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

**RESOLVED**, the Board approves the recommendations of its real estate advisor, Capozzoli Advisory for Pensions, Inc., and its Florida bankruptcy counsel, Rogers Towers, P.A., and be it further

**Cont. DEERFIELD STATION, LLC's Chapter 11 Reorganization -  
Accept \$25K Offer**

**RESOLVED**, that special legal counsel, F. Logan Davidson, P.C., is hereby directed to take appropriate action to effectuate the foregoing and be it further

**RESOLVED**, that a copy of this resolution be forwarded to Capozzoli Advisory for Pensions, Inc.; F. Logan Davidson, P.C.; Accounting Department General Retirement System; and a copy maintained in the General Retirement records.

**YEAS: TRUSTEES CLARK, EDWARDS, HATTY, RIEHL AND VICE  
CHAIRPERSON SHEEHAN – 5**

**NAYS: NONE**

- Trustee Cook joined the Board Meeting – 10:01 a.m.
- Chairperson Glaser returned to the Board Room – 10:02 a.m.

**RE: AUDIO RECORDING OF MEETINGS**

**BY: TRUSTEE RIEHL – SUPPORTED BY TRUSTEE EDWARDS**

**WHEREAS**, THE BOARD HAS BEEN CONSIDERING THE MATTER AND WISHES TO AUDIO RECORD ITS MEETINGS, **AND**

**WHEREAS**, THE POLICE AND FIRE RETIREMENT SYSTEM HAS PURCHASED AUDIO RECORDING EQUIPMENT, **THEREFORE BE IT**

**RESOLVED**, THAT SUBJECT TO ARRANGEMENTS BEING MADE TO OBTAIN AUDIO RECORDING EQUIPMENT, THE MEETINGS BE AUDIO RECORDED, **AND FURTHER**

**RESOLVED**, THAT THE TAPE RECORDINGS BE KEPT ON FILE AND THAT ONLY UPON REQUEST OF THE BOARD OF TRUSTEES PER BOARD RESOLUTION A TRANSCRIPT OF A MEETING WILL BE MADE IN WHOLE OR IN PART, **AND FURTHER BE IT**

**RESOLVED**, THAT THE EXECUTIVE SECRETARY INDICATE TO THE BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM (“PFRS”) THAT THE GENERAL RETIREMENT SYSTEM IS WILLING TO PAY ONE-HALF THE COSTS PAID BY PFRS REGARDING THE AUDIO RECORDING EQUIPMENT AND AS CO-OWNER OF THE EQUIPMENT WILL USE SAME FOR AUDIO RECORDING OF GENERAL RETIREMENT SYSTEM MEETINGS AND OBTAIN A RESPONSE FROM PFRS.

**YEAS: TRUSTEES CLARK, COOK, EDWARDS, RIEHL, SHEEHAN, AND CHAIRPERSON GLASER – 6**

**NAYS: NONE**

**ABSTAIN: TRUSTEE HATTY – 1**

The Board took a **BREAK – 10:08 a.m.**

The Board **RECONVENED – 10:20 a.m.**

**Present: Trustees Clark, Cook, Edwards, Riehl, Sheehan and Chairperson Glaser – 6**

## THE CHURCHILL COMPANIES

Keith Gloeckl and Nick Degel from the Churchill Companies met with the Board to provide an update on active and repaid loans. Each Trustee received copies of a presentation and a 3<sup>rd</sup> Quarter Report which contained a Mortgage Offering to reference. The following topics were discussed:

- PRESENTATION SUMMARY
  - Mortgage Offering
  - Source and Use
  
- SPONSOR RESUME AND FINANCIALS
  - Resume of David Douglas
  - Financials of Guarantors
  
- GENERAL CONTRACTOR OVERVIEW
  - Progress Builders, LLC
  
- PROPERTY PLANS
  - Rendering
  - Site Plan

A question/answer period was provided and the Board invited their Investment Analyst's recommendations.

***The Churchill Companies representatives were excused/***

Further discussion of the mortgage loan offering was held among the Trustees and the Investment Analyst. The following resolution was then generated.

**RE: INVESTMENT PROPOSAL - CHURCHILL MORTGAGE  
INVESTMENT LLC ("CMI") - MILSTEAD WOODS APARTMENTS  
UP TO \$4.2 MILLION MORTGAGE (80% LOAN TO VALUE)**

**BY: TRUSTEE CLARK - SUPPORTED BY TRUSTEE SHEEHAN**

**WHEREAS**, the Board of Trustees (the "Board") has been presented with an investment proposal, the basic and general proposed conditions of which are set forth in a presentation booklet and submitted written materials presented to the Board dated December 30, 2011 and discussed this date to which certain modifications and additional requirements may be added by the Board or Investment Analyst or Special Legal Counsel per any applicable negotiations with Borrower, **and**

**WHEREAS**, the Board has indicated its willingness to make the first lien mortgage proposed investment, subject to the above, **and**

**WHEREAS**, the Board's contingent decision to make the proposed investment is also conditioned upon the understanding that the proposed transaction **does not** contemplate or generate Unrelated Business Taxable Income (UBTI) to the Retirement System as an investor, **and**

**WHEREAS**, the policy of the Board requires, *inter alia*, that:

- A. All due diligence costs be paid by or on behalf of the Borrower, which estimated costs are to be escrowed with the Retirement System prior to due diligence services being rendered by the due diligence advisor;
- B. All legal costs be paid by or on behalf of Borrower, which estimated costs are to be escrowed with the Retirement System prior to such legal services being rendered by the Special Legal Counsel unless mutually agreed between CMI and Special Legal Counsel;
- C. Special Legal Counsel will be F. Logan Davidson, PC;
- D. No UBTI be applicable to the Retirement System;

- E. Approval of wire transfers of amounts contemplated by transaction documents is subject (as applicable) to written approval by Special Legal Counsel, General Counsel and by or on behalf of the Executive Secretary or Assistant Executive Secretary; **and**

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

**RESOLVED**, that subject to the requirement as stated in this resolution, the Board conditionally approves the proposed investment, and indicates its intention to complete the transaction provided all requirements of the Board are met by applicable party (parties), subject to approval of final documents by Special Legal Counsel. General Counsel and the Board, **and further**

**RESOLVED**, that the foregoing is subject to receipt by the Board of written acknowledgment from proposed applicable party (parties) that said party (parties) has (have) received a copy of this resolution and acknowledges and agrees to the conditions and requirements therein, **and be it further**

**RESOLVED**, that a copy of this resolution be forwarded to the Borrower; the Retirement System's Investment Analyst; Special Legal Counsel; the Accounting Division of the Retirement System; and a copy maintained in the General Retirement System records.

**YEAS: TRUSTEES CLARK, COOK, EDWARDS, HATTY, RIEHL,  
SHEEHAN AND CHAIRPERSON GLASER – 7**

**NAYS: NONE**

EXECUTIVE SECRETARY REPORT

The Executive Secretary distributed to each Trustee, a copy of a pamphlet titled "***I'M READY TO RETIRE; WHAT SHOULD I DO***". It was noted that the pamphlets would be provided at the front desk of the Retirement System to assist with questions employees may have when preparing for retirement.

**Executive Secretary concluded/**

- Trustee Clark left the Board Room – 10:55 a.m.
- Trustee Cook left the Board Room – 11:00 a.m.
- Trustee Cook returned to the Board Room – 11:10 a.m.

**RE: COMMUNITY WORKFORCE TRUST I L.P.: TURNOVER OF ASSETS**

**BY: TRUSTEE EDWARDS – SUPPORTED BY TRUSTEE RIEHL**

**WHEREAS**, THE BOARD IS A LIMITED PARTNER IN THE COMMUNITY WORKFORCE TRUST I, L.P. ("CWT"), AND

**WHEREAS**, THE BOARD'S CAPITAL CONTRIBUTIONS TO CWT ARE IN EXCESS OF \$27,000,000, AND

**WHEREAS**, THE SOLE ASSETS CWT HAS ARE THE THREE LOANS FOR THE FOLLOWING PROJECTS: (I) THE VILLAGES OF AVIGNON IN PALMETTO, FLORIDA; (II) THE BACARO CLUB CONDOMINIUMS IN GULFPORT, MISSISSIPPI; AND (III) THE TRUMBULL LOFTS IN DETROIT, MICHIGAN, AND

**WHEREAS**, THE VILLAGES OF AVIGNON IS ENCUMBERED BY A FIRST MORTGAGE LOAN IN EXCESS OF \$6,000,000 AND HAS A CURRENT MARKET VALUE OF APPROXIMATELY \$3,420,000; CONSEQUENTLY, THE BOARD HAS DETERMINED THAT THERE IS NO REASONABLE EXPECTATION OF ANY RECOVERY OF ANY PORTION OF THE BOARD'S INVESTMENT IN THE VILLAGES OF AVIGNON, AND

**WHEREAS**, THE BACARO CLUB CONDOMINIUMS IN GULFPORT, MISSISSIPPI, AND THE TRUMBULL LOFTS IN DETROIT, MICHIGAN, ALTHOUGH WORTH LESS THAN THE LOANS CWT MADE TO THE OWNERS/BORROWERS, MAY HAVE SOME RESIDUAL VALUE, AND

**WHEREAS**, IN A SEPTEMBER 16, 2011 LETTER TO THE BOARD OF TRUSTEES, CAPOZZOLI ADVISORY FOR PENSIONS, INC. ("CAP ADVISORS"), THE BOARD'S REAL ESTATE ADVISOR ON THE CWT INVESTMENT, STATED THAT CAPROC RESIDENTIAL, LLC OWNS 75% OF THE BACARO PROJECT AND 95% OF THE TRUMBULL PROJECT, AND

**WHEREAS**, CAP ADVISORS HAS INDICATED THAT IF THE BOARD ELECTED TO DO SO, IT WOULD CAUSE THE BACARO AND THE TRUMBULL ASSETS TO BE CONVEYED TO THE RETIREMENT SYSTEM, AND

**WHEREAS**, THE BOARD HAS DISCUSSED THIS MATTER, THEREFORE, BE IT

**RESOLVED**, THAT THE BOARD HEREBY DIRECTS (i) SPECIAL LEGAL COUNSEL, F. LOGAN DAVIDSON, P.C., TO FORM TWO NEW CORPORATIONS FOR THE PURPOSE OF HOLDING TITLE TO THE BACARO AND TRUMBULL ASSETS; (ii) CAP ADVISORS CAUSE THE BACARO AND TRUMBULL ASSETS TO BE CONVEYED TO SAID CORPORATIONS; (iii) THAT THE ADMINISTRATION OF THE ASSETS TO BE MANAGED BY MAYFIELD GENTRY REALTY ADVISORS, LLC UPON COMPLETION OF THE CONVEYANCE OF THE ASSETS; AND (iv) THAT THE ASSETS

**CONTINUED: COMMUNITY WORKFORCE TRUST I, L.P.: TURNOVER OF ASSETS**

BE DISPOSED OF AT THEIR FAIR MARKET VALUE AS SOON AS REASONABLY PRACTICABLE UNLESS OTHERWISE DIRECTED BY THE BOARD, **AND BE IT FURTHER**

**RESOLVED**, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO CAPOZZOLI ADVISORY FOR PENSIONS, INC.; F. LOGAN DAVIDSON, P.C.; AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEM.

**YEAS: TRUSTEES EDWARDS, RIEHL, SHEEHAN AND CHAIRPERSON  
GLASER – 4**

**NAYS: TRUSTEES COOK AND HATTY – 2**

- Trustee Clark returned to the Board Room – 11:13 a.m.

**Entry In Minutes**

**RE: CWT Turnover of Assets**

Trustee Hatty's choice would have been to turn over assets to Walker Dunlap in an effort to spread the business around, however, a unanimous vote of yeas overruled.

JANUARY 4, 2012

**RE: GRAND PERSONALTY, INC.: EXECUTION OF WIRELESS VISION HOLDINGS, LLC DOCUMENTS**

**BY: TRUSTEE SHEEHAN – SUPPORTED BY TRUSTEE CLARK**

**WHEREAS**, THE BOARD IS THE SOLE SHAREHOLDER OF THE CORPORATION, **AND**

**WHEREAS**, THE BOARD HAS BEEN REQUESTED TO APPROVE THE EXECUTION OF AN ASSIGNMENT OF MEMBERSHIP INTEREST IN WIRELESS VISION ST. LOUIS, LLC DATED AS OF DECEMBER 31, 2011 BY AN OFFICER OF THE CORPORATION, **AND**

**WHEREAS**, THE EXECUTION OF SAID DOCUMENT HAS BEEN REVIEWED AND APPROVED AS TO FORM BY THE BOARD'S SPECIAL LEGAL COUNSEL, F. LOGAN DAVIDSON, **AND**

**WHEREAS**, THIS RESOLUTION HAS BEEN APPROVED AS TO FORM BY THE BOARD'S GENERAL COUNSEL, RONALD ZAJAC, P.C., NOW, **THEREFORE, BE IT**

**RESOLVED**, THAT SAID DOCUMENT BE EXECUTED BY THE APPROPRIATE CORPORATE OFFICERS ON BEHALF OF THE CORPORATION.

**YEAS: Trustees Clark, Cook, Edwards, Hatty, Riehl, Sheehan and Chairperson Glaser – 7**

**NAYS: None**

**ENTRY IN MINUTES**

**RE: GRAND PERSONALTY, INC.: EXECUTION OF WIRELESS VISION HOLDINGS, LLC DOCUMENTS**

THE BOARD OF TRUSTEES HAS BEEN MADE AWARE OF THE EXECUTION OF AN ASSIGNMENT OF MEMBERSHIP INTEREST IN WIRELESS VISION ST. LOUIS, LLC DATED AS OF DECEMBER 31, 2011 BY AN OFFICER OF THE CORPORATION.

**RE: "I'm Ready to Retire What Should I Do" Brochure**

**ENTRY:**

The Board of Trustees held discussion with General Counsel regarding the above referenced brochure that would be intended to be available at the front desk of the General Retirement System. The Executive Secretary was made aware of changes to be made in the pamphlet before providing them to employees, which were noted by the Executive Secretary.

The Board took a **BREAK – 11:25 a.m.**

The Board **RECONVENED – 11:44 a.m.**

**Present: Trustees Clark, Cook, Edwards, Hatty, Riehl, Sheehan and Chairperson Glaser – 7**

**CLARK HILL- DISCUSSION**

Discussion was held with Joe Turner, Esq. and Ronald King, Esq. regarding Clark Hill's involvement with a Wayne County lawsuit that was filed and with regard to that being a conflict in interest with the General Retirement System.

Joe Turner explained to the Board of Trustees that 2 weeks prior he had received an email in which he became aware of a Wayne County case filed and that Clark Hill was representing three co-defendants. Mr. Turner stated he became aware on December 19, 2011 that copayment was increased to avoid massive layoffs. Mr. Turner stated that there is no conflict in interest to the Retirement System Board and that he would not be involved in anything that had an adverse conflict to the Board.

- Trustee Clark left the Board Room – 11:50 a.m.

Mr. Turner advised the Board that the Wayne County Retirement System was dismissed from the case.

- Trustee Clark returned to the Board Room – 11:52 a.m.

Ronald King assured the Board that that General Retirement System is very important to their firm and any adverse actions would never take place.

A question/answer period was provided and the Trustees stated their thoughts and feelings regarding the incident. It was requested that Clark Hill perform a complete review of their system to prevent any future possibility of anything happening like this in the future.

Discussion of Reginald Turner's, Esq., (who is also employed by Clark Hill) involvement with over 30 other Boards was held among the Trustees. It was the Board's request that Mr. Turner not be involved with certain activities that appear adverse to the General Retirement Board.

**Clark Hill was dismissed from the Board Room/**

- Trustee Clark left the Board Room – 12:32 p.m.
- Trustee Clark returned to the Board Room – 12:34 p.m.

LEGAL COUNSEL REPORT

**RE: PFRS, ET AL. v WATKINS, ET AL.**

**ENTRY:**

Each Trustee received a copy of the following documents:

1. Defendants/Third-Party Plaintiffs' Motion to Compel Discovery from Third-Party Defendants Adrian Anderson and North Point Advisors, LLC filed on December 20, 2011.

A verbal explanation and summary was provided for the Trustees.

**RE: SEC v ONYX CAPITAL ADVISORS, LLC, ET AL.**

**ENTRY:**

Each Trustee received a copy of a pleading titled "Withdrawal of Plea of Stay" dated December 22, 2011. Legal Counsel provided a verbal explanation and summary of same for the Board.

**RE: GRS, ET AL. v ONYX CAPITAL ADVISORS, LLC, ET AL.**

**ENTRY:**

Each Trustee received a copy of pleadings titled:

- A. "Plaintiff the Board of Trustees of the City of Pontiac General Employees Retirement System's Motion for Entry of Default Judgment Against the Onyx Defendants, Only filed on December 22, 2011."
- B. "Plaintiff GRS's Second Motion to Compel Discovery from the Farr Defendants, Extend the Discovery Cut-Off and Other Dates, and for Appointment of a Discovery Master filed on December 23, 2011."

- C. "Order Mooting Motions filed on December 27, 2011."

A verbal explanation and summary was provided to the Trustees for the above referenced legal pleadings.

**LUNCH BREAK – 12:45 p.m.**

**BACK TO ORDER – 1:58 p.m.**

Present were Trustees Clark, Cook, Edwards, Hatty, Riehl, Sheehan and Chairperson Glaser – 7

**LEGAL REPORT – Continued**

**RE: HOUSE BILL 4156 / SUBSTITUTE BILL H-7**

**ENTRY:**

LEGAL COUNSEL PREVIOUSLY PROVIDED EACH TRUSTEE WITH A COPY OF THE FOLLOWING:

- A. SUBSTITUTE FOR HOUSE BILL 4156 (H-7) WHICH REQUIRES PUBLISHING AND MAKING AVAILABLE ON THE WEBSITE THE FINANCIAL RECORDS, QUARTERLY BASIS AND ANNUAL BASIS, WHERE APPLICABLE, FOR A SIX YEAR RETENTION PERIOD. HB 4156/H-7 WAS PASSED ON MAY 18, 2011 AND REFERRED TO COMMITTEE ON REFORMS, RESTRUCTURING AND REINVENTING ON MAY 19, 2011.
- B. HOUSE LEGISLATIVE ANALYSIS SECTION – REVISED THIRD ANALYSIS (5-25-11)
- C. LUCIUS VASSAR PREVIOUSLY DISCUSSED THE REVISED THIRD ANALYSIS DATED MAY 25, 2011 WITH THE TRUSTEES ON MAY 25, 2011 (WHICH REMOVED CERTAIN WORDING FROM THE SECOND ANALYSIS WHICH WAS OBJECTIONABLE TO THE RETIREMENT SYSTEM) WITH THE BOARD OF TRUSTEES ON MAY 25, 2011.

THERE HAVE BEEN NO CHANGES WITH THIS MATTER AT THIS TIME.

JANUARY 4, 2012

**RE: FEDERAL COURT AND STATE COURT LITIGATION REGARDING UNCONSTITUTIONALITY OF PUBLIC ACT 4 OF 2011 – (EFM LITIGATION STATUS)**

**ENTRY:**

LEGAL COUNSEL PROVIDED THE BOARD OF TRUSTEES WITH AN UPDATED SUMMARY OF THE CASES FILED OR KNOWN AT THIS TIME WHICH CHALLENGE THE CONSTITUTIONALITY/VALIDITY OF PUBLIC ACT 4 OF 2011 IN PART OR IN FULL. A CORRECTION WILL BE MADE TO CHANGE ALVIN BROWN'S NAME TO ALVIN BROOKS ON PLEADINGS INVOLVING CASE No.: 11-11686-SFC-LJM.

**RE: ICG, LLC LITIGATION**

**ENTRY:**

Legal counsel will provide a status report (in closed session). Peter M. Macuga is Special Legal Counsel regarding this matter. Stout Risius Ross has been retained for their services regarding this matter.

**RE: ICG GM LEASEHOLD LITIGATION**

**ENTRY:**

THIS LAWSUIT WAS REASSIGNED FROM JUDGE SUSAN D. BORMAN TO JUDGE JOHN H. GILLIS, JR. CLARK HILL PLC PER JOSEPH E. TURNER IS SPECIAL LEGAL COUNSEL REGARDING THIS CASE.

NO UPDATES AT THIS TIME.

**RE: DRAFT OF LEGAL OPINION REGARDING ORDINANCE ADOPTED IN NOVEMBER 2011 WHICH, ITER ALIA, PROHIBITS "13<sup>TH</sup> CHECK" OR ADDITIONAL INTEREST BENEFIT**

**ENTRY:**

Each Trustee received a copy of a rough draft of a legal opinion/report of General Counsel dated January 2, 2012. Discussion was held and a question/answer period provided.

- Trustee Hatty left the Board Room – 2:37 p.m.
- Trustee Hatty returned to the Board Room – 2:39 p.m.

The IT Manager and his assistant was requested to join the Board Meeting to discuss the ordinance.

The IT Manager explained to the Board the process to calculate time and prices for the new city ordinance with regard to the new implemented was the annuity retirement would be calculated. The IT Manager also provided estimated work hours needed and a ballpark price.

- Trustee Clark left the Board Meeting – 2:45 p.m.

**The IT Manager and staff was excused/**

**RE: EMPLOYEE CONTRACTS**

**ENTRY:**

The Assistant Executive Secretary was instructed to check on all contractual employees to and report back to the Board whether or not a personal contract is on file which includes information such as wages, start date, etc.

**RE: RESOLUTION REGARDING DUE DILIGENCE AND SITE  
INSPECTIONS**

**ENTRY:**

The November 22, 2011 Meeting Minutes (#3926) will not be approved pending location of a prior resolution previously passed and initiated by Trustee S. Kneeshaw. The General Retirement staff will be requested to locate same by checking prior minutes/records.

**RE: FRAZIER KIMPSON**

**ENTRY:**

The Assistant Executive Secretary provided each Trustee with a copy of a request received from Mr. Frazier Kimpson that he be allowed to start receiving retirement benefits from his service as a city employee.

Discussion was held regarding Mr. Frazier's February 4, 2010 request. Trustee Cook inquired if Mr. Frazier could be allowed to attend a Board Meeting to answer any questions at which time he would present more evidence on his behalf. The Board Meetings are open to the public therefore, Mr. Frazier's presence was permitted.

**RE: EMPLOYMENT AGREEMENT WITH MYRON T. TERRELL**

**BY: TRUSTEE HATTY- SUPPORTED BY TRUSTEE COOK**

**WHEREAS**, the Board of Trustees decided to obtain the services of Myron T. Terrell for a 60-day period, **and**

**WHEREAS**, Special Legal Counsel has provided a proposed sixth (60) day contract between the General Retirement System and Mr. Terrell (with a possible additional 30-day extension), **and**

**WHEREAS**, the proposed contract includes an indemnification provision, **and**

**WHEREAS**, the Board has extensively discussed these matters, **therefore be it**

**RESOLVED**, that the Board of Trustees, subject to adding the word "Contractual" before the word "employee" in the body of the agreement, approves the execution of the (amended) contract on behalf of the General Retirement System, **and further**

**RESOLVED**, that the Executive Secretary arrange for the execution of the contractual employee agreement by all parties, **and be it further**

**RESOLVED**, that a copy of this resolution be forwarded to Mr. Terrell, the Accounting Division and Special Legal Counsel, Joe Turner.

**YEAS: Trustees Anthony, Cook, Hatty, Riehl and Chairperson Glaser - 5**

**NAYS: Trustees Edwards, Jenkins, and Sheehan - 3**

**ADJOURNMENT**

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD OF TRUSTEES, THE GENERAL RETIREMENT SYSTEM BOARD MEETING HEREBY ADJOURNED AT **4:15 P.M.** UNTIL **WEDNESDAY, JANUARY 11, 2012, AT 9:00 A.M.** IN THE RETIREMENT SYSTEMS' CONFERENCE ROOM, 910 COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MI 48226.

**BY:** \_\_\_\_\_  
**MARILYN ROC BERDIJO**  
**Assistant Executive Secretary**