

MEETING NUMBER 2591

**JOURNAL OF PROCEEDINGS OF THE BOARD OF TRUSTEES OF
THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF
DETROIT**



**PROCEEDINGS HELD THURSDAY, AUGUST 31, 2006
9:00 A.M.**

**IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS
910 COLEMAN A. YOUNG MUNICIPAL CENTER
DETROIT, MICHIGAN 48226**



PRESENT

Marty Bandemer	Elected Trustee
Jeffrey Beasley	Ex/Officio Trustee/Treasurer
Gregory Best	Elected Trustee/Vice Chairperson
Gary Christian	Ex/Officio Alternate Trustee
Frank English	Elected Trustee/Chairperson
DeDan Milton	Ex/Officio Alternate Trustee
James Moore	Elected Trustee
George Orzech	Elected Trustee
Tyrone Scott	Ex/Officio Trustee/Fire Commissioner
Paul Stewart	Elected Trustee
Alberta Tinsley-Talabi	Ex/Officio Trustee/City Council Representative
Walter Stampor	Executive Secretary
Cynthia Thomas	Assistant Executive Secretary
Janet S. Lenear	Recording Secretary
Ronald Zajac	Legal Counsel
Joe Turner	Special Legal Counsel
Richard Huddleston	Investment Analyst

EXCUSED

None

ABSENT

None

CHAIRPERSON

Frank English

ROLL CALL WAS TAKEN AT **9:08** A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

INHERITANCE CAPITAL

BY MR. BEST – SUPPORTED BY MR. STEWART

Whereas, The Board has been presented with an **August 30, 2006** communication from **Inheritance Capital** wherein Inheritance requests that the Board fund Capital Call **#2** for Inheritance Capital Group, LLC in the amount of **\$219,103.26**, Therefore Be It

Resolved, That subject to final approval of all transaction documents by the Board's Legal Counsel, the Board approve said funding:

Whereas, The Board has been presented with a communication from wherein requests that the Board fund its portion of the Capital Installment due for in the amount of Therefore Be It

Resolved, That subject to final approval of all transaction documents by the Board's Legal Counsel, the Board approve said funding:

YEAS – TRUSTEES BANDEMER, BEST, MILTON, MOORE, ORZECH, STEWART,
TALABI AND CHAIRMAN ENGLISH – 8

NAYS – NONE

RETIREMENTS

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE APPLICATIONS FOR RETIREMENT WHICH ARE OUTLINED BELOW BE APPROVED:

RETIREMENTS

NAME, TITLE, DEPARTMENT	ELEANOR MCBURROWS – LIEUTENANT – POLICE
RETIREMENT, PLAN	SERVICE – NEW
SERVICE CREDIT/EFFECTIVE DATE	34 04 24 – 07 30 06

NAME, TITLE, DEPARTMENT	JOHN SIMON, III – LIEUTENANT – POLICE
RETIREMENT, PLAN	SERVICE – NEW
SERVICE CREDIT/EFFECTIVE DATE	35 01 28 – 07 16 06

CONFIRMATIONS

THE BOARD RECEIVED THE SUM OF **\$10,000.00** ON AUGUST 28, 2006 FROM SOUTH TRYON SQUARE (CAPITAL RETURN)

THE BOARD RECEIVED THE SUM OF **\$8,228.79** ON AUGUST 24, 2006 FROM CANYON-JOHNSON

THE BOARD RECEIVED THE SUM OF **\$4,780.47** ON AUGUST 23, 2006 FROM THE ELAN CORPORATION (CLASS ACTION PROCEEDS)

THE BOARD RECEIVED THE SUM OF **\$40,902.78** ON AUGUST 23, 2006 FROM HIGH POINT TWO (MMA)

CONFIRMATIONS

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE RECEIPTS WHICH ARE DESIGNATED ABOVE BE CONFIRMED:

YEAS – TRUSTEES BANDEMER, BEST, MILTON, MOORE, ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH – 8

NAYS – NONE

MINUTES OF AUGUST 17, 2006

BY MR. BEST - SUPPORTED BY MR. STEWART

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY, AUGUST 17, 2006 BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

YEAS - TRUSTEES BANDEMER, BEST, MILTON, MOORE, ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH - 8

NAYS - NONE

BILL PAYMENT REQUESTS

BY MR. BANDEMER - SUPPORTED BY MR. BEST

WHEREAS, THE BOARD IS IN RECEIPT OF THE FOLLOWING BILLINGS REQUESTING PAYMENT FOR SERVICES RENDERED, AND

WHEREAS, THE BOARD IS SATISFIED THAT SERVICES WERE PROVIDED TO THE BOARD AS REQUESTED BY THE BOARD, THEREFORE BE IT

RESOLVED, THAT SUBJECT TO STAFF AUDIT, THE BOARD APPROVE PAYMENT OF SAID BILLINGS:

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

ALLEGIANCE TELECOM, INC. - JULY 5, 2006 - **\$10,983.00** - POLICE AND FIRE PORTION OF \$21,966.00 - ACCOUNT #32005468

VANOVERBEKE, MICHAUD & TIMMONY - AUGUST 16, 2006 - **\$7,595.00** - LEGAL FES (WAKEFIELD VERSUS THE SYSTEM AND MORTIERE VERSUS THE SYSTEM)

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DOUG DAVIS - AUGUST 24, 2006 - **\$4,903.14** - AUGUST, 2006 COMPUTER SERVICES

JASON DELUCE - AUGUST 28, 2006 - **\$4,800.00** - AUGUST, 2006 COMPUTER SERVICES

BILL PAYMENT REQUESTS

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

DOUGLAS FREDERICK – AUGUST 28, 2006 - **\$4,300.00** – AUGUST, 2006
COMPUTER SERVICES

BRIDGETT HARDY – AUGUST 28, 2006 - **\$2,117.20** – AUGUST, 2006
COMPUTER SERVICES

HAROLD LAMKIN – AUGUST 28, 2006 - **\$4,829.97** – AUGUST, 2006
COMPUTER SERVICES

FRANK LEARNED – AUGUST 28, 2006 - **\$4,142.39** – AUGUST, 2006 COMPUTER
SERVICES

ANITA LINET – AUGUST 25, 2006 - **\$3,109.73** – AUGUST, 2006 COMPUTER
SERVICES

DENNIS LINET – AUGUST 28, 2006 - **\$7,443.37** – AUGUST, 2006 COMPUTER
SERVICES

MIKE POWNING – AUGUST 28, 2006 - **\$5,542.17** – AUGUST, 2006 COMPUTER
SERVICES

SANJAY PRASAD – AUGUST 28, 2006 - **\$5,834.40** – AUGUST, 2006 COMPUTER
SERVICES

RONALD REEVES – AUGUST 28, 2006 - **\$4,800.00** – AUGUST, 2006
COMPUTER SERVICES

RAY TCHOU – AUGUST 28, 2006 - **\$6,085.50** – AUGUST, 2006 COMPUTER
SERVICES

EDWARD ZARZYCKI – AUGUST 28, 2006 - **\$3,120.00** – AUGUST, 2006
COMPUTER SERVICES

YEAS – TRUSTEES BANDEMER, BEST, MILTON, MOORE, ORZECH, STEWART,
TALABI AND CHAIRMAN ENGLISH – 8

NAYS – NONE

■ EX/OFFICIO TRUSTEE BEASLEY ENTERED THE MEETING.

■ EX/OFFICIO TRUSTEE CHRISTIAN ENTERED THE MEETING.

DISABILITY RETIREMENT REVIEW BOARD CASE OF JAMES MARTIN

BY MR. STEWART – SUPPORTED BY MR. BEST

WHEREAS, JAMES MARTIN, PER PHONE CONVERSATION WITH THE BOARD'S ASSISTANT EXECUTIVE SECRETARY, REQUESTS THAT THE DISABILITY RETIREMENT REVIEW BOARD THAT WAS EFFECTUATED ON HIS BEHALF ON MARCH 28, 2005 RELATIVE TO HIS APPLICATION FOR DUTY DISABILITY RETIREMENT BE RE-OPENED, AND

WHEREAS, THE BOARD HAS DISCUSSED THE REQUEST OF MR. MARTIN, THEREFORE BE IT

RESOLVED, THAT MR. MARTIN'S REQUEST BE GRANTED AND DRRB ARBITRATOR GLAZER BE REQUESTED TO RE-OPEN HIS FILES AND PROCEED WITH THE DISABILITY RETIREMENT REVIEW BOARD THAT WAS EFFECTUATED ON MR. MARTIN'S BEHALF ON MARCH 28, 2005, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO JAMES MARTIN AND ARBITRATOR GLAZER:

FOLLOWING DISCUSSION OF THE ABOVE-STATED MOTION, THE MOTION WHICH FOLLOWS WAS MADE:

BY MR. STEWART – SUPPORTED BY MR. BEST

RESOLVED, THAT THE ABOVE-STATED MOTION BE TABLED:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, MILTON, MOORE,
ORZECZ, STEWART, TALABI AND CHAIRMAN ENGLISH – 10

NAYS – NONE

WAYNE COMPANY

MICHAEL WAYNE AND AN ASSOCIATE APPEARED BEFORE THE BOARD, DISCUSSED AN INVESTMENT PROPOSAL (C.R.O.C.I. – CASH RETURN ON CAPITAL INVESTED) AND THEN EXCUSED THEMSELVES.

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KIRKLAND DUDLEY AND TWO ASSOCIATES APPEARED BEFORE THE BOARD, DISCUSSED AN INVESTMENT PROPOSAL (MINORITY-OWNED PHONE COMPANY) AND THEN EXCUSED THEMSELVES.

■ EX/OFFICIO TRUSTEE TALABI TEMPORARILY EXCUSED HERSELF DURING GVC'S PRESENTATION.

TIMOTHY CARTER

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

WHEREAS, TIMOTHY CARTER HAS PRESENTED THE BOARD WITH A REQUEST TO CANCEL HIS SERVICE RETIREMENT APPLICATION, THEREFORE BE IT

RESOLVED, THAT THE REQUEST OF MR. CARTER BE APPROVED:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, MILTON, MOORE, ORZECH, STEWART, AND CHAIRMAN ENGLISH – 9

NAYS – NONE

CONFERENCE

By Mr. Stewart – Supported by Mr. Bandemer

Resolved, That the Board approve the attendance of all Trustees, the Executive Secretary and the Assistant Executive Secretary at the below-referenced conference, and be it further

Resolved, That the Board approve expenditures for all Trustees, the Executive Secretary and the Assistant Executive Secretary to attend said conference:

CONFERENCE

Pension Investments Summit
Hotspring, Virginia
September 9, 2006 – September 13, 2006

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, MILTON, MOORE,
ORZECH, STEWART, AND CHAIRMAN ENGLISH – 9

NAYS – NONE

■ EX/OFFICIO TRUSTEE SCOTT ENTERED THE MEETING.

CLOSED SESSION

By Mr. Stewart – Supported by Mr. Bandemer

Resolved, That the Board enter into Closed Session for the purpose of discussing medical matters regarding Al Moore:

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, MILTON, MOORE,
ORZECH, SCOTT, STEWART, AND CHAIRMAN ENGLISH – 10

NAYS – NONE

The Board entered into Closed Session at **11:43** A.M.

■ EX/OFFICIO TRUSTEE BEASLEY EXCUSED HIMSELF DURING CLOSED SESSION.

OPEN SESSION

By Mr. Stewart – Supported by Mr. Moore

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

OPEN SESSION

YEAS – TRUSTEES BANDEMER, BEST, CHRISTIAN, MILTON, MOORE,
ORZECH, SCOTT, STEWART, AND CHAIRMAN ENGLISH – 9

NAYS – NONE

The Board returned to Open Session at **12:35** P.M.

THE REQUEST OF GREGORY SMITH

BY MR. BEST – SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD IS IN RECEIPT OF A DECEMBER 1, 2005 LETTER FROM GREGORY SMITH REQUESTING THREE (3) ADDITIONAL MONTHS OF SERVICE CREDIT TO PROVIDE HIM WITH MONTHLY NON-DUTY DISABILITY RETIREMENT BENEFITS, AND

WHEREAS, THE RETIREMENT SYSTEM PROVISIONS DO NOT ALLOW THE GRANTING OF SERVICE CREDIT, AND

WHEREAS, THE RETIREMENT SYSTEM PROVISIONS INCLUDE THE FOLLOWING:

- “(a) IF SUCH MEMBER HAS LESS THAN FIVE (5) YEARS OF CREDITABLE SERVICE AT THE TIME OF HIS RETIREMENT, HIS ACCUMULATED CONTRIBUTIONS STANDING TO HIS CREDIT IN THE ANNUITY SAVINGS FUND SHALL BE RETURNED TO HIM, OR, AT HIS OPTION, HE SHALL RECEIVE A CASH REFUND ANNUITY WHICH SHALL BE THE ACTUARIAL EQUIVALENT OF HIS ACCUMULATED CONTRIBUTIONS”

AND

WHEREAS, MR. SMITH ONLY HAS FOUR (4) YEARS AND NINE (9) MONTHS OF SERVICE CREDIT AND WILL, THEREFORE, NOT BE ELIGIBLE TO RECEIVE MONTHLY NON-DUTY DISABILITY RETIREMENT BENEFITS, AND

WHEREAS, THE BOARD HAS A FIDUCIARY RESPONSIBILITY TO FOLLOW THE RETIREMENT SYSTEM PROVISIONS, THEREFORE BE IT

THE REQUEST OF GREGORY SMITH

RESOLVED, THAT MR. SMITH'S REQUEST FOR THE CREDITING OF AN ADDITIONAL THREE (3) MONTHS OF SERVICE CREDIT IS DENIED, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO MR. SMITH:

YEAS – TRUSTEES BANDEMER, BEST, CHRISTIAN, MILTON,
MOORE, ORZECH, SCOTT, STEWART AND CHAIRMAN
ENGLISH – 9

NAYS – NONE

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING BYRON RAMSEY, PFRS SAN DIEGO CORPORATION (FOUR INDUSTRIAL BUILDINGS) AND PFRS SOUTH TRYON CORPORATION.

PFRS SOUTH TRYON CORPORATION

THE BOARD WAS MADE AWARE OF THE EXECUTION OF TWO OFFICER CERTIFICATES FOR PFRS SOUTH TRYON CORPORATION IN CONNECTION WITH A \$22,875,000.00 LOAN AND AN \$11,125,000.00 LOAN FROM WACHOVIA BANK, NATIONAL ASSOCIATION BOTH DATED AUGUST 31, 2006 BY AN OFFICER OF THE CORPORATION.

PFRS SAN DIEGO CORPORATION (FOUR INDUSTRIAL BUILDINGS)

THE BOARD WAS MADE AWARE OF THE EXECUTION OF AN AFFIDAVIT FOR THE PFRS SAN DIEGO CORPORATION IN CONNECTION WITH A \$10,600,000.00 LOAN FROM WACHOVIA BANK, NATIONAL ASSOCIATION DATED AUGUST 31, 2006 BY AN OFFICER OF THE CORPORATION.

BYRON RAMSEY

BY MR. BEST – SUPPORTED BY MR. SCOTT

WHEREAS, THE BOARD IS IN RECEIPT OF A MAY 18, 2006 FINAL ORDER IN THE CASE OF STATE TREASURER BYRON RAMSEY AND THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT (WHICH SHOULD HAVE NAMED THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT, HAVING ERRONEOUSLY NAMED THE WRONG RETIREMENT SYSTEM AS A DEFENDANT), AND

WHEREAS, SAID COURT ORDER PROVIDES THAT (1) \$2,160.00 PER MONTH SHALL BE PAID TO BARBARA RAMSEY FOR THE SUPPORT OF MR. RAMSEY'S CHILDREN, AND (2) NO AMOUNTS BE PAID TO THE STATE OF MICHIGAN AND THE BALANCE TO BE PAID TO BYRON RAMSEY, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER WITH ITS LEGAL COUNSEL WHO HAS INDICATED THAT HE WILL CONTACT THE ATTORNEY GENERAL AND ARRANGE FOR AN AMENDED ORDER WHICH WILL CORRECT THE ERROR REGARDING THE NAMING OF THE APPROPRIATE DEFENDANT, I.E., POLICE AND FIRE RETIREMENT SYSTEM AND HAS RECOMMENDED THE RETIREMENT SYSTEM FOLLOW THE DIRECTIVE OF THE COURT ORDER NOTWITHSTANDING THE DEFECT INDICATED ABOVE, THEREFORE BE IT

RESOLVED, THAT THE POLICE AND FIRE RETIREMENT SYSTEM PAY BENEFITS CONSISTENT WITH THE FINAL ORDER DATED MAY 18, 2006, AND BE IT FURTHER

RESOLVED, THAT LEGAL COUNSEL REQUEST THE ATTORNEY GENERAL TO ARRANGE FOR THE ENTRY OF AN AMENDED ORDER TO REFLECT THE CORRECT RETIREMENT SYSTEM, I.E., THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT, AS DEFENDANT, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO ASSISTANT ATTORNEY GENERAL HEATHER DONALD AND BARBARA RAMSEY AND BYRON RAMSEY:

YEAS – TRUSTEES BANDEMER, BEST, CHRISTIAN, MILTON,
MOORE, ORZECH, SCOTT, STEWART AND CHAIRMAN
ENGLISH – 9

NAYS – NONE

MINOR CHILD'S BENEFIT PAYMENTS

BY MR. BANDEMER – SUPPORTED BY MR. BEST

WHEREAS, THE BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT (THE "BOARD") HAS A LONG-STANDING POLICY REGARDING MINOR CHILD PAYMENTS WHICH MAY BE SUMMARIZED AS FOLLOWS:

PRIOR TO THE DISBURSEMENT OF MINOR CHILD BENEFIT PAYMENTS TO A MINOR CHILD OF A MEMBER KILLED IN THE LINE OF DUTY, THE SURVIVING SPOUSE, PARENT OR GUARDIAN OF THE MINOR CHILD SHALL BE APPOINTED, OR CAUSE SOMEONE TO BE APPOINTED, AS A CONSERVATOR THROUGH THE APPROPRIATE PROBATE COURT. THE MINOR CHILD BENEFIT PAYMENTS FOR EACH MINOR CHILD SHALL BE PAID TO THE CONSERVATOR.

AND

WHEREAS, IT APPEARS TO THE BOARD THAT THE RATIONALE FOR SAID POLICY WAS TO PROVIDE ACCOUNTING TO THE PROBATE COURT TO PROTECT THE INTERESTS OF THE MINOR CHILD BASED UPON HISTORICAL STANDARDS AND PRECAUTIONS, AND

WHEREAS, THE BOARD DEEMS IT APPROPRIATE TO MODIFY ITS EXISTING PLAN AFTER A REVIEW OF THE PROBATE COURT PROVISIONS WHICH BECAME EFFECTIVE IN 2002, AND

WHEREAS, THE BOARD HAS DIRECTED ITS LEGAL COUNSEL TO REVIEW EXISTING PROVISIONS OF THE MICHIGAN REVISED PROBATE CODE ("MRPC") WHICH PROVIDES, IN RELEVANT PART, THAT PERSONS OBLIGATED TO MAKE PAYMENTS, NOT EXCEEDING \$5,000.00 EACH YEAR, TO A MINOR CHILD MAY FULFILL THAT OBLIGATION BY MAKING THE PAYMENT TO THE FOLLOWING:

1. THE MINOR CHILD IF HE OR SHE IS MARRIED
2. AN INDIVIDUAL HAVING CARE AND CUSTODY OF THE MINOR WITH WHOM THE MINOR RESIDES
3. A GUARDIAN OF THE MINOR

MINOR CHILD'S BENEFIT PAYMENTS

4. A FINANCIAL INSTITUTION FOR DEPOSIT INTO A STATE OR FEDERALLY-INSURED SAVINGS ACCOUNT IN THE SOLE NAME OF THE MINOR WITH NOTICE OF THE DEPOSIT TO THE MINOR

AND

WHEREAS, THE MRPC MAKES IT OPTIONAL WHETHER OR NOT A CONSERVATOR IS REQUIRED FOR DISBURSEMENT OF ANNUAL PAYMENTS, NOT EXCEEDING \$5,000.00, FOR MINOR CHILD BENEFITS, AND

WHEREAS, THE BOARD DESIRES TO CHANGE ITS POLICY FOR DISBURSING MINOR CHILD PAYMENTS TO CONFORM WITH RECENT CHANGES TO THE MRPC AND RELIEVE THE SURVIVING SPOUSE, PARENT OR GUARDIAN OF UNNECESSARY COSTS AND PROBATE ADMINISTRATION IN THOSE CASES WHICH THE ONLY REASON FOR A CONSERVATORSHIP WAS TO RECEIVE THE MINOR CHILD'S BENEFITS, THEREFORE BE IT

RESOLVED, THAT THE BOARD'S REVISED POLICY FOR DISBURSEMENT OF MINOR CHILD PAYMENTS SHALL BE AS FOLLOWS:

1. WITH RESPECT TO ANNUAL PAYMENTS, NOT EXCEEDING \$5,000.00 EACH YEAR TO A MINOR CHILD, THE BOARD, AT ITS SOLE DISCRETION, MAY PAY THE MINOR CHILD BENEFIT PAYMENTS TO:
 - A. THE MINOR CHILD IF HE OR SHE IS MARRIED; OR
 - B. AN INDIVIDUAL HAVING CARE AND CUSTODY OF THE MINOR CHILD WITH WHOM THE MINOR CHILD RESIDES; OR
 - C. A GUARDIAN OF THE MINOR; OR
 - D. A FINANCIAL INSTITUTION FOR DEPOSIT INTO A STATE OR FEDERALLY-FUNDED INSURED SAVINGS ACCOUNT IN THE SOLE NAME OF THE MINOR CHILD WITH NOTICE OF THE DEPOSIT TO THE MINOR CHILD.

MINOR CHILD'S BENEFIT PAYMENTS

2. WITH RESPECT TO (I) ANNUAL PAYMENTS EXCEEDING \$5,000.00 TO A MINOR CHILD, OR (II) EXTENUATING CIRCUMSTANCES, BASED ON THE SOLE DISCRETION OF THE BOARD, REGARDING ANNUAL PAYMENTS, NOT EXCEEDING \$5,000.00, TO A MINOR CHILD, THE MINOR CHILD'S BENEFIT PAYMENTS SHALL BE PAID TO THE CONSERVATOR APPOINTED BY THE APPROPRIATE PROBATE COURT,

AND BE IT FURTHER

RESOLVED, THAT WITH RESPECT TO FUTURE CASES:

1. IN CASES WHERE A MINOR CHILD'S BENEFITS EXCEEDS \$5,000.00 EACH YEAR, OR AS PROVIDED IN ITEM 2(II) ABOVE, A CONSERVATORSHIP WILL BE REQUIRED
2. IN CASES WHERE A MINOR CHILD'S BENEFIT IS LESS THAN \$5,000.00 EACH YEAR AND ITEM 2(II) ABOVE IS INAPPLICABLE, MINOR CHILD BENEFIT PAYMENTS WILL BE MADE TO:
 - A. THE MINOR CHILD IF HE OR SHE IS MARRIED; OR
 - B. AN INDIVIDUAL HAVING CARE AND CUSTODY OF THE MINOR CHILD WITH WHOM THE MINOR CHILD RESIDES; OR
 - C. A GUARDIAN OF THE MINOR; OR
 - D. A FINANCIAL INSTITUTION FOR DEPOSIT INTO A STATE OR FEDERALLY-INSURED SAVINGS ACCOUNT IN THE SOLE NAME OF THE MINOR CHILD WITH NOTICE OF THE DEPOSIT TO THE MINOR CHILD.

(NOTE: IF A CONSERVATOR FOR THE MINOR CHILD IS ESTABLISHED DUE TO OTHER CIRCUMSTANCES, THE BOARD WILL DECIDE IF THE PAYMENTS ARE MADE TO THE CONSERVATOR OR IF PAYMENTS ARE MADE CONSISTENT WITH ITEM A(2) ABOVE.)

MINOR CHILD'S BENEFIT PAYMENTS

AND BE IT FURTHER

RESOLVED, THAT WITH RESPECT TO EXISTING CASES:

1. IF THE CONSERVATORSHIP CONTINUES SOLELY TO RECEIVE THE CHILD'S BENEFIT FROM THE POLICE AND FIRE RETIREMENT SYSTEM, SUCH CONSERVATORSHIP MAY BE DISCONTINUED BY THE APPROPRIATE PARTY AND THE MINOR CHILD'S BENEFIT WILL BE PAID TO ONE OF THE PARTIES INDICATED ABOVE IN SECTION A(2).
2. IF THE CONSERVATORSHIP CONTINUES TO RECEIVE BENEFITS IN ADDITION TO BENEFITS FROM THE POLICE AND FIRE RETIREMENT SYSTEM, THE BOARD WILL EITHER CONTINUE TO PAY THE MINOR CHILD'S BENEFITS TO THE CONSERVATORSHIP OR WILL DECIDE IF THE MINOR CHILD BENEFIT PAYMENTS WILL BE MADE CONSISTENT WITH ITEM A(2) ABOVE:

YEAS – TRUSTEES BANDEMER, BEST, CHRISTIAN, MILTON, MOORE, ORZECH,
SCOTT, STEWART AND CHAIRMAN ENGLISH – 9

NAYS – NONE

■ EX/OFFICIO TRUSTEE BEASLEY RE-JOINED THE MEETING.

GVC

BY MR. ORZECH – SUPPORTED BY MR. MOORE

WHEREAS, the Board of Trustees of the Police and Fire Retirement System of the City of Detroit (the "Board") is in receipt of the foregoing investment proposal, the basic and general proposed conditions of which are set forth in written materials presented to the Board and discussed this date and to which certain modifications and additional requirements may be added by the Board or its advisors, and:

WHEREAS, the Board has indicated its willingness to further consider making this proposed investment subject to (i) receipt of a favorable due diligence report from **Couzens Lansky** (the "Board's Advisor"), (ii) certain additional terms and modifications of said proposal, which may be identified by the Board, and (iii) certain additional terms and modifications which will be required after by legal counsel (the "Special Legal Counsel") reviews and drafts, as needed, the

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investment and/or transaction documents (the “transaction documents”), and

WHEREAS, the Board’s contingent approval is also conditioned upon the understanding that the proposed transaction does not contemplate unrelated Business Taxable Income (UBTI) to the Police and Fire Retirement System of the City of Detroit in its capacity as investor.

RESOLVED, that subject to the provisions as stated in this resolution, the Board hereby conditionally approves the proposed investment, and indicates its intention to complete the transaction provided all requirements of the Board are met by GVC Winstar (the “Company”) and subject to approval of the final transaction documents by the Board, and be it further

RESOLVED, that it be expressly understood by all parties that there is no obligation of the Board to make the investment unless final transaction documents are approved as to form and content by the Board and approved as to form by the Board’s General Counsel and Special Legal Counsel and executed by the Board, the Company, any Guarantors, if any, and other applicable parties, and subject to all terms of any such fully executed documents being met by the parties, including specifically all costs of the Board, including due diligence legal fees and expenses being paid from separate escrow accounts funded by the Company or its affiliates, and be it further

RESOLVED, that the Board notes the likelihood of suggested additional changes to the proposal will be made by the Board, the Board’s Advisor, General Counsel and Special Legal Counsel, and be it further

RESOLVED, that any commitment or other preliminary transaction documents signed by the Board include the provision that all final transaction documents are subject to approval as to form and content by the Board, the Board’s General Counsel and the Special Legal Counsel, and be it further

RESOLVED, that the foregoing is also conditioned upon the Company paying, or causing to be paid, all costs and expenses of the Board, including, due diligence, legal fees in document preparation even if this proposed investment is not completed or finalized due to the applicable party deciding to withdraw the proposal, refusing to execute final documents approved by the Board, or for any other reason deciding not to proceed with the transaction, and be it further

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RESOLVED, that a copy of this resolution be forwarded to the Company, the Board's Advisor and Special Legal Counsel, and be it further

RESOLVED, that the foregoing is also subject to receipt, by the Board, of written acknowledgment from the Company, that the Company has received a copy of this resolution and acknowledges and agrees to the conditions and requirements therein.

YEAS – TRUSTEES BEST, MOORE, ORZECH AND CHAIRMAN ENGLISH – 4

NAYS – TRUSTEES BANDEMER, BEASLEY, CHRISTIAN, MILTON AND STEWART – 5

ABSTAIN – TRUSTEE SCOTT – 1

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BY MR. STEWART – SUPPORTED BY MR. BANDEMER

WHEREAS, the Board of Trustees of the Police and Fire Retirement System of the City of Detroit (the "Board") is in receipt of the foregoing investment proposal, the basic and general proposed conditions of which are set forth in written materials presented to the Board and discussed this date and to which certain modifications and additional requirements may be added by the Board or its advisors, and:

WHEREAS, the Board has indicated its willingness to further consider making this proposed investment subject to (i) receipt of a favorable due diligence report from **North Point Advisors** (the "Board's Advisor"), (ii) certain additional terms and modifications of said proposal, which may be identified by the Board, and (iii) certain additional terms and modifications which will be required after by legal counsel (the "Special Legal Counsel") reviews and drafts, as needed, the investment and/or transaction documents (the "transaction documents"), and

WHEREAS, the Board's contingent approval is also conditioned upon the understanding that the proposed transaction does not contemplate unrelated Business Taxable Income (UBTI) to the Police and Fire Retirement System of the City of Detroit in its capacity as investor.

RESOLVED, that subject to the provisions as stated in this resolution, the Board hereby conditionally approves the proposed investment, and indicates its

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intention to complete the transaction provided all requirements of the Board are met by GVC Winstar (the "Company") and subject to approval of the final transaction documents by the Board, and be it further

RESOLVED, that it be expressly understood by all parties that there is no obligation of the Board to make the investment unless final transaction documents are approved as to form and content by the Board and approved as to form by the Board's General Counsel and Special Legal Counsel and executed by the Board, the Company, any Guarantors, if any, and other applicable parties, and subject to all terms of any such fully executed documents being met by the parties, including specifically all costs of the Board, including due diligence legal fees and expenses being paid from separate escrow accounts funded by the Company or its affiliates, and be it further

RESOLVED, that the Board notes the likelihood of suggested additional changes to the proposal will be made by the Board, the Board's Advisor, General Counsel and Special Legal Counsel, and be it further

RESOLVED, that any commitment or other preliminary transaction documents signed by the Board include the provision that all final transaction documents are subject to approval as to form and content by the Board, the Board's General Counsel and the Special Legal Counsel, and be it further

RESOLVED, that the foregoing is also conditioned upon the Company paying, or causing to be paid, all costs and expenses of the Board, including, due diligence, legal fees in document preparation even if this proposed investment is not completed or finalized due to the applicable party deciding to withdraw the proposal, refusing to execute final documents approved by the Board, or for any other reason deciding not to proceed with the transaction, and be it further

RESOLVED, that a copy of this resolution be forwarded to the Company, the Board's Advisor and Special Legal Counsel, and be it further

RESOLVED, that the foregoing is also subject to receipt, by the Board, of written acknowledgment from the Company, that the Company has received a copy of this resolution and acknowledges and agrees to the conditions and requirements therein.

YEAS – TRUSTEES BANDEMER, BEASLEY, CHRISTIAN, MILTON, MOORE, SCOTT,
STEWART AND CHAIRMAN ENGLISH – 8

GVC

NAYS – TRUSTEES BEST AND ORZECH – 2

REASONING FOR TRUSTEE ORZECH'S "NAY" VOTE:

TRUSTEE ORZECH VOTED "NO" ABOUT SENDING ANOTHER DUE DILIGENCE REPORT TO ADRIAN ANDERSON OF NORTH POINT ADVISORS WHEN QUALIFIED ALTERNATIVES WERE AVAILABLE.

WAYNE COMPANY

BY MR. MILTON – SUPPORTED BY MR. STEWART

WHEREAS, the Board of Trustees of the Police and Fire Retirement System of the City of Detroit (the "Board") is in receipt of the foregoing investment proposal, the basic and general proposed conditions of which are set forth in written materials presented to the Board and discussed this date and to which certain modifications and additional requirements may be added by the Board or its advisors, and:

WHEREAS, the Board has indicated its willingness to further consider making this proposed investment subject to (i) receipt of a favorable due diligence report from **North Point Advisors** (the "Board's Advisor"), (ii) certain additional terms and modifications of said proposal, which may be identified by the Board, and (iii) certain additional terms and modifications which will be required after by legal counsel (the "Special Legal Counsel") reviews and drafts, as needed, the investment and/or transaction documents (the "transaction documents"), and

WHEREAS, the Board's contingent approval is also conditioned upon the understanding that the proposed transaction does not contemplate unrelated Business Taxable Income (UBTI) to the Police and Fire Retirement System of the City of Detroit in its capacity as investor.

RESOLVED, that subject to the provisions as stated in this resolution, the Board hereby conditionally approves the proposed investment, and indicates its intention to complete the transaction provided all requirements of the Board are met by the Wayne Company (the "Company") and subject to approval of the final transaction documents by the Board, and be it further

WAYNE COMPANY

RESOLVED, that it be expressly understood by all parties that there is no obligation of the Board to make the investment unless final transaction documents are approved as to form and content by the Board and approved as to form by the Board's General Counsel and Special Legal Counsel and executed by the Board, the Company, any Guarantors, if any, and other applicable parties, and subject to all terms of any such fully executed documents being met by the parties, including specifically all costs of the Board, including due diligence legal fees and expenses being paid from separate escrow accounts funded by the Company or its affiliates, and be it further

RESOLVED, that the Board notes the likelihood of suggested additional changes to the proposal will be made by the Board, the Board's Advisor, General Counsel and Special Legal Counsel, and be it further

RESOLVED, that any commitment or other preliminary transaction documents signed by the Board include the provision that all final transaction documents are subject to approval as to form and content by the Board, the Board's General Counsel and the Special Legal Counsel, and be it further

RESOLVED, that the foregoing is also conditioned upon the Company paying, or causing to be paid, all costs and expenses of the Board, including, due diligence, legal fees in document preparation even if this proposed investment is not completed or finalized due to the applicable party deciding to withdraw the proposal, refusing to execute final documents approved by the Board, or for any other reason deciding not to proceed with the transaction, and be it further

RESOLVED, that a copy of this resolution be forwarded to the Company, the Board's Advisor and Special Legal Counsel, and be it further

RESOLVED, that the foregoing is also subject to receipt, by the Board, of written acknowledgment from the Company, that the Company has received a copy of this resolution and acknowledges and agrees to the conditions and requirements therein.

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, MILTON, MOORE,
ORZECZ, SCOTT, STEWART AND CHAIRMAN ENGLISH – 10

NAYS – NONE

PUBLIC FORUM

AT **12:35** P.M., CHAIRMAN ENGLISH DECLARED THE MEETING IN OPEN FORUM FOR GENERAL DISCUSSION BY THE PUBLIC ATTENDING THE MEETING.

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD, CHAIRMAN ENGLISH ADJOURNED THE MEETING AT **12:50** P.M. UNTIL THURSDAY, **SEPTEMBER 7, 2006** AT 9:00 A.M., IN ROOM 910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

ASSISTANT EXECUTIVE SECRETARY