

MEETING NUMBER 2664

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



PROCEEDINGS HELD THURSDAY, JANUARY 24, 2008  
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/Vice Chairperson
Jeffrey Beasley	Ex/Officio Trustee/Treasurer
Gregory Best	Elected Trustee/ Chairperson
Barbara-Rose Collins	Ex/Officio Trustee/Councilperson
Shereece Fleming-Freeman	Ex/Officio Alternate Trustee
DeDan Milton	Ex/Officio Alternate Trustee
James Moore	Elected Trustee
George Orzech	Elected Trustee
Jeffrey Pegg	Elected Trustee
Tyrone Scott	Ex/Officio Trustee/Fire Commissioner
Paul Stewart	Elected Trustee
Cynthia Thomas	Assistant Executive Secretary
Janet S. Lenear	Recording Secretary
Ronald Zajac	Legal Counsel
Joe Turner	Special Legal Counsel
Richard Huddleston	Investment Analyst

EXCUSED

Walter Stampor	Executive Secretary
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ABSENT

None

## CHAIRPERSON

Gregory Best

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

### CAPITAL CALLS/DRAWS

BY MR. STEWART – SUPPORTED BY MR. ORZECH

Whereas, The Board has been presented with the following capital calls/draws, and

Whereas, The Board has been requested to approve funding of said capital calls/draws, Therefore be it

Resolved, That subject to final approval of all transaction documents by the Board's Legal Counsel, the Board approves funding of said capital calls/draws:

Firm: MAYFIELD GENTRY REALTY ADVISORS, LLC  
Date: JANUARY 22, 2008  
Name: GRAND PARK CENTRE  
Capital Call/Draw: \$36,476.76

YEAS – TRUSTEES ORZECH, PEGG, SCOTT, STEWART AND CHAIRMAN BEST – 5

NAYS – NONE

### RETIREMENTS

BY MR. STEWART – SUPPORTED BY MR. PEGG

RETIREMENTS

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

YEAS – TRUSTEES ORZECH, PEGG, SCOTT, STEWART AND CHAIRMAN BEST – 5

NAYS – NONE

RETIREMENTS

NAME, TITLE, DEPARTMENT	MARIA DORSEY – OFFICER - POLICE
RETIREMENT, PLAN	SERVICE - NEW
SERVICE CREDIT, EFFECTIVE DATE	22 00 09 – 01 22 08

NAME, TITLE, DEPARTMENT	KENNETH GILBERT, JR. – OFFICER – POLICE
RETIREMENT, PLAN	SERVICE – NEW
SERVICE CREDIT, EFFECTIVE DATE	22 02 21 – 01 05 08

NAME, TITLE, DEPARTMENT	MICHAEL CHANEY – CAPTAIN – FIRE
RETIREMENT, PLAN	SERVICE – NEW
SERVICE CREDIT, EFFECTIVE DATE	34 04 06 – 03 13 08

CONFIRMATIONS

BY MR. ORZECH – SUPPORTED BY MR. PEGG

RESOLVED, THAT THE DISBURSEMENTS AND RECEIPTS WHICH ARE REFERENCED BELOW BE CONFIRMED:

YEAS – TRUSTEES ORZECH, PEGG, SCOTT, STEWART AND CHAIRMAN BEST – 5

NAYS – NONE

DISBURSEMENT CONFIRMATIONS

THE BOARD DISBURSED THE SUM OF \$1,100,000.00 ON JANUARY 16, 2008 TO FUND CITIGROUP VENTURE CAPITAL – DRAW 3

THE BOARD DISBURSED THE SUM OF \$7,055.00 ON JANUARY 17, 2008 TO RETURN DUE DILIGENCE BALANCE TO PROVIDENT – LONGSHIP MULTI-STRATEGY

THE BOARD DISBURSED THE SUM OF \$7,607.75 ON JANUARY 18, 2008 TO PAY DETROIT OFFICE INTERIOR – FURNITURE PARTIAL PAYMENT

THE BOARD DISBURSED THE SUM OF \$941.66 ON JANUARY 18, 2008 TO PAY XO COMMUNICATIONS – INTERNET SERVICES

THE BOARD DISBURSED THE SUM OF \$35,000.00 ON JANUARY 18, 2008 TO PAY NORTH POINT ADVISORS – TRADEWIND AIRLINES, INC. AND LOOP CAPITAL DUE DILIGENCE FEES

THE BOARD DISBURSED THE SUM OF \$11,843.00 ON JANUARY 18, 2008 TO PAY PAYDEN & RYGEL – DECEMBER, 2007 FEES

THE BOARD DISBURSED THE SUM OF \$5,000,000.00 ON JANUARY 18, 2008 TO FUND LIFE ASSURANCE FUND'S INITIAL DRAW

THE BOARD DISBURSED THE SUM OF \$579,518.00 ON JANUARY 18, 2008 TO FUND SYNDICATED COMMUNICATION'S CAPITAL CALL

THE BOARD DISBURSED THE SUM OF \$56.95 ON JANUARY 18, 2008 TO REIMBURSE THE GENERAL RETIREMENT SYSTEM FOR ADO CHARGES

THE BOARD DISBURSED THE SUM OF \$24,727.11 ON JANUARY 18, 2008 – CHECK-WRITE EXPENSES – GENERAL RETIREMENT SYSTEM

DISBURSEMENT CONFIRMATIONS

THE BOARD DISBURSED THE SUM OF \$596,284.77 ON JANUARY 22, 2008 – REFUND LIST 3264 – FIRST INDEPENDENCE BANK

THE BOARD DISBURSED THE SUM OF \$5,000.00 ON JANUARY 22, 2008 TO PAY NEO-POST – POSTAGE FEE

THE BOARD DISBURSED THE SUM OF \$12,500.00 ON JANUARY 22, 2008 TO PAY NORTH POINT ADVISORS – FEBRUARY AND MARCH, 2008 FEES

TOTAL DISBURSEMENTS: \$7,399,021.24

RECEIPT CONFIRMATIONS

THE BOARD RECEIVED THE SUM OF \$299,226.12 ON JANUARY 18, 2008 FROM THE GENERAL FUND – WEEKLY ANNUITY CONTRIBUTIONS

THE BOARD RECEIVED THE SUM OF \$27,000.00 ON JANUARY 18, 2008 FROM LIFE ASSURANCE FUND

TOTAL RECEIPTS: \$326,226.12

SPECIAL COUNSEL **JOE TURNER** ENTERED THE MEETING.

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. STEWART – SUPPORTED BY MR. PEGG

RESOLVED, THAT THE CONTRIBUTIONS TO THE ANNUITY SAVINGS FUND, BY MEMBERS OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT, AS SET FORTH ON LIST **#3265**, IN THE AMOUNT OF **\$723,592.24**, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

REFUNDS OF ACCUMULATED CONTRIBUTIONS

YEAS – TRUSTEES ORZECH, PEGG, SCOTT, STEWART AND CHAIR-  
MAN BEST – 5

NAYS – NONE

MINUTES OF THURSDAY, JANUARY 10, 2008

BY MR. PEGG – SUPPORTED BY MR. ORZECH

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY,  
**JANUARY 10, 2008** BE APPROVED AS RECORDED AND SUBMITTED  
BY THE BOARD'S RECORDING SECRETARY:

YEAS – TRUSTEES ORZECH, PEGG, SCOTT, STEWART AND CHAIR-  
MAN BEST – 5

NAYS – NONE

BILL PAYMENT REQUESTS

BY MR. ORZECH – SUPPORTED BY MR. PEGG

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

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

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

BILL PAYMENT REQUESTS

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

ALPHA PARTNERS, LLC – JANUARY 9, 2008 - \$22,046.00 – 2007  
FOURTH QUARTER FEES

ELECTRONIC SECURITY SYSTEMS, INC. – JANUARY 11, 2008 -  
\$4,391.50 – POLICE AND FIRE PORTION OF \$8,783.00 –  
LOCKSMITH LABOR

GABRIEL, ROEDER, SMITH & COMPANY – UNDATED  
COMMUNICATION - \$200.00 – EDRO FEE

HGK ASSET MANAGEMENT, INC. – JANUARY 10, 2008 - \$13,145.15  
– 2007 FOURTH QUARTER FEES

HOWARD & HOWARD – JANUARY 14, 2008 - \$2,593.75 –  
DECEMBER, 2007 SERVICES – GSC PARTNERS

KENNEDY CAPITAL MANAGEMENT, INC. – JANUARY 18, 2008 -  
\$515,026.00 – 2007 FOURTH QUARTER FEES

MAYFIELD GENTRY REALTY ADVISORS, LLC – JANUARY 22, 2008 -  
\$180,015.89 – PFRS DUBLIN CORP. CAPITAL IMPROVEMENTS

MILESTONE REALTY SERVICES, INC. – JANUARY 22, 2008 -  
\$267,357.46 – OAK GROVE SALE DISPOSITION FEE  
REIMBURSEMENT

MUNROS CAPITAL MANAGEMENT – JANUARY 16, 2008 -  
\$138,819.44 – 2007 FOURTH QUARTER FEES

BILL PAYMENT REQUESTS

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

PEGASUS IMAGING – JANUARY 7, 2008 - \$4,708.13 – POLICE AND FIRE PORTION OF \$9,416.25 – OFFICE SUPPLIES

QUILL CORPORATION – JANUARY 10, 2008 - \$262.13 – POLICE AND FIRE PORTION OF \$524.25 – OFFICE SUPPLIES

RHUMBLINE - JANUARY 11, 2008 - \$23,232.38 – 2007 FOURTH QUARTER FEES – RUSSELL 1000 VALUE INDEX/RUSSELL MID-CAP INDEX FUNDS

RHUMBLINE - JANUARY 11, 2008 - \$6,203.45 – 2007 FOURTH QUARTER FEES – RUSSELL 2000 GROWTH INDEX FUND

STEWARD CAPITAL MANAGEMENT – JANUARY 16, 2008 - \$49,973.04 – 2007 FOURTH QUARTER FEES

SUGERMAN, DONALD F. – JANUARY 15, 2008 - \$2,052.16 – DRRB SERVICES - VERONICA GINN

TCW ASSET MANAGEMENT – JANUARY 15, 2008 - \$87,094.74 – 2007 FOURTH QUARTER FEES

THE HARTFORD – JANUARY 7, 2008 - \$212.00 – CONTRACT/MISCELLANEOUS SERVICES

VERIZON WIRELESS – DECEMBER 4, 2007 - \$1,898.55 – PHONE SERVICES

YEAS – TRUSTEES ORZECH, PEGG, SCOTT, STEWART AND CHAIRMAN BEST – 5

NAYS – NONE

LEGAL COUNSEL'S BILLING

BY MR. ORZECH – SUPPORTED BY MR. STEWART

RESOLVED, THAT LEGAL COUNSEL'S BILLING (DATED JANUARY 24, 2008) FOR THE MONTH OF JANUARY, 2008, IN THE AMOUNT OF **\$17,218.18**, BE APPROVED AND SAID AMOUNT BE WIRE-TRANSFERRED PURSUANT TO WIRE-TRANSFER INSTRUCTIONS ON FILE WITH THE POLICE AND FIRE RETIREMENT SYSTEM:

YEAS – TRUSTEES ORZECH, PEGG, SCOTT, STEWART AND CHAIRMAN BEST – 5

NAYS – NONE

Finance/Retirement Petty Cash Account

By Mr. Orzech – Supported by Mr. Stewart

Whereas, The present balance of the Finance/Retirement Petty Cash account is \$227.43, and

Whereas, Staff has requested that the account be replenished to its maximum amount of \$2,000.00, Therefore Be It

Resolved, That the Finance/Retirement Petty Cash account be replenished to the maximum amount of \$2,000.00, and be it further

Resolved, That the amount required to replenish the Finance/Retirement Petty Cash account to \$2,000.00, be paid accordingly:

Police and Fire Retirement System:     \$ 402.59

General Retirement System:             \$1,369.98

Finance/Retirement Petty Cash Account

and be it further

Resolved, That a copy of this resolution be forwarded to the Accounting Division of the Retirement System:

YEAS – TRUSTEES ORZECH, PEGG, SCOTT, STEWART AND CHAIRMAN BEST – 5

NAYS – NONE

PLANTE MORAN

**BETH BIALY** AND ASSOCIATE **KATHY KABOURNE** APPEARED BEFORE THE BOARD AND DISCUSSED THE SYSTEM'S AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007 AT LENGTH.

TRUSTEE **MOORE** ENTERED THE MEETING DURING PLANTE MORAN'S DISCUSSION.

TRUSTEE **COLLINS** ENTERED THE MEETING DURING PLANTE MORAN'S DISCUSSION.

TRUSTEES **BANDEMER, MILTON** AND **BEASLEY** ENTERED THE MEETING DURING PLANTE MORAN'S DISCUSSION.

HAVING CONCLUDED THEIR DISCUSSION, THE BOARD EXCUSED MS. BIALY AND MS. KABOURNE.

GABRIEL, ROEDER, SMITH & COMPANY

**NORM JONES** AND **KEN ALBERTS** APPEARED BEFORE THE BOARD, DISCUSSED THE SYSTEM'S PRELIMINARY JUNE 30, 2007 ANNUAL ACTUARIAL

GABRIEL, ROEDER, SMITH & COMPANY

VALUATION AND THEN EXCUSED THEMSELVES.

UBS/MILLER & JACOBS

**ADRIAN ANDERSON** (OF NORTH POINT ADVISORS) JOINED THE BOARD IN LISTENING TO **TAMMY DALTON** (OF MILLER & JACOBS) AND **TIMOTHY LEROUX** (OF UBS) DISCUSS THE SYSTEM'S \$20,000,000.00 INVESTMENT IN UBS'/MILLER & JACOB'S ACADIA FUND.

VIA PHONE CONFERENCE, **JEFF MILLER** (OF MILLER & JACOBS) ALSO LISTENED TO MS. DALTON'S AND MR. LEROUX'S DISCUSSION.

HAVING CONCLUDED THEIR DISCUSSION, THE BOARD EXCUSED MS. DALTON AND MR. LEROUX.

GVC

**ADRIAN ANDERSON, DON WAGNER** (OF COUZENS LANSKY) AND **JIM MCTEVIA** (OF MCTEVIA & ASSOCIATES) APPEARED BEFORE THE BOARD TO DISCUSS GVC.

CLOSED SESSION

BY MR. BANDEMER – SUPPORTED BY MR. MILTON

Resolved, That the Board enter into Closed Session for the purpose of discussing matters involving attorney/client privilege:

A Roll Call Vote was taken as follows:

CLOSED SESSION

YEAS – TRUSTEES BANDEMER, BEASLEY, COLLINS, MILTON,  
MOORE, ORZECH, PEGG, SCOTT, STEWART AND CHAIR-  
MAN BEST – 10

NAYS – NONE

The Board entered into Closed Session at **12:11 P.M.**

TRUSTEE **FREEMAN** ENTERED THE MEETING DURING “CLOSED  
SESSION.”

OPEN SESSION

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES BANDEMER, BEASLEY, COLLINS, FREEMAN,  
MILTON, MOORE, ORZECH, PEGG, SCOTT, STEWART AND  
CHAIRMAN BEST – 11

NAYS – NONE

The Board returned to Open Session at **1:08 P.M.**

UBS/MILLER & JACOBS

The Board discussed various options with respect to the UBS/Miller & Jacobs investment. At the direction of the Chair, Mr. Anderson is to contact UBS and Mr. Huddleston is to contact Touchstone Asset Management and the Bank of New York Mellon with respect the Board's specific questions relative

UBS/MILLER & JACOBS

to each of those firms and report their findings to the Chair no later than Tuesday, January 29, 2008.

TRUSTEE **MILTON** EXCUSED HIMSELF FOR THE MEETING'S REMAINDER.

MAYFIELD GENTRY REALTY ADVISORS, LLC

**AUCIA DIAZ** AND TWO ASSOCIATES APPEARED BEFORE THE BOARD AND BRIEFLY DISCUSSED MAYFIELD GENTRY'S JANUARY, 2008 ASSET MANAGEMENT AND MORTGAGE SERVICING FEES.

THE BOARD THEN EXCUSED MS. DIAZ AND HER ASSOCIATES.

MAYFIELD GENTRY REALTY ADVISORS, LLC

At the direction of the Chair, the Assistant Executive Secretary is to remind Retirement System Accounting staff that the Board's policy is that **no** incentive management fee or any other fee which is based upon a rate of return calculation is to be approved for payment without having first been reviewed and approved by the Board's Investment Analyst.

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL **RONALD ZAJAC** DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING KLA-TENCOR.

KLA-TENCOR

GENERAL COUNSEL INDICATED THAT THE PROPOSED MEMORANDUM OF UNDERSTANDING, COPIES OF WHICH WERE PREVIOUSLY DISTRIBUTED TO EACH BOARD MEMBER, HAS BEEN

KLA-TENCOR

FULLY EXECUTED BY APPLICABLE PARTIES AND A COPY PROVIDED TO GENERAL COUNSEL.

PARAMOUNT LIMITED, LLC  
CONVERSION OF UP TO \$10,000,000.00  
INVESTOR MEMBER INTEREST INTO LOAN

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

WHEREAS, THE BOARD PREVIOUSLY INDICATED ITS INTENT TO MAKE AN UP TO \$10,000,000.00 INVESTMENT IN PARAMOUNT LIMITED, LLC WITH A THREE-YEAR (3-YEAR) TERM WITH AN ANNUAL INTEREST RATE OF SIXTEEN PERCENT (16%), AND

WHEREAS, IT IS IN THE BOARD'S BEST INTEREST TO STRUCTURE THE FOREGOING INVESTMENT AS A LOAN TO PARAMOUNT LIMITED, LLC, AND

WHEREAS, THE BOARD HAS BEEN REQUESTED TO EXECUTE A JANUARY 24, 2008 "LOAN AGREEMENT" WITH PARAMOUNT LIMITED, LLC RELATIVE TO THE AFORESAID TRANSACTION, AND

WHEREAS, THE EXECUTION OF SAID "LOAN AGREEMENT" HAS BEEN RECOMMENDED BY THE BOARD'S SPECIAL LEGAL COUNSEL, F. LOGAN DAVIDSON, P.C., AND

WHEREAS, THE EXECUTION OF SAID "LOAN AGREEMENT" HAS BEEN REVIEWED AND APPROVED AS TO FORM BY THE BOARD'S LEGAL COUNSEL AND THE EXECUTION OF SAID "LOAN AGREEMENT" IS CONSISTENT WITH PRIOR ACTION OF THE BOARD, THEREFORE BE IT

PARAMOUNT LIMITED, LLC  
CONVERSION OF UP TO \$10,000,000.00  
INVESTOR MEMBER INTEREST INTO LOAN

RESOLVED, THAT THE FOREGOING CHANGES TO THE STRUCTURE OF THE TRANSACTION ARE HEREBY APPROVED, AND BE IT FURTHER

RESOLVED, THAT SAID “LOAN AGREEMENT” BE EXECUTED BY TWO (2) AUTHORIZED SIGNATORIES ON BEHALF OF THE BOARD:

YEAS – TRUSTEES BANDEMER, BEASLEY, COLLINS, FREEMAN,  
MOORE, ORZECH, PEGG, SCOTT, STEWART AND CHAIR-  
MAN BEST – 10

NAYS – NONE

MCCALISTER, JR. VERSUS MCCALISTER  
WAYNE COUNTY CASE #92-204309

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

WHEREAS, ROY MCCALISTER (“PARTICIPANT”) WAS DIVORCED PURSUANT TO A FILING ON OR ABOUT FEBRUARY 14, 1992 AND A QUALIFIED DOMESTIC RELATIONS ORDER WAS ENTERED ON JULY 8, 2003 AND AN ELIGIBLE DOMESTIC RELATIONS ORDER WAS ENTERED ON DECEMBER 14, 1994 WHICH ORDERS AWARDED TO HIS EX/WIFE (“ALTERNATE PAYEE”) 50% OF MR. MCCALISTER’S DEFINED BENEFIT PLAN AND DEFINED CONTRIBUTION PLAN ACCRUED DURING THE DATE OF MARRIAGE (JULY 31, 1986 AND JUNE 30, 1992), AND

WHEREAS, THE BOARD ADOPTED A RESOLUTION ON FEBRUARY 2, 1995 ACKNOWLEDGING RECEIPT OF A COPY OF THE DECEMBER 14, 1994 EDRO, AND

WHEREAS, THE PARTICIPANT RETIRED ON JUNE 30, 2006 AND APPLIED FOR 100% OF THE DEFINED CONTRIBUTION PLAN BALANCE AND RECEIVED SAME ON OR ABOUT MARCH 11, 2007, AND

MCCALISTER, JR. VERSUS MCCALISTER  
WAYNE COUNTY CASE #92-204309

WHEREAS, BASED UPON INFORMATION PRESENTED TO THE BOARD THAT DATE, THE BOARD ADOPTED A RESOLUTION ON DECEMBER 13, 2007, BUT BECAUSE THE INFORMATION PRESENTED TO THE BOARD THAT DATE WAS INCOMPLETE, THE DECEMBER 13, 2007 RESOLUTION SHOULD BE RESCINDED AND REPLACED BY THIS RESOLUTION, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER WITH ITS GENERAL COUNSEL WHO HAS INDICATED THAT APPROPRIATE STEPS SHOULD BE TAKEN TO REQUIRE PARTICIPANT TO COMPLY WITH ALTERNATE PAYEE'S ENTITLEMENT TO A PORTION OF PARTICIPANT'S DEFINED BENEFIT PLAN AND DEFINED CONTRIBUTION PLAN, THEREFORE BE IT

RESOLVED, THAT:

- 1) THE BOARD'S RESOLUTION OF DECEMBER 13, 2007 IS **RESCINDED**
- 2) A LETTER BE SENT TO PARTICIPANT DEMANDING IMMEDIATE PAYMENT OF THE APPROPRIATE AMOUNTS WITH INTEREST TO THE ALTERNATE PAYEE, RE: DEFINED BENEFIT PLAN AMOUNTS AND DEFINED CONTRIBUTION PLAN AMOUNTS
- 3) IF PARTICIPANT DOES NOT PAY WITHIN SEVEN (7) DAYS OF THE LETTER TO PARTICIPANT, GENERAL COUNSEL ARRANGE (THROUGH SPECIAL COUNSEL SELECTED BY GENERAL COUNSEL) FOR THE FILING OF LITIGATION AGAINST PARTICIPANT TO RECOVER ALL AMOUNTS DUE ALTERNATE PAYEE AND ATTORNEY (FEES AND COSTS) AND DEFINED BENEFIT PLAN BENEFITS BE TERMINATED AND OFFSET APPLIED TO THE AMOUNTS TO WHICH ALTERNATE PAYEE IS ENTITLED
- 4) THE RETIREMENT SYSTEM PAY THE AMOUNTS DUE ALTERNATE PAYEE AND COLLECT SAME FROM PARTICIPANT
- 5) GENERAL COUNSEL TAKE APPROPRIATE ACTION TO EFFECTUATE THE INTENT OF THIS RESOLUTION

AND BE IT FURTHER

MCCALISTER, JR. VERSUS MCCALISTER  
WAYNE COUNTY CASE #92-204309

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO ATTORNEY GREGORY DEMOPOLOS, ATTORNEY SEYMOUR MARKOWITZ, GWENDOLYN MCCALISTER AND ROY MCCALISTER, JR.:

YEAS – TRUSTEES BANDEMER, BEASLEY, COLLINS, FREEMAN, MOORE,  
ORZECH, PEGG, SCOTT, STEWART AND CHAIRMAN BEST – 10

NAYS – NONE

GRATOPP VERSUS GRATOPP  
MACOMB COUNTY CASE #01-6631-DO

BY MS. FREEMAN – SUPPORTED BY MR. MOORE

WHEREAS, **GARY GRATOPP** HAS PRESENTED THE BOARD WITH A JANUARY 24, 2008 REQUEST TO HAVE HIS OPTION 3 RETIREMENT CHANGED TO A STRAIGHT LIFE RETIREMENT BASED UPON A COURT ORDER TERMINATING THE RIGHTS OF THE OPTION BENEFICIARY, AND

WHEREAS, THE BOARD IS IN RECEIPT OF AN AUGUST 12, 2002 COURT ORDER WHICH HAS BEEN REVIEWED BY THE BOARD'S LEGAL COUNSEL WHO HAS CONCLUDED THAT THE AUGUST 12, 2002 COURT ORDER TERMINATES THE RIGHTS OF THE OPTION BENEFICIARY, THEREFORE BE IT

RESOLVED, THAT **GARY GRATOPP'S** REQUEST BE GRANTED AND, EFFECTIVE FEBRUARY 1, 2008, HIS RETIREMENT BENEFITS BE ADJUSTED FROM AN OPTION 3 RETIREMENT TO A STRAIGHT LIFE RETIREMENT, AND BE IT FURTHER

RESOLVED, THAT THE BOARD'S ACTUARY BE NOTIFIED OF THIS ACTION, AND BE IT FURTHER

RESOLVED, THAT THIS ACTION IS CONSISTENT WITH LONG-STANDING POLICIES AND PRACTICES OF THE BOARD OF TRUSTEES, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO **GARY GRATOPP** AND ATTORNEYS MICHAEL PLOURDE AND JIM POLYZOIS:

YEAS – TRUSTEES BANDEMER, BEASLEY, COLLINS, FREEMAN, MOORE,  
ORZECH, PEGG, SCOTT, STEWART AND CHAIRMAN BEST – 10

GRATOPP VERSUS GRATOPP  
MACOMB COUNTY CASE #01-6631-DO

NAYS – NONE

TRUSTEE SCOTT EXCUSED HIMSELF.

WINSTAR COMMUNICATIONS, LLC  
WINSTAR GOVERNMENT SOLUTIONS, LLC (PLAN SPONSOR)  
\$10,000,000.00 LOAN (“INVESTMENT”)

By Mr. Beasley – Supported by Ms. Freeman

**WHEREAS**, the Board of Trustees of the Police and Fire Retirement System of the City of Detroit (the “Board”) has made the above-referenced Investment, and

**WHEREAS**, said Investment is in **default**, and

**WHEREAS**, the Board has engaged the services of Adrian Anderson of North Point Advisors (“Due Diligence Advisor”) as the Board’s Due Diligence Advisor, and

**WHEREAS**, the Board has engaged the services of Donald A. Wagner of Couzens, Lansky, Fealk, Ellis, Roeder & Lazar, P.C. (“Special Legal Counsel”) as the Board’s Special Legal Counsel, and

**WHEREAS**, the Board has authorized the retention of Special Legal Counsel, James V. McTevia of McTevia, LLC (“Crisis Manager”), as the Board’s Crisis Manager, and

**WHEREAS**, the Board’s Due Diligence Advisor, Special Legal Counsel, and Crisis Manager reported to the Board, a copy of which is on file with the Board, and

WINSTAR COMMUNICATIONS, LLC  
WINSTAR GOVERNMENT SOLUTIONS, LLC (PLAN SPONSOR)  
\$10,000,000.00 LOAN (“INVESTMENT”)

**WHEREAS**, the Board has determined that it would be in the best interest of the Board to make efforts to maximize its recovery/minimize its losses with respect to the Investment by considering the continued financial support of the Plan Sponsor in accordance with a plan/structure (“Plan”) provided by the Due Diligence Advisor, Special Counsel and Crisis Manager, Therefore be it

**RESOLVED**, that the Board authorizes its Due Diligence Advisor, Special Legal Counsel and Crisis Manager to proceed with the Plan, and be it further

**RESOLVED**, that the Board hereby approves the disbursement of **\$1,250,000.00** for use by the Plan Sponsor through and with the approval of the Board’s Crisis Manager and Due Diligence Advisor, and be it further

**RESOLVED**, that the Board’s Special Legal Counsel, working in conjunction with the Board’s Crisis Manager and Due Diligence Advisor, prepare such documents and instruments as may be necessary and/or appropriate in connection with the Plan, and be it further

**RESOLVED**, that a copy of this resolution be forwarded to the Plan Sponsor, the Board’s Due Diligence Advisor, the Board’s Special Legal Counsel, the Board’s Crisis Manager and Retirement System Accounting Staff:

YEAS – TRUSTEES BANDEMER, BEASLEY, COLLINS, FREEMAN,  
MOORE, ORZECH, PEGG, STEWART AND CHAIRMAN BEST

WINSTAR COMMUNICATIONS, LLC  
WINSTAR GOVERNMENT SOLUTIONS, LLC (PLAN SPONSOR)  
\$10,000,000.00 LOAN (“INVESTMENT”)

NAYS – NONE

BILL PAYMENT REQUESTS

BY MR. ORZECH – SUPPORTED BY MR. MOORE

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

WHEREAS, THE BOARD IS SATISFIED THAT THE SERVICES THAT WERE REQUESTED BY THE BOARD WERE PROVIDED TO 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

MAYFIELD GENTRY REALTY ADVISORS, LLC – JANUARY 23, 2008 -  
\$183,698.43 – ASSET MANAGEMENT AND MORTGAGE SERVICING  
FEES FOR THE MONTH OF JANUARY, 2008

YEAS – TRUSTEES BANDEMER, BEASLEY, COLLINS, FREEMAN,  
MOORE, ORZECH, PEGG, STEWART AND CHAIRMAN BEST

– 9

NAYS – NONE

AUDITED FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2007

BY MR. ORZECH – SUPPORTED BY MR. MOORE

AUDITED FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2007

RESOLVED, THAT THE SYSTEM'S AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007 BE APPROVED AND A COPY OF SAID FINANCIAL STATEMENTS BE FORWARDED TO RETIREMENT SYSTEM ACCOUNTING STAFF:

YEAS – TRUSTEES BANDEMER, BEASLEY, COLLINS, FREEMAN,  
MOORE, ORZECH, PEGG, STEWART AND CHAIRMAN BEST  
– 9

NAYS – NONE

CONFERENCE

BY MR. BANDEMER – SUPPORTED BY MR. MOORE

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

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

STARS & STRIPES' SEVENTH ANNUAL NATIONAL PUBLIC  
EMPLOYEES RETIREMENT FUNDS SUMMIT  
KEY WEST, FLORIDA  
APRIL 13 ,2008 – APRIL 15, 2008

CONFERENCE

YEAS – TRUSTEES BANDEMER, BEASLEY, COLLINS, FREEMAN,  
MOORE, ORZECH, PEGG, STEWART AND CHAIRMAN BEST  
– 9

NAYS – NONE

GRANT & EISENHOFER (GE)

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT **STUART GRANT** AND ANY ASSOCIATES OF HIS  
CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR  
PRESENTATION PURPOSES (SECURITIES FRAUD AND CORPORATE  
GOVERNANCE LITIGATION):

YEAS – TRUSTEES BANDEMER, BEASLEY, COLLINS, FREEMAN,  
MOORE, ORZECH, PEGG, STEWART AND CHAIRMAN BEST  
– 9

NAYS – NONE

PUBLIC FORUM

AT **2:10 P.M.**, CHAIRMAN BEST 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 BEST ADJOURNED THE MEETING AT **2:15 P.M.** UNTIL  
THURSDAY, **FEBRUARY 7, 2008** AT 9:00 A.M., IN ROOM 910 OF THE  
COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN  
48226.

ADJOURNMENT

RESPECTFULLY SUBMITTED,

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CYNTHIA A. THOMAS  
ASSISTANT EXECUTIVE SECRETARY

