

MEETING NUMBER 2657

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



PROCEEDINGS HELD THURSDAY, DECEMBER 6, 2007
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
DeDan Milton	Ex/Officio Alternate Trustee
George Orzech	Elected Trustee
Jeffrey Pegg	Elected Trustee
Tyrone Scott	Ex/Officio Trustee-Fire Commissioner
Paul Stewart	Elected Trustee
Alberta Tinsley-Talabi	Ex/Officio Trustee/City Council Rep.
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

Shereece Fleming-Freeman	Ex/Officio Alternate Trustee
James Moore	Elected Trustee

ABSENT

None

CHAIRPERSON

Gregory Best

ROLL CALL WAS TAKEN AT 9:15 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

TRUSTEE STEWART TEMPORARILY EXCUSED HIMSELF.

SUPERIOR CAPITAL PARTNERS, LLC

BY MR. BANDEMER – SUPPORTED BY MR. PEGG

Whereas, The Board has been presented with a December 5, 2007 communication from Superior Capital Partners, LLC wherein Superior requests that the Board fund its portion of the capital call due for Superior GP I, LLC in the amount of \$200,000.00, 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, MILTON, ORZECH, PEGG AND CHAIRMAN BEST – 5

NAYS – NONE

RETIREMENTS

BY MR. BANDEMER – SUPPORTED BY MR. ORZECH

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

YEAS – TRUSTEES BANDEMER, MILTON, ORZECH, PEGG AND CHAIRMAN BEST – 5

NAYS – NONE

RETIREMENTS

NAME, TITLE, DEPARTMENT	CHARLES GRIMES – CAPTAIN – FIRE DEPARTMENT
RETIREMENT, PLAN	SERVICE - NEW
SERVICE CREDIT, EFFECTIVE DATE	33 05 04 – 01 02 08
NAME, TITLE, DEPARTMENT	DAVID MCKALPAIN – LIEUTENANT – FIRE DEPARTMENT
RETIREMENT, PLAN	SERVICE – NEW
SERVICE CREDIT, EFFECTIVE DATE	26 10 12 – 10 08 07
NAME, TITLE, DEPARTMENT	ANGELA GORDON – SERGEANT – PROMOTION LIST – POLICE DEPARTMENT
RETIREMENT, PLAN	SERVICE - NEW
SERVICE CREDIT, EFFECTIVE DATE	25 09 27 – 12 28 07
NAME, TITLE, DEPARTMENT	TALLEN FLEMING – OFFICER – POLICE DEPARTMENT
RETIREMENT, PLAN	SERVICE - NEW
SERVICE CREDIT, EFFECTIVE DATE	22 01 29 – 01 03 08
NAME, TITLE, DEPARTMENT	GREGORY MOORE – OFFICER – POLICE DEPARTMENT
RETIREMENT, PLAN	SERVICE - NEW
SERVICE CREDIT, EFFECTIVE DATE	22 02 17 – 01 15 08
NAME, TITLE, DEPARTMENT	GARNELL WILLIAMS – FIRE FIGHTER – FIRE DEPARTMENT
RETIREMENT, PLAN	DUTY DISABILITY RETIREMENT CONVERSION - NEW
SERVICE CREDIT, EFFECTIVE DATE	25 00 00 – 12 05 02
NAME, TITLE, DEPARTMENT	FRANCIS MACRAE – CAPTAIN – FIRE DEPARTMENT
RETIREMENT, PLAN	SERVICE - NEW
SERVICE CREDIT, EFFECTIVE DATE	33 09 23 – 01 11 08
NAME, TITLE, DEPARTMENT	HERBERT KENNEDY – CAPTAIN – FIRE DEPARTMENT
RETIREMENT, PLAN	SERVICE - NEW
SERVICE CREDIT, EFFECTIVE DATE	35 09 10 – 01 07 08

TRUSTEE SCOTT ENTERED THE MEETING.

TRUSTEE STEWART RE-JOINED THE MEETING.

CONFIRMATIONS

BY MR. ORZECH – SUPPORTED BY MR. BANDEMER

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

YEAS – TRUSTEES BANDEMER, MILTON, ORZECH, PEGG, SCOTT, STEWART AND CHAIRMAN BEST – 7

NAYS – NONE

RECEIPTS

Date	Received From	Explanation/Amount
	BNY	
11/14/2007	GSC Partners1	Distribution – 354,490.00
	Inland American Reit	Distribution #6 – 81,169.40
11/15/2007	Touchstone Opportunity 1	Distribution dated 11/13/07 – 12,250.00
	The Sheffield	Distribution 10/9/07-11/8/07 – 57,150.22
11/16/2007	General Fund	Weekly Annuity Contribution – 98,912.92
	NOB Hill	Dividend dated 11/15/07 – 97,903.40
	Beringer Harvard	Interest from October 1-30, 2007 – 56,621.16
	Liberty Mutual 11	Distribution -522,086.00
	Mayfield Gentry	October '07 remittance – 1,491,903.54
11/19/2007	State Street Bank	Class Action -MFS Computer Associates - 21,054.01
	State Street Bank	Class Action -Aeltus Royal Ahold – 2,577.00
11/26/2007	General Fund	Weekly Annuity Contribution – 291,611.43
	General Fund	Reimbursement for 2nd funding of wire – 4,684.40

11/28/2007	Spare Time Entertainment Center	Due Diligence – 15,000.00
11/29/2007	Banyan Realty Advisors	3rd Qtr '07 Fees – 10,797.80
	Comerica	
11/27/2007	Abel Noser	October commission – 182.50
11/30/2007	HP Invent	Rebates – 250.00
		Total Receipts: 3,118,644.50

DISBURSEMENTS

Police and Fire Retirement Systems of the City of Detroit – 11-14 -07 – 12-04-07			
Date	Wired To	Explanation	Amount
	BNY		
11/15/2007	Citigroup Capital	Draw #3	\$2,300,000.00
	Touchstone Opportunity II	Draw #10	545,769.23
11/16/2007	General Fund	Check-write-Administrative Expense	46,601.56
	ICG Leaseback Fund	Draw # 3	1,250,000.00
	RDD/EDS	Draw	126,000.00
	North Point Advisors	Retainers Fee Portfolio and Real Estate	37,500.00
	Lawrence Walker	Fee for Oct., '07	1,548.87
	F. Logan Davidson	Professional Fees	8,300.00
11/19/2007	Advent Capital	3rd Qtr' 07 Management Fee	84,032.91
	Chicago Equity Partners	"	95,925.51
	Pugh Capital	"	39,812.15
	North Point Advisors	Due diligence fee-Robeco & Orleans Energy	27,000.00
	Townsend Group	Retainer's fee-November, '07	11,250.00

11/20/2007	First Independence	Refund List #3260	1,030,773.43
	Howard & Howard	October, 2007	2,323.44
	Fisher Investment	3rd Qtr '07 Management Fee	193,320.45
	HSBC Investment	3rd Qtr' 07 Management Fee-A/C 591345	19,587.03
	HSBC Investment	3rd Qtr' 07 Management Fee-A/C 591378	87,020.21
	Loomis Sayles & Co	3rd Qtr' 07 Management Fee	46,283.33
	TT International	3rd Qtr' 07 Management Fee	184,332.00
	Wells Capital	3rd Qtr' 07 Management Fee	286,507.01
	General Fund	Check-write-Administrative Expense	2,342.20
11/21/2007	Prudential Insurance/Prisa II	3rd Qtr' 07 Management Fee	10,132.25
	Credit Suisse Asset Management	3rd Qtr' 07 Management Fee	33,788.92
	Evergreen Investment	3rd Qtr' 07 Management Fee	169,548.57
	Seneca Capital/SCM	3rd Qtr' 07 Management Fee	48,430.80
	General Retirement System	Staff Wages for Nov '07	23,673.36
11/26/2007	Ron Zajac	Retainer's Fee October Adjustment & November '07	19,023.30
	Mayfield Gentry	October, 07 Servicing Fees	255,369.57
	Mayfield Gentry	Capital Call-Dublin	401,956.12
	General Retirement	Reimburse remittance from Gen Fund	2,342.20
11/27//07	General Fund	Check-write-Administrative Expense	10,791.07
11/28/2007	First Independence	November, 2007 Retired Payroll - direct deposit	16,169,782.24
12/3/2007	First Independence	November, 2007 Retired Payroll- checks	3,168,121.92

	COMERICA		
11/16/2007	General Retirement System	Petty Cash	1,481.59
		TOTAL DISBURSEMENTS	\$26,740,671.24

BILL PAYMENT REQUESTS

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

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

ADP – NOVEMBER 23, 2007 - \$48.65 – POLICE AND FIRE PORTION OF \$97.30 – CONTRACT/MISCELLANEOUS SERVICES

ADP – NOVEMBER 2, 2007 - \$6,113.35 – POLICE AND FIRE PORTION OF \$12,226.70 – CONTRACT/MISCELLANEOUS SERVICES

ADP – NOVEMBER 30, 2007 - \$312.74 – POLICE AND FIRE PORTION OF \$625.48 – CONTRACT/MISCELLANEOUS SERVICES

ADVANTAGE LASER PRODUCTS – NOVEMBER 19, 2007 - \$28.50 – POLICE AND FIRE PORTION OF \$57.00 – STOCK CHECK

BANK OF NEW YORK – DECEMBER 3, 2007 - \$63,718.21 – 2007 THIRD QUARTER FEES

BANK OF NEW YORK – OCTOBER 23, 2007 - \$56,980.28 – 2007 THIRD QUARTER FEES

BILL PAYMENT REQUESTS

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

BANYAN REALTY ADVISORS – NOVEMBER 26, 2007 - \$48,054.27 – 2007 THIRD QUARTER FEES

CCH, INC. – JANUARY 1, 2008 - \$471.50 – POLICE AND FIRE PORTION OF \$943.00 – SUPPLIES

CROMWELL COMMUNICATIONS – NOVEMBER 13, 2007 - \$7,400.00 – PRODUCTION OF 2006 POLICE AND FIRE ANNUAL REPORT

FORMS TRAC – NOVEMBER 8, 2007 - \$424.32 – POLICE AND FIRE PORTION OF \$848.64 – PRINTING COSTS

FORMS TRAC – NOVEMBER 8, 2007 - \$226.99 – POLICE AND FIRE PORTION OF \$453.98 – PRINTING COSTS

FORMS TRAC – NOVEMBER 8, 2007 - \$166.48 – POLICE AND FIRE PORTION OF \$332.96 – PRINTING COSTS

FORMS TRAC – NOVEMBER 8, 2007 - \$31.52 – POLICE AND FIRE PORTION OF \$63.04 – PRINTING COSTS

GABRIEL, ROEDER, SMITH & CO. – OCTOBER 3, 2007 - \$400.00 – DECEMBER, 2007 EDRO SERVICES

IKON OFFICE SOLUTIONS – NOVEMBER 13, 2007 - \$327.82 – POLICE AND FIRE PORTION OF \$655.63 – SUPPLIES

IT – DECEMBER 4, 2007 - \$48,649.58 – POLICE AND FIRE PORTION OF \$104,032.70 – NOVEMBER, 2007 COMPUTER PROGRAMMERS' FEES

KEM-TEC – SEPTEMBER 27, 2007 - \$550.00 – POLICE AND FIRE PORTION OF \$1,100.00 – SUPPLIES

MAPERS – DECEMBER 4, 2007 - \$50.00 – 2008 MEMBERSHIP RENEWAL FORM

MILESTONE REALTY SERVICES, INC. – NOVEMBER 20, 2007 - \$15,471.55 – POLICE AND FIRE PORTION OF \$30,943.10 – VENDOR SERVICES FOR DRS HOLDINGS, LLC (7850 EAST JEFFERSON)

BILL PAYMENT REQUESTS

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

NORTH AMERICAN TONER – NOVEMBER 28, 2007 - \$710.65 – POLICE AND FIRE PORTION OF \$1,421.30 – SUPPLIES

NORTH POINT ADVISORS – DECEMBER 4, 2007 - \$12,000.00 – BLACK EAGLE DUE DILIGENCE

NORTH POINT ADVISORS – DECEMBER 4, 2007 - \$15,000.00 – FINCH ASSET MANAGEMENT HEDGE FUND STRATEGY DUE DILIGENCE

O'CONNOR, TAMARA – NOVEMBER 26, 2007 - \$1,409.00 – DISABILITY RETIREMENT REVIEW BOARD SERVICES

OFFICE DEPOT – NOVEMBER 15, 2007 - \$495.57 – POLICE AND FIRE PORTION OF \$991.13 – SUPPLIES

PAYDEN & RYGEL – NOVEMBER 12, 2007 - \$11,465.00 – 2007 THIRD QUARTER FEES – ACCOUNT 1612

PAYDEN & RYGEL – NOVEMBER 12, 2007 - \$17,939.00 – 2007 THIRD QUARTER FEES – ACCOUNT 1613

PLANTE MORAN – NOVEMBER 13, 2007 - \$3,265.00 – 2007 AUDITING SERVICES

QUILL CORPORATION – NOVEMBER 19, 2007 - \$188.29 – POLICE AND FIRE PORTION OF \$376.57 – SUPPLIES

TAPE 4 BACK-UP – NOVEMBER 13, 2007 - \$2,769.00 – POLICE AND FIRE PORTION OF \$5,538.00 – SUPPLIES

TECH DEPOT – NOVEMBER 5, 2007 - \$263.06 – POLICE AND FIRE PORTION OF \$526.12 – SUPPLIES

TECH DEPOT – SEPTEMBER 14, 2007 - \$605.78 – POLICE AND FIRE PORTION OF \$1,211.57 – SUPPLIES

BILL PAYMENT REQUESTS

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

XJJ COMPANY – DECEMBER 4, 2007 - \$23,673.36 – POLICE AND FIRE
PORTION OF \$47,346.73 – EMPLOYEE PAYROLL FOR THE PERIOD OCTOBER
22, 2007 THROUGH NOVEMBER 16, 2007

XO COMMUNICATIONS – NOVEMBER 1, 2007 - \$944.35 – POLICE AND FIRE
PORTION OF \$1,888.71 – INTERNET SERVICES

YEAS – TRUSTEES BANDEMER, MILTON, ORZECH, PEGG, SCOTT, STEWART
AND CHAIRMAN BEST – 7

NAYS – NONE

CLARK ET AL & RETIRED POLICE & FIREFIGHTERS' ASSOCIATION ET AL VERSUS
THE CITY OF DETROIT BOARD OF TRUSTEES ET AL WAYNE CIRCUIT CASE
NO. 82-235598-CL

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

Resolved, That all petitions of said pre-July 1, 1983 and pre-July 1, 1986 (as applicable) Option II and Option III retirants, whose beneficiaries pre-deceased the retirants, for adjustment of retirement benefits to a Straight Life retirement be granted effective the first day of the month following the date of application and procedures be followed otherwise identical to the processing and computation for adjustments made to divorced Option II and Option III retirants pursuant to domestic relations court orders:

MALCOMB JONES – POLICE

CARL PORTER – POLICE

YEAS – TRUSTEES BANDEMER, MILTON, ORZECH, PEGG, SCOTT, STEWART
AND CHAIRMAN BEST – 7

NAYS – NONE

REFUND OF MILITARY SERVICE CREDIT

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

REFUND OF MILITARY SERVICE CREDIT

WHEREAS, THE INDIVIDUALS WHOSE NAMES ARE REFERENCED BELOW HAVE PRESENTED THE BOARD WITH REQUESTS TO RECEIVE A REFUND OF THE MILITARY SERVICE CREDIT THEY PURCHASED, AND

WHEREAS, THE BOARD HAS DISCUSSED SAID REQUESTS, THEREFORE BE IT
RESOLVED, THAT SAID REQUESTS BE HEREBY APPROVED:

<u>NAME</u>	<u>DATE OF REQUEST</u>
GARY CLAPP	NOVEMBER 28, 2007
HERBERT KENNEDY	NOVEMBER 1, 2007
JAMES MCBROOM	DECEMBER 5, 2007

YEAS – TRUSTEES BANDEMER, MILTON, ORZECH, PEGG, SCOTT, STEWART
AND CHAIRMAN BEST – 7

NAYS – NONE

DECEMBER 27, 2007 BOARD MEETING CANCELLATION

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE POLICE AND FIRE RETIREMENT SYSTEM BOARD MEETING OF THURSDAY, DECEMBER 27, 2007 BE CANCELLED AND THE APPROPRIATE PARTIES NOTIFIED:

YEAS – TRUSTEES BANDEMER, MILTON, ORZECH, PEGG, SCOTT, STEWART
AND CHAIRMAN BEST – 7

NAYS – NONE

TRUSTEE TALABI ENTERED THE MEETING.

GVC WINSTAR

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD IS AWARE THAT GVC WINSTAR HAS FAILED TO MAKE PAYMENTS DUE JULY 1, 2007 AND OCTOBER 1, 2007, THEREFORE BE IT

RESOLVED, THAT KIRKLAND DUDLEY APPEAR BEFORE THE BOARD ON DECEMBER 13, 2007 TO EXPLAIN GVC 'S FAILURE TO MAKE SAID PAYMENTS, AND BE IT FURTHER

RESOLVED, THAT IN THE EVENT MR. DUDLEY DOES NOT APPEAR BEFORE THE BOARD ON DECEMBER 13, 2007, LEGAL COUNSEL TAKE ACTION TO ENFORCE THE BOARD' INTERESTS, AND BE IT FURTHER

RESOLVED, THAT THE BOARD CONSIDER TAKING APPROPRIATE ACTION TO ENFORCE ITS REMEDIES AFTER HEARING FROM MR. DUDLEY ON DECEMBER 13, 2007, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE IMMEDIATELY FORWARDED TO KIRKLAND DUDLEY:

YEAS – TRUSTEES BANDEMER, MILTON, ORZECH, PEGG, SCOTT, STEWART, TALABI AND CHAIRMAN BEST – 8

NAYS – NONE

SENECA

SAM AUSTIN APPEARED BEFORE THE BOARD, DISCUSSED HIGH YIELD STRATEGY, COLLATERALIZED LOAN OBLIGATIONS AND PERFORMANCE AND THEN EXCUSED HIMSELF.

PENN NATIONAL

TRUSTEE BEASLEY ENTERED THE MEETING.

MARTIN SMITH AND ANTHONY DEVICARIS APPEARED BEFORE THE BOARD, DISCUSSED HIGH YIELD FIXED INCOME STRATEGY AND PERFORMANCE AND THEN EXCUSED THEMSELVES.

SG CAPITAL GROUP

DERRON SANDERS AND AN ASSOCIATE PROVIDED THE BOARD WITH AN INVESTMENT OVERVIEW AND DISCUSSED PERFORMANCE.

LOU VOGT (OF BANYAN REALTY ADVISORS, LLC) JOINED THE BOARD IN LISTENING TO S & G CAPITAL'S PRESENTATION VIA PHONE CONFERENCE.

THE BOARD THEN EXCUSED MR. SANDERS AND HIS ASSOCIATE.

PRONOUS

KATHY COLIN AND TWO ASSOCIATES PROVIDED THE BOARD WITH A STATUS UPDATE REGARDING PRONOUS' OFF-SHORE FUND, LTD. AND THEN EXCUSED THEMSELVES.

WELLS CAPITAL MANAGEMENT

WILLIAM (BILL) NORRIS AND AN ASSOCIATE PROVIDED THE BOARD WITH A WELLS CAPITAL MANAGEMENT STATUS UPDATE AND THEN EXCUSED THEMSELVES.

MMA REALTY CAPITAL

TRUSTEE TALABI TEMPORARILY EXCUSED HERSELF.

PAUL BERNARD AND THOMAS ZDRODOWSKI APPEARED BEFORE THE BOARD AND DISCUSSED THE SHEFFIELD AND W. HOTEL AND RESIDENCES.

THE BOARD THEN EXCUSED MESSRS. ZDRODOWSKI AND BERNARD.

MMA REALTY CAPITAL
THE SHEFFIELD
NEW YORK, NEW YORK
UP TO \$9,000,000.00 PARTICIPATION IN FOURTH MEZZANINE LOAN

BY MR. STEWART – SUPPORTED BY MR. MILTON

WHEREAS, THE BOARD IS IN RECEIPT OF A DECEMBER 6, 2007 INVESTMENT PROPOSAL AND OTHER DOCUMENTS CONTAINED IN A BINDER SUBMITTED TO THE BOARD THIS DATE, AND

MMA REALTY CAPITAL
THE SHEFFIELD
NEW YORK, NEW YORK
UP TO \$9,000,000.00 PARTICIPATION IN FOURTH MEZZANINE LOAN

WHEREAS, THE BOARD HAS BEEN INFORMED THAT THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT MAY INVEST ONE-HALF OF THE UP TO \$9,000,000.00 PROPOSED INVESTMENT AMOUNT, AND

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

RESOLVED, THAT THE BOARD APPROVES THE INVESTMENT AND EXECUTION OF APPROPRIATE DOCUMENTS SUBJECT TO APPROVAL OF DOCUMENTATION BY THE SYSTEMS' GENERAL COUNSEL, AND BE IT FURTHER

RESOLVED, THAT UP TO \$9,000,000.00 (UP TO \$4,500,000.00 IF THE GENERAL RETIREMENT SYSTEM INVESTS IN ONE-HALF OF THE PROPOSAL) BE WIRE-TRANSFERRED SUBJECT TO APPROVAL BY THE SYSTEM'S GENERAL COUNSEL, EXECUTIVE SECRETARY AND ASSISTANT EXECUTIVE SECRETARY, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO MMA REALTY CAPITAL, THE TRUSTEES OF THE GENERAL RETIREMENT SYSTEM AND THE ACCOUNTING DIVISION OF THE SYSTEM:

YEAS – TRUSTEES BANDEMER, BEASLEY, MILTON, ORZECH, PEGG, SCOTT, STEWART AND CHAIRMAN BEST – 8

NAYS – NONE

TRUSTEE TALABI RE-JOINED THE MEETING.

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

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 #3261, IN THE AMOUNT OF \$1,203,760.93, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

REFUNDS OF ACCUMULATED CONTRIBUTIONS

YEAS – TRUSTEES BANDEMER, BEASLEY, MILTON, ORZECH, PEGG, SCOTT,
STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

CLOSED SESSION (KLA-TENCOR/RDD INVESTMENT CORPORATION)

BY MR. PEGG – SUPPORTED BY MR. BANDEMER

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:

YEAS – TRUSTEES BANDEMER, BEASLEY, MILTON, ORZECH, PEGG, SCOTT,
STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

The Board entered into Closed Session at 1:33 P.M.

OPEN SESSION

BY MR. MILTON – SUPPORTED BY MR. BEASLEY

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES BANDEMER, BEASLEY, MILTON, ORZECH, PEGG, SCOTT,
STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

The Board returned to Open Session at 2:05 P.M.

DURING CLOSED SESSION, LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH A TWO-PAGE COMMUNICATION REGARDING KLA-TENCOR, AND SPECIAL COUNSEL PROVIDED EACH BOARD MEMBER WITH A 66-PAGE PACKET REGARDING RDD INVESTMENT CORPORATION.

KLA-TENCOR CORPORATION SECURITIES LITIGATION

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD, IN CLOSED SESSION THIS DATE, REVIEWED A CONFIDENTIAL MEDIATION DOCUMENT (MEDIATOR'S SETTLEMENT PROPOSAL, RE: KLA-TENCOR CORPORATION SECURITIES LITIGATION), AND

WHEREAS, SPECIAL COUNSEL KOHN, SWIFT & GRAF, PER DENNIS SHIELDS, HAS RECOMMENDED THE SETTLEMENT PROPOSAL, AND

WHEREAS, THE BOARD'S GENERAL COUNSEL HAS JOINED IN THE RECOMMENDATION OF SPECIAL COUNSEL, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER IN CLOSED SESSION THIS DATE, THEREFORE BE IT

RESOLVED, THAT THE BOARD APPROVES THE MEDIATOR'S SETTLEMENT PROPOSAL AND DIRECTS SPECIAL COUNSEL TO TAKE APPROPRIATE ACTION TO IMPLEMENT THE SETTLEMENT, AND BE IT FURTHER

RESOLVED, THAT THE AMOUNT OF SETTLEMENT BE MADE A MATTER OF RECORD IN THE MINUTES AFTER COMPLETION, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO SPECIAL COUNSEL KOHN, SWIFT & GRAF:

YEAS – TRUSTEES BANDEMER, BEASLEY, MILTON, ORZECH, PEGG, SCOTT, STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

RDD INVESTMENT CORPORATION

BY MR. STEWART – SUPPORTED BY MR. BEASLEY

WHEREAS, The Board of Trustees of the Police and Fire Retirement System of the City of Detroit (the Board) previously funded the operating budget for RDD Investment Corp. ("RDD"), the Board's designee, which owns and maintains the Romulus deep disposal facility (the "Project") previously owned by Environmental Disposal Services ("EDS"); and

RDD INVESTMENT CORPORATION

WHEREAS, The Board has received a proposed budget for RDD for the period November 1, 2007 – December 31, 2008, which was prepared by Gilbert Goode, the interim Chief Financial Officer of RDD, and

WHEREAS, The Board has been advised by members of the Board's Transition Team, inclusive of the Board's General Counsel and Special Counsel, in closed session regarding this matter, and

WHEREAS, The Board has considered this matter in open session, and
THEREFORE BE IT

RESOLVED, That the Board authorizes approval of funding to RDD in an amount not to exceed \$1,105,000 for the RDD Budget (November 1, 2007 – December 31, 2008), with such funding to be evidenced and documented by draws to RDD, in a form and manner approved by Special Counsel, consistent with the Board's policy, and be it further

RESOLVED, That a copy of this resolution be forwarded to the Transition Team:

YEAS – TRUSTEES BANDEMER, BEASLEY, MILTON, PEGG, SCOTT, STEWART
AND TALABI – 7

NAYS – TRUSTEES ORZECH AND CHAIRMAN BEST – 2

INTERNATIONAL RECTIFIER SECURITIES LITIGATION

LEGAL COUNSEL PROVIDED THE BOARD WITH A STATUS UPDATE REGARDING THE ABOVE-CAPTIONED LITIGATION.

INTERNATIONAL RECTIFIER SECURITIES LITIGATION

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD IS IN RECEIPT OF A NOVEMBER 19, 2007 ATTORNEY/CLIENT PRIVILEGED REPORT SPECIAL COUNSEL BERNSTEIN, LITOWITZ, BERGER & GROSSMANN, LLC, WHICH CONFIRMS THE POLICE AND FIRE RETIREMENT SYSTEM BEING APPOINTED LEAD PLAINTIFF AND OBLIGATION OF LEAD PLAINTIFF TO PRESERVE ALL DOCUMENTS RELEVANT TO THIS CASE, THEREFORE BE IT

INTERNATIONAL RECTIFIER SECURITIES LITIGATION

RESOLVED, THAT ALL AFOREMENTIONED DOCUMENTS BE PRESERVED CONSISTENT WITH THE TERMS OF THE AFORESAID NOVEMBER 19, 2007 REPORT, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO BLAIR NICHOLAS OF BERNSTEIN, LITOWITZ, BERGER & GROSSMANN, LLC:

YEAS – TRUSTEES BANDEMER, BEASLEY, MILTON, ORZECH, PEGG, SCOTT, STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

BAUSCH & LOMB, INC. SECURITIES LITIGATION

LEGAL COUNSEL PROVIDED THE BOARD WITH A STATUS UPDATE REGARDING THE ABOVE-CAPTIONED LITIGATION.

BAUSCH & LOMB, INC. SECURITIES LITIGATION

BY MR. BANDEMER – SUPPORTED BY MS. TALABI

WHEREAS, THE BOARD IS IN RECEIPT OF A NOVEMBER 19, 2007 ATTORNEY/CLIENT PRIVILEGED REPORT SPECIAL COUNSEL BERNSTEIN, LITOWITZ, BERGER & GROSSMANN, LLC, WHICH CONFIRMS THE POLICE AND FIRE RETIREMENT SYSTEM BEING APPOINTED CO-LEAD PLAINTIFF AND OBLIGATION OF CO-LEAD PLAINTIFF TO PRESERVE ALL DOCUMENTS RELEVANT TO THIS CASE, THEREFORE BE IT

RESOLVED, THAT ALL AFOREMENTIONED DOCUMENTS BE PRESERVED CONSISTENT WITH THE TERMS OF THE AFORESAID NOVEMBER 19, 2007 REPORT, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO SALVATORE GRAZIANO OF BERNSTEIN, LITOWITZ, BERGER & GROSSMANN, LLC:

YEAS – TRUSTEES BANDEMER, BEASLEY, MILTON, ORZECH, PEGG, SCOTT, STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

CAPRI (URBAN FUND)
\$25,000,000.00 PROPOSED INVESTMENT

BY MS. TALABI – SUPPORTED BY MR. STEWART

WHEREAS, SPECIAL COUNSEL HAS REVIEWED THE MATERIALS RELATING TO THE PROPOSED INVESTMENT AND CONFIRMED THAT THEY ARE CONSISTENT WITH THE WRITTEN MATERIAL FURNISHED TO THE BOARD, EXCEPT FOR NEGOTIATED CHANGES, AND

WHEREAS, THE BOARD APPROVES THE PROPOSED INVESTMENT AND THE EXECUTION OF THE SUBSCRIPTION AGREEMENT AND OTHER RELATED DOCUMENTS, THEREFORE BE IT

RESOLVED, THAT UPON RECEIPT OF FINAL DOCUMENTS CONSISTENT WITH THE FOREGOING AND APPROVED IN WRITING BY SPECIAL COUNSEL AND GENERAL COUNSEL, THE SUBSCRIPTION AGREEMENT AND ANY OTHER REQUESTED DOCUMENTS BE COMPLETED AND DELIVERED TO CAPRI URBAN INVESTORS, LLC:

YEAS – TRUSTEES BANDEMER, BEASLEY, MILTON, ORZECH, PEGG, SCOTT, STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

VERIFONE HOLDINGS, INC.

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

WHEREAS, THE SYSTEM HAS INCURRED LOSSES OF APPROXIMATELY \$474,000.00 FROM PURCHASES OF VERIFONE HOLDINGS, INC. STOCK, AND

WHEREAS, BERNSTEIN, LITOWITZ, BERGER & GROSSMANN, LLP HAS REPORTED TO THE BOARD REGARDING THEIR ANALYSIS OF THE MERITS OF A CASE AGAINST VERIFONE HOLDINGS, INC., AND

WHEREAS, BERNSTEIN, LITOWITZ, BERGER & GROSSMANN, LLP HAS INQUIRED WHETHER THE RETIREMENT SYSTEM IS INTERESTED IN SEEKING TO BE A LEAD PLAINTIFF IN THIS LITIGATION, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER, AND

VERIFONE HOLDINGS, INC.

WHEREAS, THE BOARD DEEMS IT APPROPRIATE TO SEEK TO BE A LEAD PLAINTIFF IN THIS MATTER TO RECOVER LOSSES INCURRED BY THE SYSTEM, THEREFORE BE IT

RESOLVED, THAT THE BOARD SEEK TO BE NAMED LEAD PLAINTIFF REGARDING THIS MATTER, AND BE IT FURTHER

RESOLVED, THAT BERNSTEIN, LITOWITZ, BERGER AND GROSSMANN, LLP BE RETAINED TO REPRESENT THE SYSTEM REGARDING THIS MATTER, SUBJECT TO AGREEMENT REGARDING PRIOR TERMS OF RETENTION IN CLASS ACTION MATTERS, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO BERNSTEIN, LITOWITZ, BERGER AND GROSSMANN, LLP:

YEAS – TRUSTEES BANDEMER, BEASLEY, MILTON, ORZECH, PEGG, SCOTT, STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

SG CAPITAL GROUP

BY MR. STEWART – SUPPORTED BY MS. TALABI

WHEREAS, THE BOARD HAS BEEN REQUESTED TO EXECUTE THE DOCUMENTS WHICH ARE REFERENCED BELOW (DATED DECEMBER 6, 2007) RELATIVE TO SG CAPITAL GROUP, AND

WHEREAS, THE EXECUTION OF SAID DOCUMENTS HAS BEEN RECOMMENDED BY THE BOARD'S ADVISOR, BANYAN REALTY ADVISORS, LLC, AND THE BOARD'S SPECIAL COUNSEL, F. LOGAN DAVIDSON, P.C., AND

WHEREAS, THE EXECUTION OF SAID DOCUMENTS HAS BEEN REVIEWED AND APPROVED AS TO FORM BY THE BOARD'S GENERAL COUNSEL AND THE EXECUTION OF SAID DOCUMENTS IS CONSISTENT WITH PRIOR ACTION OF THE BOARD, AND

WHEREAS, SG CAPITAL GROUP HAS REQUESTED THE BOARD TO APPROVE THE ALLOCATIONS FROM \$2,000,000.00 TO UP TO \$2,200,000.00, AND

SG CAPITAL GROUP

WHEREAS, THE BOARD HAS APPROVED THE PROPOSED SPECIFIC PROPERTIES PRESENTED THIS DATE, THEREFORE BE IT

RESOLVED, THAT THE BOARD APPROVES THE INCREASE OF INVESTMENT FROM \$2,000,000.00 TO UP TO \$2,200,000.00, AND BE IT FURTHER

RESOLVED, THAT THE SUM OF UP TO \$2,200,000.00 BE WIRE-TRANSFERRED CONSISTENT WITH THE BOARD'S ESTABLISHED PROCEDURES TO SG CAPITAL FUND, LLC AS THE BOARD'S CAPITAL CONTRIBUTION UNDER THE CAPITAL CONTRIBUTION AGREEMENT SUBJECT TO THE WRITTEN APPROVAL OF WIRING BY THE BOARD'S SPECIAL COUNSEL, GENERAL COUNSEL AND EXECUTIVE SECRETARY, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION AND THE EXECUTED DOCUMENTS BE FORWARDED TO SG CAPITAL FUND, LLC, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO THE BOARD'S SPECIAL COUNSEL, F. LOGAN DAVIDSON, P.C. AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEM, AND BE IT FURTHER

RESOLVED, THAT THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEM RETAIN A COPY OF THE EXECUTED DOCUMENTS FOR FILING PURPOSES:

DOCUMENTS

OPERATING AGREEMENT OF SG CAPITAL FUND, LLC

CAPITAL CONTRIBUTION AGREEMENT FOR SG CAPITAL FUND, LLC

YEAS – TRUSTEES BANDEMER, BEASLEY, MILTON, ORZECH, PEGG, SCOTT, STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

CLOSED SESSION (GSC PARTNERS)

BY MR. BANDEMER – SUPPORTED BY MR. SCOTT

CLOSED SESSION (GSC PARTNERS)

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:

YEAS – TRUSTEES BANDEMER, BEASLEY, MILTON, ORZECH, PEGG, SCOTT,
STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

The Board entered into Closed Session at 2:14 P.M.

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, MILTON, ORZECH, PEGG, SCOTT,
STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

The Board returned to Open Session at 2:18 P.M.

ASI ADVISORS (TRADE WINDS AIRLINES, INC.)

BY MR. BEASLEY – SUPPORTED BY MR. STEWART

RESOLVED, THAT DONALD WATKINS AND ANY ASSOCIATES OF HIS CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION PURPOSES (GLOBAL AIR CARGO):

YEAS – TRUSTEES BANDEMER, BEASLEY, MILTON, ORZECH, PEGG, SCOTT,
STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

RACINE & ASSOCIATES

BY MR. ORZECH – SUPPORTED BY MR. PEGG

RESOLVED, THAT MARIE RACINE AND ANY ASSOCIATES OF HER CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD TO DISCUSS RACINE & ASSOCIATES' SPECIAL LEGAL COUNSEL SERVICES.

YEAS – TRUSTEES BANDEMER, BEASLEY, MILTON, ORZECH, PEGG, SCOTT, STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

ENERGY INVESTORS FUNDS
UNITED STATES POWER FUND III, L.P.

BY MR. STEWART – SUPPORTED BY MR. PEGG

Whereas, The Board has been requested to execute a “Selection of Representative and Alternate Member of Investor Advisory Board” relative to the foregoing transaction, and

Whereas, The execution of said document has been reviewed and approved as to form by the Board’s Legal Counsel, Therefore Be It

Resolved, That George Orzech is selected as representative on the Investor Advisory Board and selects Susan Glaser (of the Board of Trustees of the General Retirement System of the City of Detroit) as his alternate, and be it further

Resolved, That said document be executed by two (2) authorized signatories on behalf of the Board, and be it further

Resolved, That the executed original document be forwarded to the appropriate party, and be it further

Resolved, That the Accounting Division of the Retirement System retain copies of said executed original document:

YEAS – TRUSTEES BANDEMER, BEASLEY, MILTON, ORZECH, PEGG, SCOTT, STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

REAL ESTATE CONSULTANT REQUEST FOR PROPOSAL

BY MR. BANDEMER – SUPPORTED BY MR. ORZECH

Whereas, On October 11, 2007, the Board terminated its Real Estate Consulting Agreement with The Townsend Group, and

Whereas, Chairman Best directed staff to submit a request for proposal to replace The Townsend Group, and

Whereas, Only One (1) response was received by the RFP deadline, December 6, 2007, Therefore Be It

Resolved, That the RFP deadline be extended until January 15, 2008.

YEAS – TRUSTEES BANDEMER, BEASLEY, MILTON, ORZECH, PEGG, SCOTT,
STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

PENN CAPITAL MANAGEMENT

BY MR. BANDEMER – SUPPORTED BY MR. ORZECH

RESOLVED, THAT PENN CAPITAL MANAGEMENT BE PLACED ON THE BOARD'S INTERNAL "WATCH LIST":

YEAS – TRUSTEES BANDEMER, BEASLEY, MILTON, ORZECH, PEGG, SCOTT,
STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

ACCESS CAPITAL

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

RESOLVED, THAT RONALD HOMER AND ANY ASSOCIATES OF HIS CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION PURPOSES (FIXED INCOME):

YEAS – TRUSTEES BANDEMER, BEASLEY, MILTON, ORZECH, PEGG, SCOTT,

STEWART, TALABI AND CHAIRMAN BEST – 9

ACCESS CAPITAL

NAYS – NONE

RIVERFRONT APARTMENTS

BY MR. BEASLEY – SUPPORTED BY MR. MILTON

RESOLVED, THAT HERBERT STRATHER AND ANY ASSOCIATES OF HIS CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION PURPOSES (CONDO OWNERSHIP):

YEAS – TRUSTEES BANDEMER, BEASLEY, MILTON, ORZECH, PEGG, SCOTT, STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

PUBLIC FORUM

AT 3:10 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 3:13 P.M. UNTIL THURSDAY, DECEMBER 13, 2007 AT 9:00 A.M., IN ROOM 910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

CYNTHIA A. THOMAS
ASSISTANT EXECUTIVE SECRETARY