

MEETING NUMBER 2587

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



**PROCEEDINGS HELD THURSDAY, AUGUST 3, 2006
9:00 A.M.
CONFERENCE ROOM OF THE RETIREMENT SYSTEMS
910 COLEMAN A. YOUNG MUNICIPAL CENTER
DETROIT, MICHIGAN 48226**



PRESENT

Marty Bandemer	Elected Trustee
Gregory Best	Elected Trustee & Vice Chairperson
Gary Christian	Ex/Officio Alternate Trustee
Seth Doyle	Ex/Officio Alternate Trustee
Frank English	Elected Trustee & Chairperson
James Moore	Elected Trustee
Paul Stewart	Elected Trustee
Alberta Tinsley-Talabi	Ex/Officio Trustee
Walter Stampor	Executive Secretary
Cynthia Thomas	Assistant Executive Secretary
Janet S. Lenear	Recording Secretary
Terri Lawrence	Recording Secretary
Ronald Zajac	Legal Counsel
Richard Huddleston	Investment Analyst

EXCUSED

Jeffrey Beasley	Ex/Officio Trustee
DeDan Milton	Ex/Officio Trustee
George Orzech	Elected Trustee

ABSENT

None

CHAIRPERSON

Frank English

ROLL CALL WAS TAKEN AT 9:06 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

CANYON CAPITAL REALTY ADVISORS, LLC

BY MR. BEST – SUPPORTED BY MR. BANDEMER

Whereas, The Board has been presented with a July 31, 2006 communication from Canyon Capital Realty Advisors, LLC wherein Canyon requests that the Board fund its portion of the Capital Installment due for Canyon Capital Realty Advisors, LLC in the amount of **\$7,360.30**, 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, Doyle, Stewart and Chairman English – 5

Nays – None

CONFIRMATIONS

BY MR. BEST – SUPPORTED BY MR. STEWART

RESOLVED, THAT THE RECEIPTS WHICH ARE OUTLINED BELOW BE CONFIRMED:

CONFIRMATIONS

Yeas – Trustees Bandemer, Best, Doyle, Stewart and Chairman English – 5

Nays – None

CONFIRMATIONS

THE BOARD RECEIVED THE SUM OF **\$9,218,424.42** ON JULY 28, 2006 FROM THE SALE OF THE FLORIDA MALL (SOLD JULY 14, 2006)

THE BOARD RECEIVED THE SUM OF **\$39,583.34** ON JULY 26, 2006 FROM HIGH POINT II (MIDLAND)

THE BOARD RECEIVED THE SUM OF **\$92.76** ON JULY 28, 2006 – SEC SPECIALIST SETTLEMENT FUND

THE BOARD RECEIVED THE SUM OF **\$20,000.00** ON JULY 31, 2006 FROM FAM-GLOBAL – DUE DILIGENCE FEE

THE BOARD RECEIVED THE SUM OF **\$676,128.41** ON JULY 21, 2006 FROM RREEF AMERICA II – 2006 SECOND QUARTER DISTRIBUTION

THE BOARD RECEIVED THE SUM OF **\$7,714.13** ON AUGUST 2, 2006 FROM ANTHONY ARMSTRONG FOR THE PURCHASE OF 32 MONTHS OF MILITARY SERVICE CREDIT

MINUTES OF THURSDAY, JULY 13, 2006

MINUTES OF THURSDAY, JULY 20, 2006

BY MR. BEST – SUPPORTED BY MR. STEWART

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY, **JULY 13, 2006** BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY, AND BE IT FURTHER

MINUTES OF THURSDAY, JULY 13, 2006
MINUTES OF THURSDAY, JULY 20, 2006

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY, **JULY 20, 2006** BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

Yeas – Trustees Bandemer, Best, Doyle, Stewart and Chairman English – 5

Nays – None

BILL PAYMENT REQUESTS

BY MR. BANDEMER – SUPPORTED BY MR. DOYLE

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

ADVENT CAPITAL MANAGEMENT – JUNE 30, 2006 - \$74,469.59 – 2006 SECOND QUARTER FEES

BANYAN REALTY ADVISORS – JULY 27, 2006 - \$47,531.94 – 2006 SECOND QUARTER FEES

CALAMOS – JULY 25, 2006 - \$161,983.59 – 2006 SECOND QUARTER FEES

BILL PAYMENT REQUESTS

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

CREDIT SUISSE – JULY 24, 2006 - \$31,301.29 – 2006 SECOND QUARTER FEES

EVALUATION GROUP – MARCH 3, 2006 - \$840.00 – KAREN FRABOTTA TRANSCRIPT PREPARATION FEE

FISHER INVESTMENTS – JULY 11, 2006 - \$170,823.27 – 2006 SECOND QUARTER FEES

FORMS TRAC – JULY 21, 2006 - \$46.32 – POLICE AND FIRE PORTION OF \$92.63 – BUSINESS CARDS

FORMS TRAC – JULY 21, 2006 - \$30.37 – POLICE AND FIRE PORTION OF \$60.74 – BUSINESS CARDS

HSBC – JULY 20, 2006 - \$27,343.08 – 2006 SECOND QUARTER FEES

HSBC – JULY 20, 2006 - \$81,184.10 – 2006 SECOND QUARTER FEES

IKON OFFICE SOLUTIONS – JULY 15, 2006 - \$270.76 – POLICE AND FIRE PORTION OF \$541.52 – CONTRACT/MISCELLANEOUS SERVICES

MAYFIELD GENTRY REALTY ADVISORS – AUGUST 2, 2006 - \$79,496.03 – 2006 SECOND QUARTER FEES

MERRILL LYNCH – JULY 26, 2006 - \$20,611.42 – 2006 SECOND QUARTER FEES

NORTH POINT ADVISORS – JULY 13, 2006 - \$20,000.00 – FA-GLOBAL DUE DILIGENCE

BILL PAYMENT REQUESTS

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

HAROLD LAMKIN – JULY 31, 2006 - \$4,396.41 – JULY, 2006
COMPUTER FEES

FRANK LEARNED – JULY 31, 2006 - \$4,744.22 – JULY, 2006
COMPUTER FEES

ANITA LINET – JULY 31, 2006 - \$2,662.79 – JULY, 2006 COMPUTER
FEES

DENNIS LINET – JULY 31, 2006 - \$5,226.95 – JULY, 2006 COMPUTER
FEES

MIKE POWNING – JULY 31, 2006 - \$4,781.70 – JULY, 2006
COMPUTER FEES

SANJAY PRASAD – JULY 30, 2006 - \$7,293.00 – JULY, 2006
COMPUTER FEES

RONALD REEVES – JULY 31, 2006 - \$5,760.00 – JULY, 2006
COMPUTER FEES

RAY TCHOU – JULY 31, 2006 - \$7,728.00 – JULY, 2006 COMPUTER
FEES

ED ZARZYCKI – JULY 31, 2006 - \$3,900.00 – JULY, 2006 COMPUTER
FEES

Yeas – Trustees Bandemer, Best, Doyle, Stewart and Chairman
English – 5

Nays – None

EX/OFFICIO TRUSTEE CHRISTIAN ENTERED THE MEETING.

ALLEGANT CAPITAL

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT WILLIAM GRUITS AND ANY ASSOCIATE OF HIS CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION PURPOSES:

Yeas – Trustees Bandemer, Best, Christian, Doyle, Stewart and Chairman English – 6

Nays – None

LANGE LIMITED, LLC

BY MR. DOYLE – SUPPORTED BY MR. CHRISTIAN

RESOLVED, THAT DORIAN LANGE AND ANY ASSOCIATE OF HIS CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION PURPOSES:

Yeas – Trustees Bandemer, Best, Christian, Doyle, Stewart and Chairman English – 6

Nays – None

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING MESIROW, SCHIMECK VERSUS SCHIMECK, TEKELEC SECURITIES, SCOTTISH RE: GROUP AND PAR PHARMACEUTICALS.

TRUSTEE MOORE ENTERED THE MEETING.

**SCHIMECK VERSUS SCHIMECK
MACOMB COUNTY CASE NUMBER 05-3315-DM**

BY MR. DOYLE - SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD IS IN RECEIPT OF A JULY 26, 2006 STIPULATED ORDER TO AMEND JUDGMENT OF DIVORCE AND ELIGIBLE DOMESTIC RELATIONS ORDER DATED JULY 26, 2006 WHEREIN LESLIE SCHIMECK IS AWARDED CERTAIN RIGHTS TO THE DEFINED CONTRIBUTION PLAN BENEFITS ONLY OF JOHN SCHIMECK WHO IS CURRENTLY AN ACTIVE EMPLOYEE, AND

WHEREAS, PARTICIPANT'S DATE OF BIRTH IS FEBRUARY 1, 1961, AND, TO DATE, PARTICIPANT HAS ATTAINED 15 YEARS AND 02 MONTHS OF SERVICE CREDIT, AND

WHEREAS, ALTERNATE PAYEE IS ENTITLED TO CLAIM A PORTION OF PARTICIPANT'S DEFINED CONTRIBUTION PLAN, PAYMENT OF WHICH IS SUBJECT TO PARTICIPANT'S ELIGIBILITY FOR WITHDRAWAL FROM DEFINED CONTRIBUTION PLAN AND FURTHER SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, AND

WHEREAS, ALTERNATE PAYEE IS NOT ENTITLED TO CLAIM A PORTION OF PARTICIPANT'S DEFINED BENEFIT PLAN, AND

WHEREAS, DEFINED CONTRIBUTION PLAN AMOUNTS CAN BE MADE TO THE PARTICIPANT OR THE ALTERNATE PAYEE UPON PARTICIPANT ATTAINING 25 YEARS OF SERVICE CREDIT OR UPON PARTICIPANT OTHERWISE BEING ELIGIBLE TO WITHDRAW AMOUNTS FROM THE DEFINED CONTRIBUTION PLAN AND FURTHER SUBJECT TO APPLICATION FOR SAME BEING MADE BY THE PARTY SEEKING PAYMENT, AND

WHEREAS, SAID MATTER HAS BEEN DISCUSSED WITH LEGAL COUNSEL WHO HAS OPINED THAT THE APPLICABLE TERMS OF SAID COURT ORDER ARE CONSISTENT WITH THE PROVISIONS OF THE RETIREMENT SYSTEM AND APPLICABLE LAW, INCLUDING PUBLIC ACT 46 OF 1991 (MCLA 38.1701), AS APPLICABLE, THEREFORE BE IT

RESOLVED, THAT THE BOARD ACKNOWLEDGE RECEIPT OF SAID COURT ORDER AND PAY PENSION BENEFITS CONSISTENT WITH SAID COURT ORDER, A COPY OF THIS RESOLUTION BE IMMEDIATELY ATTACHED AS THE TOP SHEET OF THE PENSION FILE, OTHER APPROPRIATE RECORDS BE RETAINED BY THE RETIREMENT SYSTEM RELATIVE TO THIS MATTER, AND A COPY OF THIS RESOLUTION BE FORWARDED TO LESLIE SCHIMECK, JOHN SCHIMECK AND ATTORNEY VINCENZO MANZELLA:

**YEAS - TRUSTEES BANDEMER, BEST, CHRISTIAN, DOYLE, MOORE, STEWART AND
CHAIRMAN ENGLISH - 7**

NAYS - NONE

TEKELEC SECURITIES

LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH A COPY OF A JULY 31, 2006 COMMUNICATION FROM SPECIAL COUNSEL BERNSTEIN, LITOWITZ, BERGER AND GROSSMAN TO THE BOARD REGARDING THE ABOVE-CAPTIONED MATTER.

SCOTTISH RE: GROUP

LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH A COPY OF A JULY 31, 2006 COMMUNICATION FROM SPECIAL COUNSEL BERNSTEIN, LITOWITZ, BERGER AND GROSSMAN TO THE BOARD REGARDING THE ABOVE-CAPTIONED MATTER.

PAR PHARMACEUTICALS

LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH A COPY OF AN AUGUST 1, 2006 COMMUNICATION FROM SPECIAL COUNSEL BERNSTEIN, LITOWITZ, BERGER AND GROSSMAN TO THE BOARD REGARDING THE ABOVE-CAPTIONED MATTER.

MMA

PAUL BERNARD AND TWO ASSOCIATES APPEARED BEFORE THE BOARD AND DISCUSSED THE RESTRUCTURING OF MIDLAND'S AFFORDABLE HOUSING GROUP TRUST AND THEN EXCUSED THEMSELVES.

EX/OFFICIO TRUSTEE TALABI ENTERED THE MEETING DURING MMA'S PRESENTATION.

THE BOARD THEN EXCUSED MR. BERNARD AND HIS ASSOCIATES.

EX/OFFICIO TRUSTEE TALABI TEMPORARILY EXCUSED HERSELF.

BANYAN REALTY ADVISORS

LOU VOGT APPEARED BEFORE THE BOARD, DISCUSSED WASHINGTON PLAZA, THE ATHENEUM HOTEL AND SOLITRON AND THEN EXCUSED HIMSELF.

J. P. MORGAN

CLARENCE LEWIS AND TWO ASSOCIATES APPEARED BEFORE THE BOARD, DISCUSSED HIGHBRIDGE CAPITAL PARTNERS, LLC AND THEN EXCUSED THEMSELVES.

UBS

BILL FERRI AND KONSTANTIN KOLOSKOV APPEARED BEFORE THE BOARD TO DISCUSS HEDGE FUND INVESTMENTS AND THE O'CONNOR GLOBAL MULTI-STRATEGY ALPHA FUND. ADRIAN ANDERSON OF NORTH POINT ADVISORS JOINED THE BOARD IN LISTENING TO UBS' PRESENTATION.

THE BOARD THEN EXCUSED MESSRS. FERRI AND KONSTANTIN.

THE BOARD RECESSED AT 12:40 P.M. AND RECONVENED AT 1.00 P.M.

EX/OFFICIO TRUSTEE TALABI RE-JOINED THE MEETING DURING RECESS.

SENECA CAPITAL

SAM AUSTIN APPEARED BEFORE THE BOARD, DISCUSSED COLLATERALIZED LOAN OBLIGATIONS AND THE NOB HILL CLO PROJECT.

SENECA CAPITAL

THE BOARD THEN EXCUSED MR. AUSTIN.

NORTH POINT ADVISORS

ADRIAN ANDERSON DISCUSSED THE BOARD'S SMALL-CAP MANAGER SEARCH AND RECOMMENDED THAT THE BOARD INTERVIEW THREE OR FOUR OF THE FINALISTS.

UBS

By Mr. Stewart – Supported by Mr. Bandemer

Whereas, The Board has been presented with an investment proposal from UBS, and

Whereas, The Board desires due diligence on said proposal, Therefore Be It

Resolved, That North Point Advisors be engaged to perform due diligence on the proposal and submit a written report of their findings to the Board:

Yeas – Trustees Bandemer, Best, Christian, Doyle, Moore, Stewart, Talabi and Chairman English – 8

Nays – None

WASHINGTON PLAZA

BY MR. DOYLE – SUPPORTED BY MR. CHRISTIAN

WHEREAS, THE BOARD IS IN RECEIPT OF AN AUGUST 2, 2006 COMMUNICATION FROM BANYAN REALTY ADVISORS, LLC INFORMING THE BOARD OF THE CABLE TELEVISION CONTRACT TO BE ENTERED INTO WHICH INVOLVES A COST OF \$2,500.00 HIGHER THAN THE PRIOR CONTRACT WITH COMCAST, AND

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

RESOLVED, THAT THE BOARD HAS NO OBJECTION TO SAID ACTION BEING TAKEN BY BANYAN REALTY ADVISORS, LLC, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO BANYAN REALTY ADVISORS, LLC, ATTENTION: LOU VOGT:

Yeas – Trustees Bandemer, Best, Christian, Doyle, Moore, Stewart, Talabi and Chairman English – 8

Nays – None

J. P. MORGAN

BY MR. DOYLE – SUPPORTED BY MR. MOORE

Whereas, The Board has been presented with an investment proposal from J. P. Morgan, and

Whereas, The Board desires due diligence on said proposal, Therefore Be It

Resolved, That North Point Advisors be engaged to perform due diligence on the proposal and submit a written report of their findings to the Board:

Yeas – Trustees Bandemer, Best, Christian, Doyle, Moore, Stewart, Talabi and Chairman English – 8

Nays – None

PENN CAPITAL

By Mr. Stewart – Supported by Mr. Bandemer

WHEREAS, Staff has advised the Board that Penn Capital has requested clarification as to the asset value upon which the management fee for their account is to be based, and

WHEREAS, The Board has discussed this matter with General Counsel on this date, Therefore be it

RESOLVED, That the Assistant Executive Secretary be directed to send a letter to Penn Capital setting forth the Board's position as to the asset value upon which the management fee for their account is to be based:

PENN CAPITAL

Yeas – Trustees Bandemer, Best, Christian, Doyle, Moore, Stewart,
Talabi and Chairman English – 8

Nays – None

PUBLIC FORUM

AT 2:43 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 3:00 P.M. UNTIL THURSDAY, AUGUST 10, 2006 AT 9:00 A.M., IN ROOM 910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

ASSISTANT EXECUTIVE SECRETARY