

SPECIAL MEETING NUMBER 2669

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



PROCEEDINGS HELD THURSDAY, FEBRUARY 28, 2008

9:00 A.M.

IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS

910 COLEMAN A. YOUNG MUNICIPAL CENTER

DETROIT, MICHIGAN 48226



PRESENT

Jeffrey Beasley	Ex/Officio Trustee/Treasurer
Barbara-Rose Collins	Ex/Officio Trustee/Councilperson
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

Marty Bandemer	Elected Trustee/Vice Chairperson
Gregory Best	Elected Trustee/Chairperson
Shereece Fleming-Freeman	Ex/Officio Alternate Trustee
Walter Stampor	Executive Secretary

ABSENT

None

ACTING CHAIRPERSON

George Orzech

ROLL CALL WAS TAKEN AT 10:15 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

TRUSTEE PEGG ENTERED THE MEETING.

TRUSTEE MILTON ENTERED THE MEETING.

ASI ADVISORS/GVC NETWORKS

DONALD STUKES (VIA PHONE CONFERENCE), GEORGE MOORE, LEONARD WILLIAMS AND DONALD WATKINS DISCUSSED GVC NETWORKS AT LENGTH. ADRIAN ANDERSON, JIM MCTEVIA AND DON WAGNER JOINED THE BOARD IN LISTENING TO THE GENTLEMEN'S DISCUSSION.

SPECIAL LEGAL COUNSEL JOE TURNER ENTERED THE MEETING DURING GVC'S PRESENTATION, AS DID TRUSTEE SCOTT.

HAVING CONCLUDED THEIR DISCUSSION, THE BOARD THEN EXCUSED MESSRS. MOORE, WILLIAMS AND WATKINS.

Winstar Communications, LLC
Winstar Government Solutions, LLC (Plan Sponsor)
\$10,000,000 Loan ("Investment")

BY MS. COLLINS – SUPPORTED BY MR. SCOTT

Winstar Communications, LLC
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\$10,000,000 Loan (“Investment”)

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

WHEREAS, the Investment is in default, and

WHEREAS, the Lender has heretofore engaged the services of Adrian Anderson of North Point Advisors, LLC (“Due Diligence Advisor”) as the due diligence advisor, and

WHEREAS, the Lender has heretofore engaged the services of Donald A. Wagner of Couzens, Lansky, Fealk, Ellis, Roeder & Lazar, P.C. (“Special Legal Counsel”) as special legal counsel, and

WHEREAS, the Lender has heretofore engaged the services of James V. McTevia of McTevia, LLC as Trust Mortgagee (“Trust Mortgagee”), and

WHEREAS, the Due Diligence Advisor, Special Legal Counsel, and Trust Mortgagee have heretofore reported to the Lender pursuant to various written reports, copies which are in the file of the Lender, and

WHEREAS, the Lender has heretofore determined that it would be in the best interest of the Lender 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

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Trust Mortgagee, and subject to final approval of additional financing and further subject to the approval of the Due Diligence Advisor, Special Legal Counsel, Trust Mortgagee and General Counsel, and

WHEREAS, the Lender has received a presentation and written proposal entitled GVC Winstar Situation and Recommendations from ASI-Advisors, LLC (“ASI”) dated February 28, 2008 setting forth ASI’s analysis, options and initial plan in connection with the efforts to maximize the Lender’s recovery/minimize its losses which includes additional financial support (“ASI Proposal”), and

WHEREAS, the Lender has tentatively approved per discussion the recommendation pursuant to the 90 day “Turn Around Plan” (“ASI Plan”) as contained in the ASI Proposal to invest (collectively the “Additional Funds”) (1) an additional \$250,000 through the Trust Mortgagee for the purposes of paying such obligations of the Plan Sponsor and Trust Mortgagee as may be necessary to maintain the Plan Sponsor in the near term, and (2) an additional \$1,250,000 through the Trust Mortgagee subject to, and in accordance with, the following conditions precedent (“Conditions Precedent”), and

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- A. That the General Retirement System of the City of Detroit contribute equal amounts of additional funds.
- B. An executed written agreement among the Plan Sponsor, ASI and such other entities as may be required, memorializing among other matters, and more definitively set forth therein, management provisions, operations and control thereof, sources and uses of funds, budgets, projections, conditions of funding the Additional Funds and use of revenues, all subject to the approval of the Due Diligence Advisor, Special Legal Counsel, Trust Mortgagee, and General Counsel (“Approving Parties”); and
- C. An executed Trust Mortgage and such other security documents and instruments, and perfected security interest in all assets of GVC Network, LLC, and/or such other entities and/or other security and security documents and instruments, satisfactory to the Approving Parties, in favor of the Lender, and
- D. Obtaining such releases, waivers, and consents from the Plan Sponsor and such other entities as may be required by the Approving Parties, in favor of the Approving Parties and Lender, in form, substance and relating to such matters as the Approving Parties may require.
- E. Borrower and ASI complying with all other requirements of the Approving Parties.

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WHEREAS, ASI has further indicated that the Plan Sponsor is in agreement with the ASI Plan, including the Conditions Precedent, Therefore Be It

RESOLVED, that the Lender authorizes the Due Diligence Advisor, Special Legal Counsel, and Trust Mortgagee to proceed with the ASI Plan, and be it further

RESOLVED, that the Lender hereby approves (1) the initial disbursement of \$250,000.00, and (2) the additional distribution of \$1,250,000.00 when the Conditions Precedent have been met, and be it further

RESOLVED, that Special Legal Counsel, working in conjunction with the Trust Mortgagee, and Due Diligence Advisor, prepare such documents and instruments as may be necessary and/or appropriate in connection with the ASI Plan, and be it further

RESOLVED, that a copy of these Resolutions be forwarded to the Plan Sponsor, the Due Diligence Advisor, Special Legal Counsel, Trust Mortgagee, ASI and the Accounting Division of the Retirement System, and acknowledged by the Plan Sponsor, GVC Networks, LLC and ASI:

YEAS – TRUSTEES BEASLEY, COLLINS, MILTON, MOORE, PEGG,
SCOTT, STEWART AND ACTING CHAIRPERSON ORZECH –

8

NAYS - NONE

PUBLIC FORUM

AT 12:30 P.M., ACTING CHAIRPERSON ORZECH DECLARED THE MEETING IN OPEN FORUM FOR GENERAL DISCUSSION BY THE PUBLIC ATTENDING THE MEETING.

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD, ACTING CHAIRPERSON ORZECH ADJOURNED THE MEETING AT 12:32 P.M. UNTIL THURSDAY, MARCH 6, 2008 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