

MEETING NUMBER 2767

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



PROCEEDINGS HELD THURSDAY, JANUARY 7, 2010
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
Cheryl R. Johnson	Ex/Officio Trustee/Treasurer
Brenda Jones	Ex/Officio Trustee/Council Member
Kirk Lewis	Ex/Officio Trustee
James Mack	Ex/Officio Trustee/Fire Commissioner
James Moore	Elected Trustee/Vice Chairperson
Sean Neary	Elected Trustee
Jeffrey Pegg	Elected Trustee/Chairperson
Paul Stewart	Elected Trustee
Walter Stampor	Executive Secretary
Janet S. Lenear	Recording Secretary
Ronald Zajac	Legal Counsel
Joe Turner	Special Legal Counsel
Richard Huddleston	Investment Analyst

EXCUSED

Gregory Best	Elected Trustee
Ralph Godbee	Ex/Officio Trustee
Cynthia Thomas	Assistant Executive Secretary

ABSENT

None

CHAIRPERSON

Jeffrey Pegg

VICE CHAIRPERSON

James Moore

AT THE CHAIR'S DIRECTION, ROLL CALL WAS TAKEN AT 9:12 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

CHAIRMAN PEGG INTRODUCED COUNCIL MEMBER **BRENDA JONES**, WHO WILL SERVE AS CITY COUNCIL'S TRUSTEE REPRESENTATIVE ON THE BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM FOR A FOUR-YEAR TERM, TO THE BOARD.

RETIREMENTS

BY MR. MOORE – SUPPORTED BY MR. NEARY

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

RETIREMENTS

NAME, TITLE, DEPARTMENT: LISA DELOR – LIEUTENANT - FIRE
RETIREMENT TYPE, PLAN: SERVICE - NEW
SERVICE CREDIT: 25 06 13
EFFECTIVE DATE: 01 02 10

NAME, TITLE, DEPARTMENT: GRETA JOPES – COMMUNICATIONS/POLICE
OFFICER - POLICE
RETIREMENT TYPE, PLAN: SERVICE - NEW
SERVICE CREDIT: 24 02 13
EFFECTIVE DATE: 01 11 10

NAME, TITLE, DEPARTMENT: CLAYBURN LEWIS –
COMMUNICATIONS/POLICE OFFICER -
POLICE
RETIREMENT TYPE, PLAN: SERVICE - NEW

RETIREMENTS – CONTINUED

SERVICE CREDIT: 29 08 11
EFFECTIVE DATE: 01 05 10

NAME, TITLE, DEPARTMENT: STEVEN SOSA – OFFICER - POLICE
RETIREMENT TYPE, PLAN: SERVICE - NEW
SERVICE CREDIT: 24 08 08
EFFECTIVE DATE: 12 18 09

NAME, TITLE, DEPARTMENT: STEVIE PERRY – OFFICER - POLICE
RETIREMENT TYPE, PLAN: EARLY RETIREMENT - NEW
SERVICE CREDIT: 14 06 00
EFFECTIVE DATE: 11 16 09

YEAS – TRUSTEES JOHNSON, JONES, LEWIS, MOORE, NEARY AND CHAIR-
MAN PEGG – 6

NAYS – NONE

CONFIRMATIONS

BY MR. MOORE – SUPPORTED BY MR. NEARY

RESOLVED, THAT THE RECEIPTS AND DISBURSEMENTS WHICH ARE
REFERENCED ON PAGE 4 BE CONFIRMED:

YEAS – TRUSTEES JOHNSON, JONES, LEWIS, MOORE, NEARY AND CHAIR-
MAN PEGG – 6

NAYS – NONE

MINUTES OF DECEMBER 10, 2009

BY MR. LEWIS – SUPPORTED BY MR. NEARY

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY,
DECEMBER 10, 2009 BE APPROVED AS RECORDED AND SUBMITTED BY THE
BOARD'S RECORDING SECRETARY:

YEAS – TRUSTEES JOHNSON, JONES, LEWIS, MOORE, NEARY AND CHAIR-
MAN PEGG – 6

NAYS – NONE

CONFIRMATIONS

RECEIPTS-BNY

GSC Partners-CDO 11	12/16/09	Distribution	\$	520,661.00
Inland American Reit	12/16/09	Distribution		66,532.29
Doctors Hospital	12/16/09	Distribution		6,546.00
SG Mortgage Fund	12/16/09	Distribution		71,723.97
Washington Plaza	12/17/09	Distribution		150,000.00
General Fund	12/18/09	Weekly Annuity Contribution		309,676.50
Kales Building	12/18/09	Distribution		46,735.80
Liberty Mutual Energy 11	12/18/09	Distribution		22,348.90
Canyon Johnson Urban Fund	12/18/09	Distribution		76,340.17
One Kennedy Square	12/22/09	Distribution		20,000.00
Lafer Building	12/22/09	Distribution		6,810.70
SW Pelham Fund 111	12/28/09	Distribution		772,935.00
General Fund	12/28/09	Weekly Annuity Contribution		104,180.07
Tailwind Capital	12/29/09	Distribution		233,479.00
ICG Leaseback Fund	12/29/09	Distribution		73,000.30
RLJ Select Diversified	12/29/09	Distribution		1,625,000.00
USPF 111 Leveraged Feeder	12/31/09	Distribution		88,226.80
Liberty Life CV-USPF 11	12/31/09	Distribution		223,785.00
General Fund	12/31/09	Weekly Annuity Contribution		309,975.93
Touchstone Opportunity 1V	01/04/10	Distribution		259,009.16
Falconhead Capital Partners	01/04/10	Distribution		67,870.00
Pronous Offshore Fund	01/04/10	Distribution		150,353.26
General Fund	01/05/10	5th Installment City Contribution		2,569,126.59

TOTAL RECEIPTS \$ 7,774,316.44

DISBURSEMENTS-BNY

USPF 111 Blocker Fund	12/17/09	Capital Call	\$	592,593.00
Oracle Capital Partners	12/17/09	Capital Call		618,750.00
Oracle Capital Partners	12/17/09	Capital Call		247,500.00
Michigan Mutual Office Complex	12/18/09	Capital Call		1,610.00
MayfieldGentry Realty Advisors	12/18/09	Fees, December'09		229,825.76
General Fund	12/22/09	List # 3340		270,248.20
First Independence National Bank	12/22/09	Checkwrite		330,093.98
Ronald Zajac	12/22/09	Retainers Fee, December'09		17,734.73
Perseus Partners VII	12/28/09	Capital Call		138,463.00
Petty Cash	12/28/09	Replenishment		500.00
First Independence National Bank	12/29/09	Retired Payroll-December'09-Direct Deposits		17,895,989.60
Black Eagle	12/29/09	Capital Call		914,708.00
Prisa 11-Prudential	12/31/09	Capital Call		344,000.00
First Independence National Bank	01/04/10	Retired Payroll-December'09-Checks		2,653,721.72
Falconhead Capital Partners	01/04/10	Capital Call		84,640.00
Syndicated Communications	01/04/10	Capital Call		168,559.00

TOTAL DISBURSEMENTS \$ 24,508,936.99

LEGAL COUNSEL **RONALD ZAJAC** ENTERED THE MEETING.

COUZENS, LANSKY, ELLIS, FEALK, ROEDER & LAZAR, P.C.

SPECIAL LEGAL COUNSEL **DON WAGNER** ASKED THE BOARD TO ENTER INTO CLOSED SESSION FOR THE PURPOSE OF DISCUSSING MATTERS INVOLVING ATTORNEY/CLIENT PRIVILEGE.

CLOSED SESSION

BY MS. JOHNSON – SUPPORTED BY MR. LEWIS

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

CLOSED SESSION

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES JOHNSON, JONES, LEWIS, MOORE, NEARY AND CHAIRMAN PEGG – 6

NAYS – NONE

The Board entered into Closed Session at 9:20 A.M.

TRUSTEE **BANDEMER** ENTERED THE MEETING DURING CLOSED SESSION.

TRUSTEE **STEWART** ENTERED THE MEETING DURING CLOSED SESSION.

OPEN SESSION

BY MR. MOORE – SUPPORTED BY MR. NEARY

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES BANDEMER, JOHNSON, JONES, LEWIS, MOORE, NEARY, STEWART AND CHAIRMAN PEGG – 8

NAYS – NONE

The Board returned to Open Session at 9:50 A.M.

CLOSED SESSION DISCUSSIONS

DURING CLOSED SESSION, SPECIAL LEGAL COUNSEL **DON WAGNER** DISCUSSED GVC AND DOTT INDUSTRIES.

TRUSTEES **LEWIS** AND **JOHNSON** DISCUSSED THEIR MEETING WITH DOTT MANAGEMENT.

GVC NETWORKS, INC.
WINSTAR COMMUNICATIONS, LLC
WINSTAR GOVERNMENT SOLUTIONS, LLC \$10,000,000.00 ("ORIGINAL INVESTMENT")

BY MR. NEARY – SUPPORTED BY MR. MOORE

WHEREAS, the Police and Fire Retirement System of the City of Detroit ("PFRS") has made the above-referenced Original Investment, and

WHEREAS, said Investment is in default, and

WHEREAS, PFRS has engaged the services of Donald A. Wagner of Couzens, Lansky, Fealk, Ellis, Roeder & Lazar, P.C. as the Board's Special Legal Counsel ("Special Legal Counsel") to pursue all legal remedies on behalf of the Board to maximize recovery and minimize loss with respect to the Original Investment, and

WHEREAS, the collateral included in this Original Investment included certain Competitive Local Exchange Carrier ("CLEC") licenses which licenses allow telecommunications businesses to provide services including local, long distance and wireless communications ("Licenses"), and

WHEREAS, PFRS has previously been advised that it has received the assistance of Scott Birdwell, and various entities in which he owns an interest (collectively the "Potential Joint Venture Participant"), and

WHEREAS, the Potential Joint Venture Participant had expressed an interest in creating an entity to be owned by the PFRS, General Retirement System of the City of Detroit, and Potential Joint Venture Participant to acquire the Licenses, and

WHEREAS, PFRS previously approved and executed Articles of Incorporation, SS-4 Form, By-Laws and Stock Certificate(s) for the formation of Michigan corporations respectively known as Winstar-RSCD, Inc. ("Newco") and Winstar-RSCD Holding, Inc. ("Holding Co.") ("collectively the "Joint Venture Entities"), and

WHEREAS, PFRS has been advised by Special Counsel that the Licenses have been acquired by Newco, and

WHEREAS, PFRS has previously approved the engagement by Special Counsel of Franklin Advisors as Due Diligence Advisor with respect to the Potential Joint Venture Participant and Joint Venture Entities, and

WHEREAS, PFRS has been advised by the Due Diligence Advisor in accordance with Phase 1, Phase 2 and Phase 3 that it recommends pursuing,

GVC NETWORKS, INC.
WINSTAR COMMUNICATIONS, LLC
WINSTAR GOVERNMENT SOLUTIONS, LLC \$10,000,000.00 ("ORIGINAL INVESTMENT")

together with Special Counsel, final projections, structure, required capital investment (anticipated to be approximately \$1,500,000.00) and other business, financial, due diligence and legal matters in connection with the acquisition by the Joint Venture Participant, directly and/or indirectly, of 50% of the stock Holding Co. ("Phase 4"), and

WHEREAS, in connection with Phase 4, PFRS has been requested to approve for the Due Diligence Advisor an hourly rate of \$300.00 per hour, with a 20% discount, and an approximate estimated cost of \$15,000.00 (\$7,500.00 for PFRS), Therefore be it

RESOLVED, that the Board approves Phase 4 for the Due Diligence Advisor and the payment of one-half of the Due Diligence Advisor Fee in the approximate estimated amount of \$7,500.00, and be it further

RESOLVED, that Special Counsel and the Due Diligence Advisor are authorized to proceed with Phase 4 and present their recommendations in final form to PFRS, and be it further

RESOLVED, that the Board approves Phase 4 for the Due Diligence Advisor and the payment of one-half of the Due Diligence Advisor Fee in the approximate estimated amount of \$7,500.00, and be it further

RESOLVED, that Special Counsel and the Due Diligence Advisor are authorized to proceed with Phase 4 and present their recommendations in final form to PFRS, and be it further

RESOLVED, that a copy of this resolution be forwarded to special legal counsel Don Wagner, and the Accounting Division of the Retirement System:

YEAS – TRUSTEES JOHNSON, JONES, LEWIS, MOORE, NEARY AND CHAIR-
MAN PEGG – 6

NAYS – NONE

ABSTAIN – TRUSTEES BANDEMER AND STEWART - 2

LAVELLE WHITAKER HEARING

POLICE OFFICER **LAVELLE WHITAKER** APPEARED BEFORE THE BOARD TO DISCUSS THE POLICE DEPARTMENT'S APPLICATION FOR HIS NON-DUTY DISABILITY RETIREMENT SO THE BOARD ENTERED INTO CLOSED SESSION.

CLOSED SESSION

BY MR. LEWIS – SUPPORTED BY MR. MOORE

Resolved, That the Board enter into Closed Session for the purpose of discussing matters involving Lavelle Whitaker:

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES BANDEMER, JOHNSON, JONES, LEWIS, MOORE, NEARY,
STEWART AND CHAIRMAN PEGG – 8

NAYS – NONE

The Board entered into Closed Session at 10:05 A.M.

TRUSTEE **MACK** ENTERED THE MEETING DURING CLOSED SESSION.

OPEN SESSION

BY MS. JONES – SUPPORTED BY MR. LEWIS

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES BANDEMER, JOHNSON, JONES, LEWIS, MACK, MOORE,
NEARY, STEWART AND CHAIRMAN PEGG – 9

NAYS – NONE

The Board returned to Open Session at 10:25 A.M. and Mr. Whitaker and Court Reporter Courtney Przeadzki were excused.

LAVELLE WHITAKER HEARING

DURING CLOSED SESSION, LEGAL COUNSEL **RONALD ZAJAC** CONDUCTED THE HEARING AND COURT REPORTER **COURTNEY PRZEADZKI** MADE A TRANSCRIPT OF THE PROCEEDINGS. EACH BOARD AND ADMINISTRATIVE STAFF MEMBER WAS PRESENTED WITH A COPY OF UMPIRE **GEORGE**

LAVELLE WHITAKER HEARING

ROUMELL'S OCTOBER 22, 2009 OPINION AND AWARD WHEREIN UMPIRE **ROUMELL** OPINES THAT MR. **WHITAKER'S** DISABILITY IS DUTY-RELATED.

THE FOREGOING WILL BE RE-ADDRESSED AT THE BOARD'S NEXT REGULARLY SCHEDULED MEETING, JANUARY 14, 2010.

TRUSTEES **LEWIS** AND **JOHNSON** TEMPORARILY EXCUSED THEMSELVES.

EXECUTIVE SECRETARY'S REPORTS

EXECUTIVE SECRETARY **WALTER STAMPOR** PROVIDED EACH BOARD AND ADMINISTRATIVE STAFF MEMBER WITH COPIES OF THE FOLLOWING DOCUMENTS:

BOARD'S JANUARY 5, 2010 LETTER (AND ACCOMPANYING DECEMBER 17, 2009 RESOLUTION) TO ALL CONSULTANTS, ADVISORS, INVESTMENT MANAGERS AND SPECIAL LEGAL COUNSEL REGARDING PRESENT/FUTURE INSURANCE REQUIREMENTS

JANUARY 6, 2010 LETTER FROM BANYAN REALTY ADVISORS REGARDING INHERITANCE CAPITAL GROUP (PRESS ARTICLE)

JANUARY 5, 2010 LETTER FROM SPECIAL LEGAL COUNSEL BERNSTEIN, LITOWITZ, BERGER & GROSSMANN REGARDING TICKETMASTER ENTERTAINMENT

EVALUATION GROUP'S DECEMBER 23, 2009 REPORT REGARDING ALVIN BROWN'S RETURN TO WORK REQUEST

ALVIN BROWN RETURN TO WORK REQUEST

CHAIRMAN PEGG DIRECTED THAT THE EVALUATION GROUP'S DECEMBER 23, 2009 REPORT (FROM PSYCHIATRIST ELLIOTT WOLF) OPINING THAT **ALVIN BROWN** IS CAPABLE OF RETURNING TO UNRESTRICTED DUTY WITHIN THE POLICE DEPARTMENT BE MADE A MATTER OF RECORD AND HE BE DIRECTED TO RETURN TO FULL DUTY.

TRUSTEE **JOHNSON** RE-JOINED THE MEETING.

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL **RONALD ZAJAC** DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING PFRS SAN DIEGO CORPORATION.

PFRS SAN DIEGO CORPORATION
CALIFORNIA 2009 ANNUAL STATEMENT OF INFORMATION

BY MR. STEWART – SUPPORTED BY MR. MOORE

Whereas, The Board is the sole shareholder of the Corporation, and

Whereas, The Board has been requested to approve the execution of the 2009 California Exempt Organization Annual Information Return dated January 7, 2010 by an officer of the corporation, and

Whereas, The execution of said document has been recommended by the Board's special legal counsel F. Logan Davidson, and

Whereas, The execution of said document has been reviewed and approved as to form by the Board's Legal Counsel, and the execution of said document is consistent with prior action of the Board, Therefore Be It

Resolved, That said document be executed by the appropriate corporate officer(s) on behalf of the Corporation and 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, and be it further

Resolved, That a copy of this resolution be forwarded to special legal counsel F. Logan Davidson, and the Accounting Division of the Retirement System:

YEAS – TRUSTEES BANDEMER, JOHNSON, JONES, MACK, MOORE, NEARY,
STEWART AND CHAIRMAN PEGG – 8

NAYS – NONE

SPECIAL LEGAL COUNSEL'S REPORTS

SPECIAL LEGAL COUNSEL **JOE TURNER** PROVIDED EACH BOARD AND ADMINISTRATIVE STAFF MEMBER WITH COPIES OF THE DOCUMENTS WHICH ARE REFERENCED AT THE END OF THESE PROCEEDINGS AND THEN REQUESTED THAT THE BOARD ENTER INTO CLOSED SESSION TO DISCUSS MATTERS INVOLVING ATTORNEY/CLIENT PRIVILEGE.

CLOSED SESSION

BY MR. STEWART – SUPPORTED BY MS. JOHNSON

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

CLOSED SESSION

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES BANDEMER, JOHNSON, JONES, MACK, MOORE, NEARY,
STEWART AND CHAIRMAN PEGG – 8

NAYS – NONE

The Board entered into Closed Session at 10:40 A.M.

OPEN SESSION

BY MR. BANDEMER – SUPPORTED BY MR. MOORE

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES BANDEMER, JOHNSON, JONES, MACK, MOORE, NEARY,
STEWART AND CHAIRMAN PEGG – 8

NAYS – NONE

The Board returned to Open Session at 11:11 A.M.

CLOSED SESSION DISCUSSIONS

DURING CLOSED SESSION, SPECIAL LEGAL COUNSEL JOE TURNER DISCUSSED PITG GAMING; PFRS, ET AL, VERSUS WATKINS, ET AL; FLYNN-GODVIN, ET AL, VERSUS RDD INVESTMENT CORPORATION, ET AL; WARNER, NORCROSS & JUDD VERSUS PFRS; MALHALAB, ET AL, VERSUS ANTHONY, ET AL, - COA MATTER; RIVERS CASINO; BLOOMBERG FOIA; FREEP.COM ARTICLES; AND BLOOMBERG.COM.

INVESCOR

MICHAEL LEIBOWITZ DISCUSSED THE PROCESS OF BUYING AND SELLING LIFE SETTLEMENT POLICIES.

TRUSTEE **LEWIS** RE-JOINED THE MEETING DURING INVESCOR'S PRESENTATION.

DEROY & DEVEREAUX

JEFFREY WARDLOW, THOMAS YOUNGBLOOD AND JOHN KRAKOWIAK
DISCUSSED ALL-CAP EQUITY INVESTING.

TRUSTEE **LEWIS** EXCUSED HIMSELF.

CONTINUATION OF SPECIAL LEGAL COUNSEL'S REPORTS

SPECIAL LEGAL COUNSEL **JOE TURNER** ASKED THE BOARD TO AGAIN
ENTER INTO CLOSED SESSION TO DISCUSS MATTERS INVOLVING
ATTORNEY/CLIENT PRIVILEGE.

CLOSED SESSION

BY MR. BANDEMER – SUPPORTED BY MR. MOORE

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, JOHNSON, JONES, MACK, MOORE, NEARY,
STEWART AND CHAIRMAN PEGG – 8

NAYS – NONE

The Board entered into Closed Session at 1:03 P.M.

OPEN SESSION

BY MR. MOORE – SUPPORTED BY MR. BANDEMER

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES BANDEMER, JOHNSON, JONES, MACK, MOORE, NEARY,
STEWART AND CHAIRMAN PEGG – 8

NAYS – NONE

The Board returned to Open Session at 1:48 P.M.

CLOSED SESSION DISCUSSIONS

DURING CLOSED SESSION, SPECIAL LEGAL COUNSEL TURNER DISCUSSED TRADEWINDS AIRLINES AND THE FORTHCOMING SAM RIDDLE TRIAL.

NEWSLETTER

CHAIRMAN PEGG DIRECTED THAT THE SYSTEM'S NEWSLETTER BE SENT TO DETROIT FREE PRESS REPORTER **JENNIFER DIXON**.

FEES AND EXPENSES

BY MR. BANDEMER – SUPPORTED BY MR. MOORE

WHEREAS, THE BOARD HAS BEEN PRESENTED WITH THE SUMMARY OF FEES AND EXPENSES WHICH ARE REFERENCED AT THE END OF THESE PROCEEDINGS 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 APPROVAL BY LEGAL COUNSEL AND SUBJECT TO STAFF AUDIT, THE BOARD APPROVES PAYMENT OF SAID FEES AND EXPENSES:

YEAS – TRUSTEES BANDEMER, JOHNSON, JONES, MACK, MOORE, NEARY, STEWART AND CHAIRMAN PEGG – 8

NAYS – NONE

CAPITAL CALLS

BY MR. NEARY – SUPPORTED BY MR. MOORE

WHEREAS, THE BOARD HAS BEEN PRESENTED WITH THE CAPITAL CALLS WHICH ARE REFERENCED AT THE END OF THESE PROCEEDINGS, AND

WHEREAS, THE BOARD HAS BEEN REQUESTED TO APPROVE FUNDING OF SAID CAPITAL CALLS, THEREFORE BE IT

RESOLVED, THAT SUBJECT TO FINAL APPROVAL OF ALL TRANSACTION DOCUMENTS BY THE BOARD'S LEGAL COUNSEL AND SUBJECT TO STAFF AUDIT, THE BOARD APPROVES FUNDING OF SAID CAPITAL CALLS:

YEAS – TRUSTEES BANDEMER, JOHNSON, JONES, MACK, MOORE, NEARY, STEWART AND CHAIRMAN PEGG – 8

CAPITAL CALLS

NAYS – NONE

TRUSTEE **LEWIS** RE-JOINED THE MEETING.

PLANTE MORAN AUDIT

THE BOARD DISCUSSED PLANTE MORAN'S AUDIT OF THE SYSTEM'S FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009 AS WELL AS PLANTE MORAN'S REPORT ON INTERNAL CONTROL, AUDIT RESULTS, SUMMARY OF UNRECORDED POSSIBLE ADJUSTMENTS AND OTHER RECOMMENDATIONS.

PUBLIC FORUM

AT **2:15 P.M.**, CHAIRMAN PEGG 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 PEGG ADJOURNED THE MEETING AT **2:20 P.M.** UNTIL THURSDAY, **JANUARY 14, 2010** AT 9:00 A.M., IN ROOM 910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

WALTER STAMPOR
EXECUTIVE SECRETARY

MATERIAL PRESENTED TO THE BOARD
BY SPECIAL LEGAL COUNSEL JOE TURNER

PITG GAMING – DECEMBER 20, 2009 E-MAIL AND ACCOMPANYING DECEMBER 9K 2009 LETTER TO MICHAEL SKLAR FROM SEAN HANNON OF THE BUREAU OF LICENSING

PFRS, ET AL, VERSUS WATKINS, ET AL – PLAINTIFFS’ RESPONSE IN OPPOSITION TO DEFENDANTS’ MOTION TO DISMISS CERTAIN CLAIMS OR FOR STAY (D.I. 78) AND REQUEST FOR SANCTIONS FILED DECEMBER 17, 2009; DEFENDANTS’ REPLY BRIEF IN SUPPORT OF MOTION TO DISMISS CERTAIN CLAIMS OR, IN THE ALTERNATIVE, FOR STAY OF PROCEEDINGS FILED DECEMBER 23, 2009; DEFENDANTS/THIRD PARTY PLAINTIFFS DONALD V. WATKINS AND WATKINS AVIATION, LLC’S RESPONSES TO PFRS’ FIRST SET OF DISCOVERY REQUESTS DATED DECEMBER 28, 2009

FLYNN-GODVIN, ET AL, VERSUS RDD INVESTMENT CORPORATION, ET AL – PRELIMINARY WITNESS LIST OF DEFENDANTS RDD INVESTMENT CORPORATION AND BOARD OF TRUSTEES OF PFRS DATED DECEMBER 21, 2009; DEFENDANT RDD INVESTMENT CORPORATION’S SECOND REQUEST FOR PRODUCTION OF DOCUMENTS TO PLAINTIFF BIRGID FLYNN GODVIN DATED DECEMBER 21, 2009; DEFENDANT RDD INVESTMENT CORPORATIONS SECOND REQUESTS FOR PRODUCTION OF DOCUMENTS TO PLAINTIFF MAUREEN ANN PORUBSKY DATED DECEMBER 21, 2009; DEFENDANT RDD INVESTMENT CORPORATION’S SECOND REQUESTS FOR PRODUCTION OF DOCUMENTS TO PLAINTIFF FRANCIS J. FLYNN DATED DECEMBER 21, 2009; PLAINTIFF’S WITNESS LIST DATED DECEMBER 22, 2009; MOTION TO WITHDRAW AS PLAINTIFFS’ COUNSEL DATED DECEMBER 22, 2009

WARNER, NORCROSS & JUDD VERSUS PFRS – DEFENDANTS’ MOTION TO COMPEL ANSWERS TO PFRS’ FIRST REQUEST FOR PRODUCTION OF DOCUMENTS TO PLAINTIFF DATED DECEMBER 22, 2009; DEFENDANTS’ FIRST SET OF REQUESTS FOR ADMISSION TO WARNER, NORCROSS & JUDD, LLP, DATED DECEMBER 22, 2009; DEFENDANTS’ FIRST SET OF INTERROGATORIES AND SECOND SET OF REQUESTS FOR PRODUCTION OF DOCUMENTS AND THINGS TO WARNER, NORCROSS & JUDD, LLP, DATED DECEMBER 22, 2009; DEFENDANTS’ SECOND SET OF INTERROGATORIES AND THIRD SET OF REQUESTS FOR PRODUCTION OF DOCUMENTS AND THINGS TO WARNER, NORCROSS & JUDD, LLP, DATED DECEMBER 23, 2009

MALHALAB, ET AL, VERSUS ANTHONY, ET AL – COA MATTER – COURT OF APPEALS ORDER GRANTING THE APPLICATIONS FOR LEAVE TO APPEAL LIMITED TO ISSUES RAISED IN APPLICATION DATED DECEMBER 23, 2009

RIVERS CASINO – INVESTORS’ PACKET FOR ANNUAL MEETING; UN-AUDITED FINANCIAL STATEMENTS OF HOLDING GAMING BORROWER, LP

**MATERIAL PRESENTED TO THE BOARD
BY SPECIAL LEGAL COUNSEL JOE TURNER**

BLOOMBERG FOIA – RESPONSE TO BLOOMBERG’S FEBRUARY 24, 2009 FOIA REQUEST (DOCUMENTS TOO VOLUMINOUS TO ATTACH)

FREEP.COM ARTICLES – ARTICLE TITLED “DETROIT POLICE, FIRE RETIREES CALL FOR A VOICE IN PENSIONS” DATED DECEMBER 21, 2009; ARTICLE TITLED “DETROIT PENSION LAWYER’S ROLE IN REAL ESTATE DEAL PROMPTS ETHICS PROBE” DATED DECEMBER 23, 2009; ARTICLE TITLED “DID DETROIT PENSION PROPERLY VET BUSINESSMAN ROBERT SHUMAKE?” DATED DECEMBER 31, 2009

BLOOMBERG.COM – ARTICLE TITLED “DETROIT SAYS \$8 BILLION PENSION PLANS BEING PROBED” DATED DECEMBER 31, 2009