

MEETING NUMBER 2790

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



PROCEEDINGS HELD THURSDAY, JUNE 17, 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
Gregory Best	Elected Trustee
Cheryl R. Johnson	Ex/Officio Trustee/Treasurer
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
Richard Huddleston	Investment Analyst
Ronald Zajac	Legal Counsel
Joe Turner	Special Legal Counsel

EXCUSED

Ralph Godbee	Ex/Officio Trustee
Brenda Jones	Ex/Officio Trustee/Council Member
Cynthia Thomas	Assistant Executive Secretary

ABSENT

None

CHAIRPERSON

Jeffrey Pegg

VICE CHAIRPERSON

James Moore

ROLL CALL WAS TAKEN AT 9:04 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

CLOSED SESSION

BY MR. BANDEMER – SUPPORTED BY MR. BEST

WHEREAS, The Board's Medical Director is now before the Board of Trustees of the Police and Fire Retirement System of the City of Detroit to discuss the medical and psychiatric reports of individuals who have applied for disability retirement and the medical and psychiatric reports of individuals who have received re-examinations, and

WHEREAS, The Michigan Open Meetings Act provides for Closed Sessions in certain circumstances, including the foregoing matter, and

WHEREAS, The Board has discussed this matter consistent with the Michigan Open Meetings Act, Therefore be it

RESOLVED, That the Board enter into Closed Session consistent with the Michigan Open Meetings Act:

A Roll Call vote was taken as follows:

CLOSED SESSION

Yeas – Trustees Bandemer, Best, Johnson, Neary, Stewart and  
Chairman Pegg – 6

Nays – None

The Board entered into Closed Session at 9:04 A.M.

OPEN SESSION

BY MR. STEWART – SUPPORTED BY MR. NEARY

Resolved, That the Board return to Open Session:

A Roll Call vote was taken as follows:

Yeas – Trustees Bandemer, Best, Johnson, Mack, Moore, Neary,  
Stewart and Chairman Pegg – 8

Nays – None

The Board returned to Open Session at 9:25 A.M. and the  
Board's Medical Director was excused for the remainder of the  
Meeting.

DISABILITY RETIREMENT APPLICATIONS

EMPLOYEE INFORMATION		MEDICAL DIRECTOR'S RECOMMENDATION	APPROVE	DENY	APPEAL
Name	TIMOTHY ADAMS	NOT DISABLED		X	
Title	INVESTIGATOR				
Department	POLICE				
Pension No.	199016				
Disability Type	NON-DUTY				
Plan	NEW - PDR				
Injury/Injuries	ALCOHOLISM				
SSN					

**DISABILITY RETIREMENT APPLICATIONS**

EMPLOYEE INFORMATION		MEDICAL DIRECTOR'S RECOMMENDATION	APPROVE	DENY	APPEAL
Name	RONALD BUTLER	DUTY DISABLED	X		
Title	SERGEANT				
Department	FIRE				
Pension No.	232475				
Disability Type	DUTY				
Plan	NEW				
Injury/Injuries	LEFT EAR				
SSN					

EMPLOYEE INFORMATION		MEDICAL DIRECTOR'S RECOMMENDATION	APPROVE	DENY	APPEAL
Name	HEATHER HALE	NOT REPORTED ON			
Title	OFFICER				
Department	POLICE				
Pension No.	238169				
Disability Type	DUTY				
Plan	NEW				
Injury/Injuries					
SSN					

EMPLOYEE INFORMATION		MEDICAL DIRECTOR'S RECOMMENDATION	APPROVE	DENY	APPEAL
Name	KEVIN JONES	DUTY DISABLED	X		
Title	OFFICER				
Department	POLICE				
Pension No.	233015				
Disability Type	DUTY				
Plan	NEW				
Injury/Injuries	BACK				
SSN					

EMPLOYEE INFORMATION		MEDICAL DIRECTOR'S RECOMMENDATION	APPROVE	DENY	APPEAL
Name	KRISTEN NEVIN	DUTY DISABLED	X		
Title	FIRE FIGHTER				
Department	FIRE				
Pension No.	236098				
Disability Type	DUTY				
Plan	NEW				
Injury/Injuries	NECK				
SSN					

**DISABILITY RETIREMENT APPLICATIONS**

EMPLOYEE INFORMATION		MEDICAL DIRECTOR'S RECOMMENDATION	APPROVE	DENY	APPEAL
Name	JUNIUS PERRY	DUTY DISABLED	X		
Title	FIRE FIGHTER				
Department	FIRE				
Pension No.	235414				
Disability Type	DUTY				
Plan	NEW				
Injury/Injuries	RIGHT SHOULDER				
SSN					

EMPLOYEE INFORMATION		MEDICAL DIRECTOR'S RECOMMENDATION	APPROVE	DENY	APPEAL
Name	LAVELLE WHITAKER	DUTY DISABLED	X		
Title	OFFICER				
Department	POLICE				
Pension No.	234581				
Disability Type	DUTY				
Plan	NEW				
Injury/Injuries	BACK				
SSN					

TRUSTEE JAMES MACK ENTERED THE MEETING.

TIMOTHY ADAMS – 199016

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE BOARD ACCEPT THE REPORT AND RECOMMENDATION OF ITS MEDICAL DIRECTOR REGARDING TIMOTHY ADAMS, AND BE IT FURTHER

RESOLVED, THAT BASED UPON THE BOARD'S MEDICAL DIRECTOR'S RECOMMENDATION, THE BOARD HEREBY DENIES THE POLICE DEPARTMENT'S APPLICATION FOR MR. ADAMS' NON-DUTY DISABILITY RETIREMENT, AND BE IT FURTHER

RESOLVED, THAT MR. ADAMS BE APPRISED OF HIS RIGHT TO APPEAL THE BOARD'S ACTION OF THIS DATE PURSUANT TO PROCEDURES ESTABLISHED BY COLLECTIVE BARGAINING:

Yeas – Trustees Bandemer, Best, Johnson, Mack, Neary, Stewart and  
 and Chairman Pegg – 7

TIMOTHY ADAMS – 199016

Nays – None

SPECIAL LEGAL COUNSEL JOE TURNER ENTERED THE MEETING.

RONALD BUTLER – 232475

BY MR. STEWART – SUPPORTED BY MR. BEST

RESOLVED, THAT THE BOARD ACCEPT THE REPORT AND RECOMMENDATION OF ITS MEDICAL DIRECTOR REGARDING RONALD BUTLER, AND BE IT FURTHER

RESOLVED, THAT BASED UPON THE BOARD'S MEDICAL DIRECTOR'S RECOMMENDATION, THE BOARD HEREBY APPROVES MR. BUTLER'S APPLICATION FOR DUTY DISABILITY RETIREMENT:

Yeas – Trustees Bandemer, Best, Johnson, Mack, Neary, Stewart and  
and Chairman Pegg – 7

Nays – None

HEATHER HALE – 238169

THE BOARD'S MEDICAL DIRECTOR INFORMED THE BOARD THAT MS. HALE'S APPLICATION FOR DUTY DISABILITY RETIREMENT WOULD NOT BE REPORTED ON THIS DATE BECAUSE SHE FAILED TO KEEP AN APPOINTMENT THAT WAS SCHEDULED ON HER BEHALF.

TRUSTEE JAMES MOORE ENTERED THE MEETING.

KEVIN JONES – 233015

BY MR. STEWART – SUPPORTED BY MR. BEST

RESOLVED, THAT THE BOARD ACCEPT THE REPORT AND RECOMMENDATION OF ITS MEDICAL DIRECTOR REGARDING KEVIN JONES, AND BE IT FURTHER

KEVIN JONES – 233015

RESOLVED, THAT BASED UPON THE BOARD'S MEDICAL DIRECTOR'S RECOMMENDATION, THE BOARD HEREBY APPROVES MR. JONES' APPLICATION FOR DUTY DISABILITY RETIREMENT:

Yeas – Trustees Bandemer, Best, Johnson, Mack, Moore, Neary, Stewart and Chairman Pegg – 8

Nays – None

KRISTEN NEVIN – 236098

BY MR. NEARY – SUPPORTED BY MR. STEWART

RESOLVED, THAT THE BOARD ACCEPT THE REPORT AND RECOMMENDATION OF ITS MEDICAL DIRECTOR REGARDING KRISTEN NEVIN, AND BE IT FURTHER

RESOLVED, THAT BASED UPON THE BOARD'S MEDICAL DIRECTOR'S RECOMMENDATION, THE BOARD HEREBY APPROVES MS. NEVIN'S APPLICATION FOR DUTY DISABILITY RETIREMENT:

Yeas – Trustees Bandemer, Best, Johnson, Mack, Moore, Neary, Stewart and Chairman Pegg – 8

Nays – None

JUNIUS PERRY – 235414

BY MR. BANDEMER – SUPPORTED BY MR. NEARY

RESOLVED, THAT THE BOARD ACCEPT THE REPORT AND RECOMMENDATION OF ITS MEDICAL DIRECTOR REGARDING JUNIUS PERRY, AND BE IT FURTHER

RESOLVED, THAT BASED UPON THE BOARD'S MEDICAL DIRECTOR'S RECOMMENDATION, THE BOARD HEREBY APPROVES MR. PERRY'S APPLICATION FOR DUTY DISABILITY RETIREMENT:

JUNIUS PERRY – 235414

Yeas – Trustees Bandemer, Best, Johnson, Mack, Moore, Neary, Stewart  
and Chairman Pegg – 8

Nays – None

LAVELLE WHITAKER – 234581

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE BOARD ACCEPT THE REPORT AND  
RECOMMENDATION OF ITS MEDICAL DIRECTOR REGARDING LAVELLE  
WHITAKER, AND BE IT FURTHER

RESOLVED, THAT BASED UPON THE BOARD'S MEDICAL DIRECTOR'S  
RECOMMENDATION, THE BOARD HEREBY APPROVES MR. WHITAKER'S  
APPLICATION FOR DUTY DISABILITY RETIREMENT:

Yeas – Trustees Bandemer, Best, Johnson, Mack, Moore, Neary, Stewart  
and Chairman Pegg – 8

Nays – None

ANNUAL RE-EXAMINATIONS

BY MR. BANDEMER – SUPPORTED BY MR. BEST

RESOLVED, THAT IN ACCORDANCE WITH THE RECOMMENDATION OF THE  
BOARD'S MEDICAL DIRECTOR, THE FOLLOWING DIRECTIVE BE FOLLOWED:

RE-EXAMINATIONS

NAME DEPARTMENT DISABILITY TYPE RE-EXAM NUMBER	CONTINUE ON DISABILITY RETIREMENT PAYROLLS WITH NEXT RE-EXAM IN ONE (1) YEAR	CONTINUE ON DISABILITY RETIREMENT PAYROLLS. <b>NO</b> <b>FURTHER</b> <b>RE-EXAMS</b> <b>REQUIRED</b>	CONTINUE ON DISABILITY RETIREMENT PAYROLLS AND <b>MUST RECEIVE</b> <b>NEXT RE-EXAM AT</b> <b>LOCAL CLINIC</b> <b>(IN DETROIT,</b> <b>MICHIGAN)</b>
JUNIUS DONALDSON – POLICE – DUTY – 2ND	X		

ANNUAL RE-EXAMINATIONS

Yeas – Trustees Bandemer, Best, Johnson, Mack, Moore, Neary, Stewart  
and Chairman Pegg – 8

Nays – None

RETIREMENTS – BY MR. STEWART - SUPPORTED BY MR. BANDEMER

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

RETIREMENTS

NAME, TITLE, DEPARTMENT: GREGORY JONES – INVESTIGATOR - P  
RETIREMENT TYPE, PLAN: SERVICE - NEW  
SERVICE CREDIT: 25 00 05  
EFFECTIVE DATE: 07 06 10

NAME, TITLE, DEPARTMENT: BILLY JACKSON – INSPECTOR - PCOA  
RETIREMENT TYPE, PLAN: SERVICE - NEW  
SERVICE CREDIT: 28 08 01  
EFFECTIVE DATE: 05 29 10

NAME, TITLE, DEPARTMENT: BURT LANCASTER – OFFICER - P  
RETIREMENT TYPE, PLAN: DUTY DISABILITY RETIREMENT CONVERSION -  
NEW  
SERVICE CREDIT: 25 00 00  
EFFECTIVE DATE: 07 29 10

Yeas – Trustees Bandemer, Best, Johnson, Mack, Moore, Neary, Stewart  
and Chairman Pegg – 8

Nays – None

DROP RETIREMENTS – BY MR. BANDEMER – SUPPORTED BY MR. STEWART

RESOLVED, THAT THE DROP APPLICATIONS WHICH ARE DESIGNATED  
BELOW BE APPROVED:

DROP RETIREMENTS

NAME, TITLE, DEPARTMENT: HERBERT MYLES – LIEUTENANT - P  
RETIREMENT TYPE, PLAN: DROP - NEW  
SERVICE CREDIT: 31 06 10  
EFFECTIVE DATE: 06 07 10

NAME, TITLE, DEPARTMENT: DEREK SEGARS – SUPERVISOR - F  
RETIREMENT TYPE, PLAN: DROP - NEW  
SERVICE CREDIT: 26 00 03  
EFFECTIVE DATE: 06 21 10

Yeas – Trustees Bandemer, Best, Johnson, Mack, Moore, Neary, Stewart  
and Chairman Pegg – 8

Nays – None

CONFIRMATIONS – BY MR. STEWART – SUPPORTED BY MR. BEST

RESOLVED, THAT THE RECEIPTS AND DISBURSEMENTS WHICH ARE  
REFERENCED AT THE END OF THESE PROCEEDINGS BE CONFIRMED:

Yeas – Trustees Bandemer, Best, Johnson, Mack, Moore, Neary, Stewart  
and Chairman Pegg – 8

Nays – None

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. STEWART – SUPPORTED BY MR. BEST

RESOLVED, THAT THE CONTRIBUTIONS (INCLUDING INTEREST) TO THE  
ANNUITY SAVINGS FUND BY MEMBERS OF THE POLICE AND FIRE RETIREMENT  
SYSTEM OF THE CITY OF DETROIT BE REFUNDED PENDING AUDIT BY  
RETIREMENT SYSTEM ACCOUNTING STAFF:

REFUND LIST NUMBER: 3359 – REFUND AMOUNT: \$644,148.96

Yeas – Trustees Bandemer, Best, Johnson, Mack, Moore, Neary, Stewart  
and Chairman Pegg – 8

Nays – None

MINUTES OF JUNE 3, 2010 – BY MR. BANDEMER – SUPPORTED BY MR. NEARY

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY, JUNE 3, 2010 BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

Yeas – Trustees Bandemer, Best, Johnson, Mack, Moore, Neary, Stewart and Chairman Pegg – 8

Nays – None

POLICE DEPARTMENT/FIRE DEPARTMENT ELECTION RESULTS

Chairman Pegg directed that a May 19, 2010 communication from Janice Holdinski of the American Arbitration Association indicating that Matthew Gnatek is declared to be duly elected to the office of Trustee of the Police and Fire Retirement System of the City of Detroit for the term commencing **July 1, 2010** and terminating **June 30, 2013** be made a matter of record and that Mr. Gnatek make arrangements to be administered the Oath of Office prior to **July 1, 2010**. Chairman Pegg also directed that a May 25, 2010 communication from Fire Commissioner James Mack indicating that Jeffrey Pegg is declared to be duly re-elected to the office of Trustee of the Police and Fire Retirement System of the City of Detroit for the term commencing **July 1, 2010** and terminating **June 30, 2013** be made a matter of record and that Mr. Pegg make arrangements to be administered the Oath of Office prior to **July 1, 2010**.

TRUSTEE KIRK LEWIS ENTERED THE MEETING.

MINEX TECHNOLOGIES, LTD.

BY MR. STEWART – SUPPORTED BY MR. LEWIS

RESOLVED, THAT TIM EVANS AND ANY ASSOCIATE OF HIS CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD TO DISCUSS AN EXTRACTION AND RECOVERY OF METALS FROM MINING AND SMELTER WASTE PROPOSAL:

Yeas – Trustees Bandemer, Best, Johnson, Lewis, Mack, Moore, Neary, Stewart and Chairman Pegg – 9

Nays – None

THE GOSS GROUP

CHAIRMAN PEGG DIRECTED THAT A COMMUNICATION BE FORWARDED TO TOM GOSS INFORMING HIM THAT THE BOARD HOLDS NO PRESENT INTEREST IN HEARING THE GOSS GROUP'S PROPOSAL REGARDING INSURANCE AND FINANCIAL SERVICES.

CLOSED SESSION

BY MR. MOORE – SUPPORTED BY MR. STEWART

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, Best, Johnson, Lewis, Mack, Moore, Neary, Stewart and Chairman Pegg – 9

Nays – None

The Board entered into Closed Session at 9:45 A.M.

OPEN SESSION

BY MR. STEWART – SUPPORTED BY MR. MOORE

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

Yeas – Trustees Bandemer, Best, Johnson, Lewis, Mack, Moore, Neary,  
Stewart and Chairman Pegg – 9

Nays – None

The Board returned to Open Session at 10:14 A.M.

TRUSTEE LEWIS EXCUSED HIMSELF.

STEWARD CAPITAL MANAGEMENT

ANMAR SARAFI AND AN ASSOCIATE DISCUSSED STEWARD'S OPPORTUNITY  
FUND, L.P.

BERINGEA/CREDIT SUISSE

MICHAEL GROSS, JEFF BOCAN AND CHARLES ROTHSTEIN OF BERINGEA  
AND ROBERT PAYNE, III, KELLEY WILLIAMS AND SEAN O'DONNELL OF CREDIT  
SUISSE DISCUSSED INVESTMICHIGAN! GROWTH CAPITAL PARTNERS, L.P.

MARIE RACINE & ASSOCIATES

MARIE RACINE BRIEFLY DISCUSSED THE BOARD'S INVESTMENT WITH  
PARAMOUNTLAND HOLDINGS, LLC., AND THE BOARD WAS THEN ASKED TO  
ENTER INTO CLOSED SESSION.

CLOSED SESSION

BY MR. MOORE – SUPPORTED BY MR. BEST

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, Best, Johnson, Mack, Moore, Neary,  
Stewart and Chairman Pegg – 8

Nays – None

The Board entered into Closed Session at 11:36 A.M.

TRUSTEE LEWIS RE-JOINED THE MEETING DURING CLOSED SESSION.

OPEN SESSION

BY MR. LEWIS - SUPPORTED BY MR. MOORE

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

Yeas – Trustees Bandemer, Best, Johnson, Lewis, Mack, Moore, Neary,  
Stewart and Chairman Pegg – 9

Nays – None

The Board returned to Open Session at 1:55 P.M.

PARAMOUNTLAND HOLDINGS, LLC (“PARAMOUNT”)

BY MR. MACK – SUPPORTED BY MR. STEWART

WHEREAS, A NUMBER OF LEGAL ISSUES HAVE ARISEN IN A  
CLOSED SESSION HELD THIS DATE DISCUSSING LEGAL MATTERS  
WITH THE BOARD’S SPECIAL LEGAL COUNSEL, F. LOGAN  
DAVIDSON (FLD), AND DUE DILIGENCE ADVISOR, MARIE T.  
RACINE & ASSOCIATES (R&A), AND

WHEREAS, IT HAS COME TO THE BOARD’S ATTENTION THAT  
PARAMOUNT HAS NOT DELIVERED FINANCIAL AND OTHER  
INFORMATION REQUIRED BY TRANSACTION DOCUMENTS

PARAMOUNTLAND HOLDINGS, LLC (“PARAMOUNT”)

AND/OR REQUESTED BY THE DUE DILIGENCE ADVISOR AND/OR SPECIAL LEGAL COUNSEL, AND

WHEREAS, THE BOARD IS IN RECEIPT OF INFORMATION/REPORTS FROM THE DUE DILIGENCE ADVISOR AND SPECIAL LEGAL COUNSEL, AND

WHEREAS, IT APPEARS THAT THE BORROWER HAS NOT COMPLIED WITH ALL REQUIREMENTS, AND

WHEREAS, THE BOARD HAS DISCUSSED VARIOUS MATTERS, INCLUDING POSSIBLE INITIATION OF LITIGATION TO PROTECT THE INTERESTS OF THE RETIREMENT SYSTEM, THEREFORE BE IT

RESOLVED, THAT PARAMOUNT BE REQUESTED TO APPEAR AT A BOARD MEETING SCHEDULED FOR JULY 8, 2010 TO DISCUSS AND EXPLAIN A NUMBER OF ISSUES, AND BE IT FURTHER

RESOLVED, THAT THE BOARD’S SPECIAL LEGAL COUNSEL AND DUE DILIGENCE ADVISOR PREPARE A SUMMARY OF QUESTIONS AND ISSUES AND REQUESTED/DEMANDED INFORMATION AND DELIVER SAME TO PARAMOUNT WITHIN A FEW BUSINESS DAYS, AND BE IT FURTHER

RESOLVED, THAT PARAMOUNT IS REQUESTED/DIRECTED TO IMMEDIATELY DISCUSS WITH THE BOARD’S SPECIAL LEGAL COUNSEL AND DUE DILIGENCE ADVISOR PARAMOUNT’S RESPONSE TO THE ISSUES AND QUESTIONS, AND BE IT FURTHER

RESOLVED, THAT SPECIAL LEGAL COUNSEL PROVIDE A SUMMARY OF ISSUES TO BE INCLUDED IN ANY LITIGATION, AND BE IT FURTHER

PARAMOUNT LAND HOLDINGS, LLC (“PARAMOUNT”)

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO PARAMOUNT LAND HOLDINGS, LLC; THE BOARD’S SPECIAL LEGAL COUNSEL; THE BOARD’S DUE DILIGENCE ADVISOR; AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEM:

ABNER MCWHORTER  
PARAMOUNT LAND HOLDINGS  
453 MARTIN LUTHER KING, JR. BOULEVARD  
DETROIT, MICHIGAN 48201

F. LOGAN DAVIDSON, P.C.  
28 WEST ADAMS  
SUITE 300  
DETROIT, MICHIGAN 48226

MARIE T. RACINE  
RACINE & ASSOCIATES  
1001 WOODWARD AVENUE  
SUITE 1100  
DETROIT, MICHIGAN 48226

Yeas – Trustees Bandemer, Best, Johnson, Lewis, Mack, Moore,  
Neary, Stewart and Chairman Pegg – 9

Nays – None

UP TO \$7,200,000.00 TWO-YEAR CONSTRUCTION AND SEVEN-YEAR PERMANENT FIRST MORTGAGE LOAN: CASS WAYNE APARTMENTS, DETROIT, MICHIGAN: LOAN COMMITMENT

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

WHEREAS, THE BOARD HAS BEEN REQUESTED TO EXECUTE A LOAN COMMITMENT DATED JUNE 17, 2010 RELATIVE TO THE AFORESAID TRANSACTION, AND

WHEREAS, THE EXECUTION OF SAID DOCUMENT HAS BEEN RECOMMENDED BY THE BOARD'S REAL ESTATE ADVISOR, MILESTONE REALTY SERVICES, INC., AND THE BOARD'S SPECIAL LEGAL COUNSEL, F. LOGAN DAVIDSON, P.C., AND

WHEREAS, THE EXECUTION OF SAID DOCUMENT HAS BEEN REVIEWED AND APPROVED AS TO FORM BY THE BOARD'S GENERAL 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 TWO AUTHORIZED SIGNATORIES ON THE BOARD'S BEHALF, AND BE IT FURTHER

RESOLVED, THAT RETIREMENT SYSTEM ACCOUNTING STAFF RETAIN A COPY OF SAID EXECUTED ORIGINAL DOCUMENT:

Yeas – Trustees Bandemer, Best, Johnson, Lewis, Mack, Moore, Neary, Stewart and Chairman Pegg – 9

Nays – None

RETIREMENTS

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

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

RETIREMENTS

NAME, TITLE, DEPARTMENT: LARNELL COZART, JR. – OFFICER - P  
RETIREMENT TYPE, PLAN: DUTY DISABILITY CONVERSION - NEW  
SERVICE CREDIT: 25 00 00  
EFFECTIVE DATE: 07 22 10

NAME, TITLE, DEPARTMENT: MALCOMB DADE, III – OFFICER - P  
RETIREMENT TYPE, PLAN: DUTY DISABILITY CONVERSION - NEW  
SERVICE CREDIT: 25 00 00  
EFFECTIVE DATE: 07 29 10

NAME, TITLE, DEPARTMENT: NANCY PACHECO – OFFICER - P  
RETIREMENT TYPE, PLAN: DUTY DISABILITY CONVERSION - NEW  
SERVICE CREDIT: 25 00 00  
EFFECTIVE DATE: 07 22 10

NAME, TITLE, DEPARTMENT: BROADUS WILLIAMS – FIRE FIGHTER - F  
RETIREMENT TYPE, PLAN: DUTY DISABILITY CONVERSION - NEW  
SERVICE CREDIT: 25 00 00  
EFFECTIVE DATE: 07 22 10

Yeas – Trustees Bandemer, Best, Johnson, Lewis, Mack, Moore,  
Neary, Stewart and Chairman Pegg – 9

Nays – None

INVESCOR

MIKE LIEBOWITZ APPEARED BEFORE THE BOARD TO DISCUSS INVESCOR AND THE BOARD WAS ASKED TO ENTER INTO CLOSED SESSION.

CLOSED SESSION

BY MR. MOORE – SUPPORTED BY MR. LEWIS

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, Best, Johnson, Lewis, Mack, Moore, Neary, Stewart and Chairman Pegg – 9

Nays – None

The Board entered into Closed Session at 2:53 P.M.

OPEN SESSION

BY MS. JOHNSON – SUPPORTED BY MR. LEWIS

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

Yeas – Trustees Bandemer, Best, Johnson, Lewis, Mack, Moore, Neary, Stewart and Chairman Pegg – 9

Nays – None

OPEN SESSION

The Board returned to Open Session at 3:25 P.M.

DURING CLOSED SESSION, ADRIAN ANDERSON JOINED THE BOARD IN LISTENING TO MR. LIEBOWITZ' DISCUSSION.

RE: CHICAGO EQUITY PARTNERS

BY MR. NEARY – SUPPORTED BY MR. STEWART

WHEREAS, Chicago Equity Partners is currently on the System's watch list for performance reasons, and

WHEREAS, North Point Advisors, retained consultant of the System, has reviewed and reported the capabilities of Chicago Equity Partners to manage small-cap core equities, and

WHEREAS, Staff has prepared a review of Chicago Equity Partners, and

WHEREAS, The Board has discussed this matter with North Point and staff on this date, therefore be it,

RESOLVED, That the System's Investment Management Agreement with Chicago Equity Partners as a small-cap core equity manager be terminated effective the first available date within their agreement, and be it further

RESOLVED, That Chicago Equity Partners be instructed to stop trading immediately, and be it further

RESOLVED, That all securities in the account be recalled from loan, and be it further

RE: CHICAGO EQUITY PARTNERS - CONTINUED

RESOLVED, That staff be directed to solicit proposals from its Brokers of Record to liquidate the current holdings of Chicago Equity Partners, and be it further

RESOLVED, That a copy of this resolution be sent to The Bank of New York Mellon (the System's master securities custodian and securities lending agent); Chicago Equity Partners; North Point Advisors (the System's retained consultant), and the Accounting Division of the Retirement System:

MICHAEL NAIRNE  
CHICAGO EQUITY PARTNERS  
180 N. LASALLE ST.  
SUITE 3800  
CHICAGO, ILLINOIS 60601

WANDA TORRES  
THE BANK OF NEW YORK MELLON  
ONE WALL STREET  
12<sup>TH</sup> FLOOR  
NEW YORK, NEW YORK 10286

ADRIAN ANDERSON  
NORTH POINT ADVISORS  
28 WEST ADAMS  
SUITE 1700  
DETROIT, MICHIGAN 48226

Yeas – Trustees Bandemer, Best, Johnson, Lewis, Mack, Moore,  
Neary, Stewart and Chairman Pegg – 9

Nays – None

CAPITAL CALLS

BY MR. BANDEMER – 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, Best, Johnson, Lewis, Mack, Moore, Neary, Stewart and Chairman Pegg – 9

Nays – None

FEES AND EXPENSES

BY MR. LEWIS – SUPPORTED BY MR. NEARY

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

FEES AND EXPENSES

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, Best, Johnson, Lewis, Mack, Moore, Neary, Stewart and Chairman Pegg – 9

Nays – None

SUBPOENAS FROM U.S. ATTORNEY

BY MR. BEST – SUPPORTED BY MR. NEARY

**WHEREAS**, the Board has previously provided counsel to its certain Trustees and staff regarding regulatory and governmental investigations relative to the performance of such trustee's duties and staff's responsibilities, and

**WHEREAS**, the Board is aware that the U.S. Attorney is conducting an investigation indirectly or directly involving the City of Detroit public pension funds, and

**WHEREAS**, subpoenas have been recently issued to a number of current and former trustees, advisors to the Retirement System, and the Retirement System's Investment Analyst, and

**WHEREAS**, the PFRS desires to fully cooperate with any government investigation, and

**WHEREAS**, the PFRS has previously appointed Clark Hill, PLC as special counsel for representation of the PFRS, its former and current trustees, staff, and all applicable parties for all governmental investigations (see resolution dated March 11, 2010), and

SUBPOENAS FROM U.S. ATTORNEY - CONTINUED

**WHEREAS**, Rick Huddleston has represented that he has a conflict of interest issue with Clark Hill, PLC and requested another legal counsel, to be paid by the Retirement System, and

**WHEREAS**, the Board has considered this matter, and

**WHEREAS**, Mr. Huddleston has agreed to the conditions of this resolution, therefore be it

**RESOLVED**, that the Board desires to continue to fully cooperate with all reasonable requests of any governmental agency, and be it further

**RESOLVED**, that that Board reaffirms its previous appointment of Clark Hill PLC as special counsel for representation of the PFRS, its current and former Trustees, staff and all applicable parties for all governmental investigations, and be it further

**RESOLVED**, that due to a conflict of interest, per request of the Retirement System's Investment Analyst, the Board appoints George Peck as special counsel for Rick Huddleston regarding this latest subpoena and will pay reasonable legal fees subject to Clark Hill, PLC being present as an observer at the Investment Analyst's interviews with federal authorities, and be it further

**RESOLVED**, that a copy of this resolution shall be forwarded to the aforesaid special counsel and Clark Hill, PLC, Rick Huddleston, and the Accounting Division of the Retirement System:

Yeas – Trustees Bandemer, Best, Lewis, Mack, Moore, Neary,  
Stewart and Chairman Pegg – 8

Nays – Trustee Johnson – 1

CLOSED SESSION

BY MR. STEWART – 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, Best, Johnson, Lewis, Mack, Moore, Neary, Stewart and Chairman Pegg – 9

Nays – None

The Board entered into Closed Session at 3:45 P.M.

OPEN SESSION

BY MR. NEARY – SUPPORTED BY MR. BANDEMER

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

Yeas – Trustees Bandemer, Best, Johnson, Lewis, Mack, Moore, Neary, Stewart and Chairman Pegg – 9

Nays – None

The Board returned to Open Session at 4:05 P.M.

TRUSTEE JOHNSON EXCUSED HERSELF.

WARNER NORCROSS LITIGATION

BY MR. BEST – SUPPORTED BY MR. NEARY

WHEREAS, THE BOARD OF TRUSTEES WAS PROVIDED A STATUS UPDATE REGARDING THIS LITIGATION IN CLOSED SESSION, AND

WHEREAS, SPECIAL LEGAL COUNSEL REPORTED REGARDING PLAINTIFF'S PROPOSAL FOR A PROPOSED STIPULATION BETWEEN THE PARTIES AND INDICATED THE PROS AND CONS REGARDING THE PLAINTIFF'S PROPOSAL, AND

WHEREAS, GENERAL COUNSEL URGED THE BOARD OF TRUSTEES TO REJECT PLAINTIFF'S PROPOSAL AND INDICATED HIS REASONS WHY, AND

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

RESOLVED, THAT THE PLAINTIFF'S PROPOSAL FOR A STIPULATION IS REJECTED, AND BE IT FURTHER

RESOLVED, THAT SPECIAL LEGAL COUNSEL CONTINUE TO TAKE ALL APPROPRIATE ACTION IN THIS LITIGATION IN DEFENSE OF THE RETIREMENT SYSTEM, TRUSTEES AND ALL DEFENDANT PARTIES, INCLUDING ALL AVAILABLE COUNTER MEASURES (COUNTER CLAIMS, SANCTIONS, ETC.) TO THE PLAINTIFF'S AND PLAINTIFF'S LEGAL COUNSEL'S ACTIONS, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO SPECIAL LEGAL COUNSEL, CLARK HILL, ATTENTION: JOE TURNER; AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEM:

WARNER NORCROSS LITIGATION

Yeas – Trustees Best, Lewis, Mack, Neary and Chairman Pegg  
- 5

Nays – Trustees Bandemer, Moore and Stewart – 3

COGENT

CHAIRMAN PEGG ASKED THAT THE BOARD BE PREPARED TO DISCUSS CONSIDERING HIRING COGENT AS AN ALTERNATIVE INVESTMENT CONSULTANT NEXT WEEK.

ROMULUS DEEP DISPOSAL

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

WHEREAS, THE BOARD DESIRES TO ASCERTAIN WHETHER ANY CAUSE OF ACTIONS EXIST AGAINST ANY PARTIES PREVIOUSLY INVOLVED IN THIS INVESTMENT (E.G.: PROJECT SPONSOR/ADVISORS, ETC.) RELATIVE TO THE BOARD'S INVESTMENT IN THE RDD FACILITY, AND

WHEREAS, THE BOARD DESIRES TO ENGAGE CLARK HILL AS SPECIAL COUNSEL TO PURSUE A LEGAL ANALYSIS AND SUBMIT TO THE BOARD A RECOMMENDATION OF PROPOSED CAUSES OF ACTION, IF ANY, AND

WHEREAS, THE BOARD HAS CONSIDERED THIS MATTER IN OPEN SESSION, THEREFORE BE IT

RESOLVED, THAT THE BOARD AUTHORIZES CLARK HILL TO PREPARE A LEGAL ANALYSIS TO DETERMINE WHETHER THE BOARD HAS ANY VIABLE ACTION AGAINST ANY PARTY PREVIOUSLY INVOLVED IN THIS INVESTMENT, AND ANY OTHERS, RELATIVE TO THE BOARD'S INVESTMENT, AND BE IT FURTHER

RESOLVED, THAT UPON CLARK HILL'S COMPLETION OF SUCH LEGAL ANALYSIS AND PRESENTATION TO THE BOARD OF SUCH RESULTS OF VIABLE LEGAL CAUSES OF ACTION EXIST, UNLESS OTHERWISE ADVISED, CLARK HILL IS AUTHORIZED TO PURSUE ALL SUCH AVAILABLE CLAIMS OF ACTION ON BEHALF OF THE BOARD, AND BE IT FURTHER

ROMULUS DEEP DISPOSAL

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO SPECIAL LEGAL COUNSEL, AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEM:

Yeas – Trustees Bandemer, Best, Lewis, Mack, Moore, Neary,  
Stewart and Chairman Pegg - 8

Nays – None

TRUSTEE NEARY EXCUSED HIMSELF.

PUBLIC FORUM

AT 4:10 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 4:16 P.M. UNTIL THURSDAY, JUNE 24, 2010 AT 9:00 A.M., IN ROOM 910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

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WALTER STAMPOR  
EXECUTIVE SECRETARY