

WEST PALM BEACH FIREFIGHTERS' PENSION FUND  
MINUTES OF MEETING HELD  
February 12, 2009

Chairperson Dorritt Miller called the meeting to order at 1:32 P.M. in the Third Floor Conference Room at Station 1; 500 N. Dixie Highway, West Palm Beach, Florida. Those persons present were:

**TRUSTEES**

Dorritt Miller  
Tom Sheppard  
Matt Young  
Randy Sherman  
Rick Dorey

**OTHERS**

Bonni Jensen – Hanson, Perry & Jensen  
Audrey Ross – Tegrit Plan Administrators  
Troy Brown – The Bogdahn Group  
David George – Coughlin Stoia Geller Rudman & Robbins  
Doug Greene – West Palm Beach Firefighter

**PUBLIC COMMENTS**

N/A

**CLASS ACTION PRESENTATION: COUGHLIN STOIA GELLER RUDMAN & ROBBINS (PRESENTED BY DAVID GEORGE)**

Mr. George updated the board on the Star Tek Securities Litigation case. The court filed to dismiss and the defeated the motion, so therefore the case will be moving into the discovery phase. Mr. George explained that since they were moving into the discovery phase they will be able to obtain the documents that they need from the company to be able to prove their claims. Mr. George commented that this company was not as large as it was thought to be, and they also want to reach a settlement fairly soon. He stated that this fund does not hold any stocks with this company anymore. Mr. George did make the board aware that when entering into the discover phase they may ask a Trustee to go to a deposition.

*A motion was made by Tom Sheppard to allow Coughlin Stoia Geller Rundman & Robbins to move forward with the case and to enter into settlement conversations with the Star Tek. The motion was seconded by Rick Dorey and carried 5-0.*

Mr. George also commented that the CBRE case has filed a second amendment claim and are moving forward. He stated that he will keep the board updated on the process.

Mr. George explained the Bank of America litigation that is currently going on. He also reviewed the background and what happened when Bank of America inquired Merrill Lynch. Bank of America miss represented its liquidity and its exposure to the sub prime market as well as miss representing Merrill Lynch. Mr. George commented that this fund lost close to \$600,000 with Bank of America when their stocks fell 80%. Mr. George stated that His company would like to file a lawsuit on behalf of the board. Their has not been a class action lawsuit filed yet, so therefore this board is not a lead plaintiff until other pension funds decided to join.

A motion was made by Tom Sheppard to allow Coughlin Stoia Geller Rundman & Robbins to file a lawsuit against Bank of America on behalf of the pension board. The motion was seconded by Matt Young and carried 5-0.

**CLASS ACTION PRESENTATION: SCOTT & SCOTT (PRESENTED BY DON BROGGI- JOINED VIA TELCONFERENCE)**

Mr. Broggi stated that there is already a lawsuit filed against UBS bank for criminal conduct, but they want a government institute to be involved as well. Mr. Broggi explained that between May 2004 and January 2009 UBS drew in new net monies and did not disclose it. With doing this they were caught up in a fraudulent scheme, and when the scheme was reveled by the Government the stocks fell tremendously. UBS wrote off \$30B in losses and their stocks fell 60%. This fund lost about \$60,000. Mr. Broggi explained that they usually wouldn't approach the board with this case, but this time it was an exception because the criminal conduct was so strong they are encouraging 3 of their clients to file a class action. The total amount of this class action lawsuit would be around \$400,000. He also commented that there would be no cost to the board if they litigate this further; Scott and Scott only get paid if there is a verdict.

A motion was made by Tom Sheppard to allow Scott and Scott to move forward with the UBS class action lawsuit and to file on behalf of the pension board.. The motion was seconded by Matt Young and carried 5-0.

**INVESTMENT CONSULTANT REPORT: THE BOGDAHN GROUP (PRESENTED BY TROY BROWN)**

Mr. Brown explained that he will send revised booklets to Ms. Ross for the quarter ending December 31, 2008 as he just realized there was a misprint for JP Morgan's return.

Mr. Brown reviewed the current market situation and where we stand today. He thinks unemployment will reach between 9-10% by the end of this year. He also believes that by the second half of this year things will start looking better because with a huge amount of stimulus, the market will return some normal consistency. Mr. Brown commented that he believes there will be another bubble 10-15 years from now as well.

Mr. Brown reviewed the performance for the quarter ending December 31, 2008. He reviewed the asset allocations versus their targets and stated that he thinks we are in very good position for when the market does rebound. The fund currently holds 2.4% in cash, 48.5% in equities, 10% in international, 27.6% in fixed income and 11.5% in real estate. The total fund under performed the index at -14.36% versus -14.07% for the quarter. Mr. Brown then reviewed each manager's performance for the quarter:

- The Boston Company – Down for the quarter but outperformed the index at -18.89% versus -22.18%. They are over weighted in financials and consumer staples. This company had recent layoffs and went from 9 different strategies to 5.
- Alethieia – Chad Cook left the company and Bill Kennedy and Jennifer Oaks have taken his place. Mr. Brown thinks that they now have a better client service

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team and is comfortable with the new direction they are going. Alethieia slightly beat the index at -22.76% versus -22.79%, but they are over weighted in materials.

- Fayez Sarofim – Was negative for the quarter at -21.55% versus the index at -22.79%. Mr. Brown commented that Fayez has taken the lead of Alethieia for the first time, and that they are a great combination.
- Thompson, Siegel & Whalmsley – They did an awesome job for the quarter even though they were negative at -19.95% versus the index at -24.86%.
- Baron Assets – For 4 years Baron always blew away the benchmark with being strong in energy and consumer staple picks. They outperformed the benchmark, but were still negative at -25.29% versus the index at -27.45%.
- Euro Pacific– They came close to the index this quarter at -19.28% versus -19.90%.
- Templeton – Underperformed at -20.16% versus the index at -19.90%.
- Oppenheimer/PIMCO – This fund was positive for the quarter, but was still behind the index at 2.99% versus 5.12%.
- JP Morgan – Also underperformed the index at -8.67% versus -8.29%.

The board discussed the JP Morgan queue. Mr. Brown recommended a 50% redemption, and explained that it will be pooled at a pro rata rate. He also recommends taking this fund off auto reinvestments. It will be about 12-18 months before this plan would even get a distribution, so the board will have plenty of time to decide where they will want to move the money. Mr. Brown explained that he would like to see this board move into some real estate diversification.

A motion was made by Tom Sheppard to take a 50% redemption of the original investment with JP Morgan to reach the target allocation of 10% and to be taken off the auto reinvestments. The motion was seconded by Matt Young and carried 4-1.

Lastly, Mr. Brown updated the board on BNP. He commented that they still have a 5 year coupon bond priced at \$85 and he reviewed the CD vehicle. The board decided to let Ms. Jensen review BNP's legal documents before they proceed any further.

### **APPROVAL OF MINUTES**

The Board reviewed the minutes of the January 8, 2009 regular meeting and the January 27, 2009 special meeting.

A motion was made by Tom Sheppard to approve the minutes of the January 8, 2009 regular meeting as amended. The motion was seconded by Rick Dorey and carried 5-0.

A motion was made by Tom Sheppard to approve the minutes of the January 27, 2009 special meeting as amended. The motion was seconded by Matt Young and carried 5-0.

### **DISBURSEMENTS**

The Board reviewed the disbursements presented for approval by the Administrator.

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A motion was made by Rick Dorey to approve the disbursements that were presented by the Administrator. The motion was seconded by Randy Sherman and carried 5-0.

**BENEFIT APPROVALS**

The Board reviewed the application for a refund of contributions for Michael Czajowski, the application for an April 1<sup>st</sup> distribution of share account for Larry West, the application for an April 1<sup>st</sup> distribution of DROP account for Michael Pait and Steven Barnard and the application for distribution of share account (to close) for Joe Robinson.

A motion was made by Tom Sheppard to approve the application for a refund of contributions for Michael Czajowski. The motion was seconded by Randy Sherman and carried 5-0.

A motion was made by Rick Dorey to approve the application for an April 1<sup>st</sup> distribution of share account for Larry West. The motion was seconded by Matt Young and carried 5-0.

A motion was made by Tom Sheppard to approve the application for an April 1<sup>st</sup> distribution of DROP account for Michael Pait and Steven Barnard. The motion was seconded by Rick Dorey and carried 5-0.

A motion was made by Tom Sheppard to approve the application for a distribution of share account (to close) for Joe Robinson. The motion was seconded by Matt Young and carried 5-0.

**ATTORNEY'S REPORT: HANSON, PERRY & JENSEN (PRESENTED BY: BONNI JENSEN)**

Ms. Jensen reviewed the after tax money policy with the board. She also stated that she has spoke to Steve Lapidus and he is interested in helping the board with this matter. He charges \$500 per hour and he would have it done rather quickly. The Trustees had a lengthy discussion on the language in the policy.

A motion was made by Tom Sheppard to retain Steve Lapidus to help implement an appropriate program for the after tax monies.. The motion was seconded by Randy Sherman and carried 5-0.

Ms. Jensen stated that the City officials were invited to attend the retirement dinner, but declined because the invitation came from the Union. The board had a discussion on the retirement dinner policy and the different criteria for the different officials.

Lastly, Ms. Jensen commented that the special tax notice has been revised and reviewed the changes.

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**ADMINISTRATOR REPORT: THE PENSION RESOURCE CENTER**  
**(PRESENTED BY: AUDREY ROSS)**

Ms. Ross provided the board with a list of the retired members who have made after tax contributions into the plan. There were only 2 members and the board decided to hold off on doing anything with their monies until we get a final outcome on the issue.

**OTHER BUSINESS:**

There being no further business and the next Pension Board meeting having been scheduled for March 12, 2009, the meeting was adjourned at 4:34PM.

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Tom Sheppard, Secretary