

BOARD OF TRUSTEES OF THE CITY OF ATLANTA
GENERAL EMPLOYEES PENSION FUND
MINUTES OF
SPECIAL CALLED
MEETING
January 14, 2014

A Special Called meeting of the Board of Trustees of the City of Atlanta General Employees Pension Fund was held on January 14, 2014 in City Hall, Committee Room 1, Atlanta, GA.

TRUSTEES PRESENT:

Douglas Strachan
Gregory Nash
Yolanda Johnson

Aretha Sumbry-Powers
Angela Green
Jim Beard

TRUSTEES NOT PRESENT: Yvonne Cowser-Yancy

OTHERS:

Kristen Denius City Law Department and Ray Adams, Office of Retirement Services

Mr. Strachan called the meeting to order at 10:00 A.M. There was a quorum.

The purpose of the meeting was to discuss a proposed settlement of litigation in the Tribune Company case. Mr. Strachan asked Ms. Denius to summarize the background, issues and the recommendations of City Law Department and outside counsel.

Ms. Denius summarized the Tribune Company lawsuit in which the General Employees' Pension Fund was named, along with many other entities, as a defendant in a claim of fraudulent conveyance involving the bankruptcy of the Tribune Company. The suit alleges that the owners of the Tribune Company improperly distributed assets during the period immediately prior to a bankruptcy filing, assets that would have been available to pay creditors under bankruptcy proceedings, and that such transfer constituted a fraudulent conveyance under the bankruptcy code and should therefore be repaid. There was no assertion that the GEPP or its investment managers did anything improper and, in fact, were simply investors in Tribune Company stock. However, the cost to defend against the claim was judged to be substantial. The board previously had entertained a settlement proposal and had actually authorized payment of approximately \$84,000, conditioned on obtaining a full release from future liability. At the time, a satisfactory release could not be obtained and outside counsel was instructed simply to monitor the proceedings and to minimize legal fees in the process. The statute of limitations has now passed and a full release of future liability is available.

Ms. Denius explained that the proposed settlement offer now before the board is \$84,678.82 and would include a satisfactory release from future liability. Both the City Law Department and outside counsel recommend the settlement offer be accepted given the high cost of ongoing litigation to defend the claim.

Several clarifying questions were asked by board members. Mr. Strachan asked that Ms. Denius confirm his understanding of the legal concept of fraudulent conveyance and to confirm that entering

into this settlement and obtaining the release would ensure no further liability against the GEPP. Ms. Denius did so.

Mr. Beard asked the amount of legal fees already incurred and any additional amounts to come. Ms. Denius could not provide an exact dollar amount at this time but stated that they already totaled in excess of the settlement amount. She would provide final dollar figure of the legal fees.

Ms. Johnson asked how the current settlement offer compared to the previous amount approved by the board. Ms. Denius could not recall the exact amount of the previously authorized amount but was confident it was within \$1000 of the current offer. She also stated that Alston Bird was representing the Plans, both the GEPP and Police and Fire, who were sharing in the expense of defending.

Ms. Green asked for a written summary of the case, the original settlement proposal, the terms of the current settlement offer and the dollar amount of the final resolution. Several other board members asked to receive the written summary as well. Ms. Denius agreed to provide the summary to all board members.

Based on the synopsis provided by Ms. Denius and the recommendations of both the City Law Department and outside counsel,

MOTION: A motion was made and seconded to authorize acceptance of the settlement offer proposed in the Tribune Company litigation and payment of \$84,678.82 in settlement of all claims and a full release from future liability. A complete written summary is to be provided to all board members. The motion passed.

There being no further business to be discussed, the meeting was adjourned.

Respectfully submitted:

Douglas Strachan, Chair

Jim Beard, Secretary & CFO

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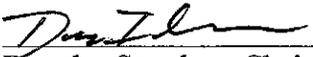
* Ms. Green asked that a brief summary of the case, the original settlement proposal, the terms of the current settlement offer and the dollar amount of the final resolution be prepared in writing and distributed to all board members. Ms. Denius agreed to provide the summary.

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* See edit attached, per Ms. Green request.