

MEETING OF THE TRUSTEES  
CITY OF CHATTANOOGA GENERAL PENSION PLAN  
February 20, 2006

An adjourned meeting of the City of Chattanooga General Pension Plan was held on February 20, 2006 at 8:45 a.m. in the City of Chattanooga J. B. Collins Conference Room. Trustees present were David Eichenthal, Bettye Lynn Smith, Daisy Madison, Dan Johnson and Corrine Allen. Others attending the meeting were Sharon Rogers, City Personnel Office and Mike McMahan, Nelson, McMahan, & Noblett.

The meeting was called to order by Chairman David Eichenthal. A quorum was present.

Mr. McMahan presented to the Board of Trustees a resolution as captioned below:

“A RESOLUTION AUTHORIZING THE SETTLEMENT OF ALL  
PENDING CLAIMS AGAINST MORGAN STANLEY DEAN  
WITTER AND RELATED PERSONS AND ENTITIES”

Mike McMahan explained to the Board the proposed terms of the settlement. He stated that the proposal should remain confidential as an attorney-client privileged communication until the proposed settlement was accepted by all parties and we had the settlement proceeds in hand. He recommended that the Board accept the proposed settlement.

Dale Ledbetter of Adorno and Yoss was contacted via conference phone and recommended that the arbitration be settled on the proposed terms. Mr. Ledbetter stated that statistically about fifty percent of arbitrations are resolved in favor of the claimant. In large dollar claims such as ours, about seventeen percent of the claimed losses are awarded as damages. Our case involves both contested issues of liability and contested issues as to the amount of loss. He stated that he was pleased with the settlement offer and recommended that the Board accept the settlement proposal.

Following deliberation, Corrine Allen moved for approval of the resolution which was seconded by Daisy Madison. The resolution was unanimously approved.

Corrine Allen recognized David and Mike’s hard work, leadership, and achievements.

David Eichenthal also said that Adorno and Yoss did outstanding work on this case.

There being no further business, the meeting was adjourned.

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Chairman

APPROVED:

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Secretary