The Finance Subcommittee on PFPF Subpoenas has the following questions related to the subpoena issued to Robert D. Klauser, Esq. for the Police and Fire Pension Fund ("PFPF") Board of Trustees. Beth McCague, PFPF Interim Director, provided responses to each of the questions in the Finance Subcommittee meeting on February 26, 2016, which have been compiled and are listed below in red.

1. In connection with securities litigation cases in which the PFPF is a party, please provide:
    a. The name of each case that has been settled or is in active litigation
       Nextcard, settled
       Merck 2013, settled
       United Health 2009, settled
       El Paso Energy 2007, settled
       NII, just settled
       DISH Network, case pending in court
       Tower Insurance, settled
    b. The settlement amounts received by the PFPF, as applicable
       Nextcard $13,842.92
       Merck 2013 $22,554.69
       United Health $35,477.02
       El Paso Energy $32,054.50
       No record of amounts received on other cases
    c. The date(s) such settlements were received, as applicable
       Nextcard 9/25/09, 4/24/08
       Merck 2013 See separate Northern Trust report provided
       United Health 2009 See separate Northern Trust report provided
       El Paso Energy 2007 See separate Northern Trust report provided
    d. The bank account(s) in which such settlements were deposited, as applicable
       The Custodian (Northern Trust) for the JP&FPF tracks any settled securities litigation cases in which the Fund holds stock in the defendant company. Northern Trust files a claim on our behalf. When the court distributes payment, the payment is sent directly to Northern Trust. Northern Trust accepts the payment and posts the proceeds to our account. Note: Northern Trust reports that settlement proceeds may not be distributed for 18-24 months after claim filing. The exception to this process was the first case, Nextcard. Those proceeds were sent directly to the Fund and deposited. See attached documentation.
    e. The general ledger account to which such settlements were recorded, as applicable
       The general ledger account credited for these amounts was 36907 Miscellaneous Sales and 36979 Miscellaneous Settlement.
    f. Evidence of PFPF Board of Trustees approval for all settlement decisions, including an indication of the PFPF Board of Trustees' advance approval of the fees received by Mr. Klausner, as applicable
       See Board minutes attached.

2. With regard to the PFPF Securities Litigation Policy and in reference to the securities litigation cases noted in item #1 above, please provide:
    a. Evidence of the PFPF Board of Trustees' approval of securities litigation counsel
       Please see Board minutes and the Fund's Securities Litigation Policy.

b. Evidence of the PFPF Board of Trustees' regular monitoring of the status of the securities litigation during the course of the cases, i.e. reports from the "Monitoring Legal Firm(s)"
Please see Board minutes and examples of Monitoring Reports

3. With regard to the PFPF Securities Litigation Policy, please provide:
   a. An explanation of the PFPF Board of Trustees' consideration of the ERISA provisions regarding parties-in-interest and prohibited transactions, i.e. the evaluation of the role of the "General Counsel" in the Securities Litigation Policy and how such roles and responsibilities comply with and/or consider parties-in-interest and prohibited transaction laws [NOTE: While the PFPF is a public pension plan not legally subject to the provisions of ERISA, the PFPF Statement of Investment Policy adopted by the PFPF Board of Trustees and dated December 20,2012 adopts the fiduciary provisions of ERISA]
   Under ERISA lawyers are expressly EXCLUDED as parties in interest. ERISA lawyers do these cases more than public plans. The prohibited transaction rules are to prevent loans of assets or improper purchases of company stock. The Fund cannot loan and has not loaned its assets to any member or employee of the Fund. The Fund cannot make illegal purchases of stock because no stock of the Fund or the City of Jacksonville exists which could be purchased. For these reasons the ERISA parties in interest and prohibited transactions don't apply to public plans. What we adopted was the ERISA standard of care (what a prudent person would do in a like enterprise with like aims. A trustee is the one whose conduct is at issue - can't hire your relatives. If our attorney shared fees with trustees or staff; which he does not, it would be an ethics issue In the case of securities class action suits our attorney represents and is paid by the class, not the Fund. In the cases above the attorneys were never parties in interest. They acted as attorneys for the class. They had no stake in the outcome of the case as members of the class of plaintiffs.