

# CITY OF GROSSE POINTE FARMS RETIREMENT SYSTEM

## POLICY RESOLUTION

Adopted: July 30, 2013

Re: **Service Provider Disclosures**

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**WHEREAS**, the Board of Trustees (“Board”) is vested with the authority and fiduciary responsibility for the administration, management and operation of the Retirement System, and

**WHEREAS**, the Board recognizes that it is subject to the provisions of the Public Employee Retirement System Investment Act, (Michigan Public Act 314 of 1965, as amended), wherein the Board is required to act as a prudent investor in all transactions related to Retirement System funds and assets by discharging its duties solely in the interests of the participants and beneficiaries and shall act with the same care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims; and with due regard for the management, reputation, and stability of the issuer and the character of the particular investments being considered, and

**WHEREAS**, in light of its fiduciary responsibility, the Board recognizes that it is in the best interests of the Retirement System and its participants and beneficiaries to retain the services of qualified professional service providers, including, but not limited to: investment consultants, investment managers, investment banks/brokers, custodians, actuaries, auditors, attorneys, administrators, and physicians to assist in and oversee the investments and administration of the Retirement System, and

**WHEREAS**, the Board is aware of the various disclosure requirements and “pay-to-play” restrictions imposed on its current and prospective service providers under the provisions of Act 314 and applicable federal law, and

**WHEREAS**, the Board is required to withhold payment from service providers who violate the “pay-to-play” provisions of Act 314 and applicable federal law, and

**WHEREAS**, several of the Retirement System’s professional service providers qualify as “service providers” and/or “investment service providers” as that term is defined under Act 314, and

**WHEREAS**, the term “service provider” is defined in Act 314 as “a person retained to provide services to a system and includes investment advisers, consultants, custodians, accountants, auditors, attorneys, actuaries, administrators, and physicians. Service provider includes an investment service provider as defined in Section 13(7). Service provider does not include a regulated investment adviser”, and

**WHEREAS**, the term “investment service provider” is defined under Act 314 as “any individual, third-party agent or consultant, or other entity that received direct or indirect compensation for consulting, investment management, brokerage, or custody services related to the system’s assets”, and

**WHEREAS**, the Board is desirous of establishing a formal disclosure policy applicable to appropriate service providers in order to monitor said service providers' compliance with Act 314 and other applicable laws, therefore be it

**RESOLVED**, that every year in the month of October, the Board shall require each of its current "investment service providers" to disclose in writing all fees or other compensation associated with its relationship with the Retirement System for the previous [fiscal/calendar] year, as required under Section 13(7) of Act 314 [MCL 38.1133(7)], by submission of the attached Fee Disclosure Form, and further

**RESOLVED**, that prior to the transfer of any Retirement System assets to a prospective "investment service provider", the prospective "investment service provider" shall be required to disclose all fees or other compensation to be associated with its relationship to the Retirement System through completion and submission of the Compensation Disclosure Form to the Board, and further

**RESOLVED**, that every year in the month of October, the Board shall require all of its service providers to acknowledge that they are in compliance with Section 13e of Act 314 [MCL 38.1133e] and/or Rule 206(4)-5 under the Investment Advisers Act of 1940 in the case of a regulated investment adviser, and further

**RESOLVED**, that that any service provider's failure or refusal to complete and submit either of the Retirement System's disclosure forms shall be deemed a violation of the requirements of Act 314 and this Policy, and shall result in appropriate action by the Board, including the possible suspension of payment for services rendered and/or termination of the service provider's relationship with the Retirement System, and further

**RESOLVED**, that all services providers shall have an ongoing requirement to monitor all political contributions and, upon becoming aware of a violation, immediately disclose to the Board any and all political contributions that violate the restrictions of Section 13e of Act 314 and/or Rule 206(4)-5 under the Investment Advisers Act of 1940 in the case of a regulated investment adviser, including the date of the contribution, the name of the contributor, the name of the recipient, and the amount of the contribution, and further

**RESOLVED**, that copies of this Policy shall be provided to all Retirement System service providers who shall be required to act in accordance with said Policy.

**CITY OF GROSSE POINTE FARMS RETIREMENT SYSTEM**

**90 Kerby Road  
Grosse Pointe Farms, Michigan 48236**

**COMPENSATION DISCLOSURE FORM**

Completion required pursuant to MCL 38.1133(7)

**This form must be submitted to the Board of Trustees  
no later than 28 days following its receipt by the Investment Service Provider.**

**I. Investment Service Provider Information**

Company Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

The undersigned, being duly authorized to execute on behalf of the aforementioned company, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133(7) and the Retirement System's Service Provider Disclosure Policy.

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Printed Name Title

**II. Reporting Period**

From: \_\_\_\_\_ To: \_\_\_\_\_

**III. Compensation Disclosure** (All fees/compensation associated with your relationship to the Retirement System)

**A. Direct Compensation** (Compensation paid directly from the Plan)

Amount: \_\_\_\_\_  
Manner of receipt (invoice, direct deduction, etc.): \_\_\_\_\_

**B. Indirect Compensation** (Compensation associated with your relationship to the Retirement System received from any source other than the Plan, your affiliates or subcontractors)

Amount: \_\_\_\_\_  
Payer: \_\_\_\_\_  
Manner of receipt: \_\_\_\_\_  
Services to which such compensation relates: \_\_\_\_\_

**C. Compensation Among Related Parties** (compensation paid or to be paid to third parties, including affiliates or subcontractors; e.g., commissions, 12b-1 fees, soft-dollars, finder's fees, or other similar incentive compensation)

Amount: \_\_\_\_\_  
Payer: \_\_\_\_\_  
Recipient: \_\_\_\_\_

**D. Total**

Amount: \_\_\_\_\_

\* Attach additional sheets as necessary.

Failure or refusal to complete and submit the foregoing Compensation Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133(7) and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)

**CITY OF GROSSE POINTE FARMS RETIREMENT SYSTEM**

90 Kerby Road

Grosse Pointe Farms, Michigan 48236

**POLITICAL CONTRIBUTION DISCLOSURE FORM**

Completion required pursuant to MCL 38.1133e

**This form must be submitted to the Board of Trustees  
no later than 28 days following its receipt by the Service Provider.**

**I. Service Provider Information**

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

The undersigned, being duly authorized to execute, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy.

**II. Reporting Period**

From: \_\_\_\_\_

To: \_\_\_\_\_

**III. Compliance Certification**

The aforementioned Service Provider IS NOT a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with the requirements of Section 13e of Public Act 314 of 1965, as amended (MCL 38.1133e) as of the date indicated below.

YES

NO

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

The aforementioned Service Provider IS a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with Rule 206(4)-5 under the Investment Advisors Act of 1940, as amended, as of the date indicated below.

YES

NO

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

Failure or refusal to complete and submit the foregoing Political Contribution Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)