

MINUTES OF THE  
EXECUTIVE COMMITTEE  
MEETING HELD  
MONDAY, NOVEMBER 16, 2015 – 11:00 A.M.

Present:	<u>Committee Members</u>	Marc Levine Mark Cozzi Shari Greco Reiches Mary Seminara-Schostok
	<u>Board Member</u>	Steven Powell
	<u>Staff</u>	William Atwood Johara Farhadieh Linsey Schoemehl Payne Alise White (via telephone)
	<u>Guests</u>	Burke Burns & Pinelli, Ltd. Mary Pat Burns

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## ***ROLL CALL***

Chairman Levine called the meeting to order at 11:00 a.m. The Secretary called the roll and noted that a quorum was present.

Chairman Levine moved to go into Executive Session to discuss salaries of specific employees (5 ILCS 120/2(c)(1)), testimony presented during a closed meeting (5 ILCS 120/2(c)(4)), and pending litigation (5 ILCS 120/2(c)(11)). Justice Schostok seconded the motion and the motion was called to a vote pursuant to the Open Meetings Act. All in favor were: Chairman Levine, Trustee Cozzi, Trustee Reiches, and Justice Schostok. The motion passed unanimously.

Guests and Staff were excused from the meeting with the exception of Director Atwood and Mses. Burns and Payne.

## ***APPROVAL OF FY16 BUDGET***

Upon returning to Open Session Trustee Reiches moved to defer consideration of the FY16 budget to the next regularly scheduled Board meeting subject to additional information to be circulated to the Board by Director Atwood. Trustee Cozzi seconded and the motion passed unanimously.

## ***DEFERRED COMPENSATION HARDSHIP APPEALS***

Ms. Payne, serving as the Deferred Compensation Hearing Officer, discussed her recommendations with respect to H/S 15-115 and H/S 15-117. Justice Schostok moved to adopt the recommendation provided by the Hearing Officer with respect to H/S 15-115 as the final decision of the Board. Trustee Reiches seconded and the motion passed unanimously.

Justice Schostok moved to adopt the recommendation provided by the Hearing Officer with respect to H/S 15-117 as a final decision of the Board. Trustee Reiches seconded, noting that failure to repair the furnace and roof of the Appellant's home would result in a greater financial hardship, and the motion passed unanimously. Official minutes contain attachments.

## ***APPROVAL OF REVISED SIGNATURE RESOLUTION AND ADMINISTRATIVE RULES***

The General Counsel discussed the revised Signature Resolution. Trustee Reiches moved to adopted the revised Signature Resolution in the form previously distributed and considered by the Executive Committee and amend the Board's Administrative Rules to make them consistent with the revised Signature Resolution. Justice Schostok seconded and the motion passed unanimously. Official minutes contain attachment.

***APPROVAL OF ENTWISTLE & CAPPUCCI AS SPECIAL ASSISTANT ATTORNEYS GENERAL***

The General Counsel discussed the *In re Motors Liquidations Co.*, 777 F.3d 100 (2015) litigation and the expiration of the tolling agreement on November 16, 2015. The General Counsel informed the Board that despite the fact that Jones Day had been hired by most of the investors involved in the *In re Motors Liquidations Co.* litigation, the Attorney General was recommending that the Board retain the Entwistle firm as ISBI's counsel for purposes of the litigation. The General Counsel represented that the Attorney General had refused to appoint Jones Day because of the excessive fees charged by Jones Day. Discussion ensued regarding why the Jones Day law firm was unacceptable to the Attorney General when it was clear that the fees that were going to be charged by Jones Day were significantly lower than the fees being charged by the Entwistle firm. Chairman Levine and Trustee Cozzi noted that the proposed fees offered by Jones Day actually contained significant cost savings in that the Entwistle firm was charging \$200 per hour, while ISBI's fees to Jones Day would be less than .0016% of each dollar billed by Jones Day' hourly rate of \$1200 or less than \$10 per hour. The members noted their extreme displeasure with the decision of the Attorney General and questioned the authority of the Attorney General to dictate which firms ISBI used in such important litigations involving ISBI's assets. ISBI's General Counsel informed the Board that the tolling agreement she had negotiated ended on the day of this Meeting and that the Board needed to hire the recommended Counsel or would be at risk of a default judgment. Chairman Levine and Trustee Cozzi stated their disappointment in the General Counsel failing to apprise the Board of the tolling agreement prior to the date of its expiration and of the resulting pressure it put on the Committee to act that day.

Based on the representation of the General Counsel, Justice Schostok moved to appoint the bankruptcy firm of Entwistle & Cappucci as a Special Assistant Attorneys' General to represent the Board in the *In re Motors Liquidations Co.*, 777 F.3d 100 (2015), subject to successful contract negotiations to include a terminable at will provision. Trustee Cozzi seconded and the motive passed unanimously. Further, Justice Schostok moved that ISBI's General Counsel and Fiduciary Counsel be directed to engage in discussions with the Office of the Attorney General regarding establishing a Board approved process for the Attorney General's representation of ISBI in certain litigation matters. Trustee Reiches seconded and the motion passed unanimously.

***UNFINISHED BUSINESS***

None.

***NEW BUSINESS***

Chairman Levine informed the Committee that he had asked Ms. Burns to review the Board's Administrative Rules and present a redline version to the Board for approval.

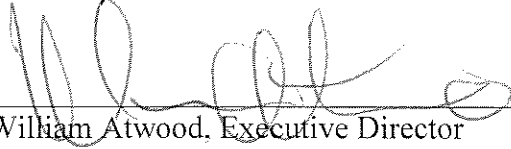
Ms. Burns notified the Committee of a Freedom of Information Act request that had been submitted to the Board by Treasurer Freriches involving a tape that had been inadvertently created at the October 2015 Meeting of the Board; Ms. Burns, on behalf of ISBI, has denied the

request and will continue to apprise the Board on the matter. Justice Schostok suggested given the facts presented it was her judgment that the decision of the Attorney General would be in favor of the Treasurer and that Fiduciary Counsel should attempt to settle the matter.

***NEXT MEETING AND ADJOURNMENT***

At 12:45 p.m., there being no further business to come before the Committee, Justice Schostok moved to adjourn. Trustee Cozzi seconded and the motion passed unanimously.

Respectfully submitted,



William Atwood, Executive Director