

Montgomery County Employees' Retirement Board

Meeting Minutes from Wednesday, May 19, 2010

A meeting of the Montgomery County Employees' Retirement Board was held on Wednesday, May 19, 2010 at 10:15AM in the Commissioners' Conference Room; 8th Floor ; One Montgomery Plaza; Norristown, PA.

Members present: Commissioner James Matthews, Chairman; Commissioner Bruce Castor; Controller Diane Morgan, Secretary; Ava Tuterice , Deputy Treasurer representing Treasurer Thomas Ellis.

Also in attendance: Chief Operating officer Robert Graf; Deputy COO James Maza; Solicitor Barry Miller; Pension Accountant John O'Brien

Outside presenter: David Maser of Chemicles and Tikellis, LLP, Attorneys at Law.

Secretary Morgan called the meeting to order at 10:15AM.

On the motion of Ms. Morgan, seconded by Mr. Castor, the minutes of the February 3, 2010 meeting of the Board were unanimously approved.

Chairman Matthews advised the board that counsel had determined that retention of outside counsel to represent the fund in securities class actions required board approval and could not be unilaterally approved by the Chairman as had previously been the practice.

The board was then advised by Mr. Mazer of of Chemicles and Tikellis, LLP that the board should file a suit against Vitacost.Com, Inc. (VC) and certain related persons for securities law violations in connection with VC's public offering in September, 2009.

Mr. Mazer answered questions from Mr. Castor regarding the computation of damages in this sort of litigation.

On motion of Mr. Matthews and seconded by Ms. Morgan, the board unanimously agreed to representation by the Chimicles firm in this matter and ratified that firm's representation in the Airgas, Inc. suit which had previously been unilaterally agreed to by the Chairman.

Ms. Morgan then informed the Board that Cornerstone Advisors had requested clarification of their discretionary authority to transfer assets of the fund. The authorization was clarified at the request of Mr. Castor to state that it applied to previously approved mutual funds and asset classes.

At this point on motion of Mr. Castor seconded by Ms. Tuterice, the board first unanimously approved the addition of the words " previously approved" before the phrases "mutual funds" and asset classes" and then the overall resolution.

Ms. Morgan then brought up the proposal by Cornerstone Advisors that the fund's investment in Piedmont Office Realty Trust (PMT) be transferred to the fund's account with ING Clarion Real Estate Securities as it becomes tradable for ING to hold or sell as it deems appropriate. Messrs. Miller and Castor then requested an explanation as to why the investment was not totally liquid at the present time.

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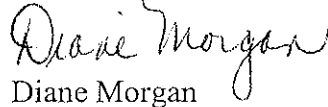
Ms. Morgan asked Mr. O'Brien to explain PMT's phased --in public offering. He stated that the PMT stock had been divided into four equal classes, one class being currently tradable, the other three classes becoming tradable in August and November, 2010 and January, 2011 respectively.

Mr. Castor then requested that the board specify that this transfer did not alter the fund's investment policy or the investment limitation imposed on ING Clarion.

At this point on motion of Ms. Morgan seconded by Mr. Matthews, the board first unanimously approved the addition of the clarification proposed by Mr. Castor and then the overall resolution.

There being no further business, the meeting adjourned at 10:40AM.

Respectfully Submitted,



Diane Morgan
Controller – Secretary