UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

THE BOARD OF TRUSTEES OF THE CITY OF BIRMINGHAM EMPLOYEES' RETIREMENT SYSTEM and THE BOARD OF TRUSTEES OF THE ROAD COMMISSION FOR OAKLAND COUNTY RETIREMENT SYSTEM, in its capacity as fiduciary of the Road Commission for Oakland County Retirement System, BOARD OF TRUSTEES OF THE IRON WORKERS' LOCAL NO. 25 PENSION FUND, BOARD OF TRUSTEES OF THE IRON WORKERS' HEALTH FUND OF EASTERN MICHIGAN, BOARD OF TRUSTEES OF THE ROOFERS LOCAL NO. 149 PENSION FUND, BOARD OF TRUSTEES OF THE CITY OF MONROE EMPLOYEES' RETIREMENT SYSTEM; BOARD OF TRUSTEES OF THE WATERFORD TOWNSHIP GENERAL EMPLOYEES' RETIREMENT SYSTEM, BOARD OF TRUSTEES OF CARPENTERS PENSION FUND TRUST-DETROIT & VICINITY, AND BOARD OF TRUSTEES OF LINE CONSTRUCTION BENEFIT FUND, individually and on behalf of all others similarly situated,

Plaintiffs,

v.

COMERICA BANK,

Defendant.

Hon. Stephen J. Murphy III

Case No. 09-13201

JURY DEMAND

CONSOLIDATED CLASS ACTION COMPLAINT

INTRODUCTION

Plaintiffs, the Board of Trustees of the City of Birmingham Employees' Retirement System, the Board of Trustees of the Road Commission for Oakland County Retirement System, the Board of Trustees of the Iron Workers' Local No. 25 Pension Fund, the Board of Trustees of the Iron Workers' Health Fund of Eastern Michigan, the Board of Trustees of the Roofers Local No. 149 Pension Fund, the Board of Trustees of the City of Monroe Employees' Retirement System, the Board of Trustees of the Waterford Township General Employees' Retirement System, the Board of Trustees of Carpenters Pension Fund Trust-Detroit & Vicinity and the Board of Trustees of Line Construction Benefit Fund, ("Plaintiffs"), as trustees and administrators of the City of Birmingham Employees' Retirement System, the Road Commission for Oakland County Retirement System, the Iron Workers' Local No. 25 Pension Fund, the Iron Workers' Health Fund of Eastern Michigan, the Roofers Local No. 149 Pension Fund, the City of Monroe Employees' Retirement System, the Waterford Township General Employees' Retirement System, the Carpenters Pension Fund-Trust Detroit & Vicinity and the Line Construction Benefit Fund (the "Plans"), respectively, on behalf of the Plans, and a class of all other similarly situated trustees, administrators, and other fiduciaries ("Class Members") of other similarly situated plans ("Class Plans"), bring this class action against Comerica Bank (hereinafter "Comerica" or "Defendant") and state as follows:

SUMMARY OF THE ACTION

1. Plaintiffs bring this action on behalf of a class that consists of all participants in Comerica's securities lending program that, through one or more of the collective investment vehicles managed by Defendant or its affiliates, incurred losses relating to investments in medium-term notes of Sigma Finance, Inc. (the "Class"). Through this action, Plaintiffs seek to

recover such losses on behalf of the City of Birmingham Employees' Retirement System, the Road Commission for Oakland County Retirement System, the Iron Workers' Local No. 25 Pension Fund, the Iron Workers' Health Fund of Eastern Michigan, the Roofers Local No. 149 Pension Fund, the City of Monroe Employees' Retirement System, the Waterford Township General Employees' Retirement System, the Carpenters Pension Fund-Trust Detroit & Vicinity and the Line Construction Benefit Fund and on behalf of all members of the Class.

2. Defendant was a fiduciary for each Plaintiff and member of the class because it was under a duty to act for the benefit of each Plaintiff and member of the class on matters within the scope of their relationship. Specifically, Defendant exercised authority and/or control with respect to the management of the Class Plans' and Class Members' assets, namely the investment of the Class Plans' and Class Members' collateral.

3. As a fiduciary for each Plaintiff and member of the class, Comerica owed the Plaintiffs and members of the class duties of good faith, loyalty, and avoidance of self-dealing. Comerica was required to discharge its obligations with respect to Class Members solely in the interest of Class Members while subordinating its own interests to those of the Class Members, for the exclusive purpose of providing benefits to Class Members, and with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of a similar enterprise with similar aims.

4. Further, because Comerica exercised discretionary authority and/or control with respect to the management and/or disposition of the Class Members' assets, Defendant was a "fiduciary" to Class Members within the meaning of §3(21)(A) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), 29 U.S.C. §1002(21)(A). As a fiduciary,

Comerica was required by §404(a)(1) of ERISA, 29 U.S.C. §1104(a)(1), to discharge its obligations with respect to Class Members (a) solely in the interest of Class Members; (b) for the exclusive purpose of providing benefits to Class Members; (c) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; and (d) in accordance with all applicable documents and instruments. *See* ERISA §404(a)(1), 29 U.S.C. §1104(a)(1).

5. Moreover, Defendant is an investment fiduciary within the meaning of the Michigan Public Employee Retirement System Investment Act, Act No. 314 of the Public Acts of 1965, as amended ("PERSIA") because it exercised discretionary authority and/or control in the investment of the Class Plans' assets. Michigan Compiled Laws ("MCL") §38.1132c Sec. 12 (c)(1). As a fiduciary, Comerica is required by MCL §38.1133 Sec. 13 (3) to discharge its obligations with respect to Class Members (a) solely in the interest of Class Members; (b) 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; (c) with due regard for the management, reputation, and stability of the issuer and the character of the investments; and (d) for the exclusive purpose of providing benefits to Class Members

6. Defendant, in violation of its inherent fiduciary duties and those fiduciary duties set forth under ERISA and PERSIA, has engaged in imprudent and disloyal investment activities, in connection with a securities lending program, which caused substantial losses to the Class Plans. This action seeks to recover losses caused by Defendant's breaches of its fiduciary duty to the Plans.

7. Plaintiffs and Class Members participated in Comerica's Securities Lending Program ["SLP"], under which Comerica, in its capacity as agent and fiduciary for the Class Plans invested the plans' assets. Through the Securities Lending Program, Comerica lent out securities belonging to Plaintiffs and received cash and collateral from "the borrowers" to secure those loans. Comerica then invested the cash collateral in a collective investment pool, known as the Collateral Pool. Comerica acknowledged that the Plaintiffs' assets, like that of all program participants, should only be invested in safe, conservative vehicles, and that Comerica would carefully monitor these investments. Unfortunately, Comerica utterly failed to monitor a critical component of Plaintiffs' commingled investment pool. Specifically, Comerica invested the collateral in high risk securities in violation of the program's requirement that Defendant safeguard principal over all other considerations. Moreover, as negative information regarding this high risk investment became available to Defendant, Defendant, in violation of its fiduciary duties, failed to act to safeguard the Class Plans' collateral. When these high risk securities collapsed in value, the Class Plans lost principal and suffered substantial losses. Defendant made these high risk investments in an attempt to earn substantial profits for itself in dereliction of its duties to the Class Plans and Class Members.

8. Defendant's acts and omissions, as hereinafter described, are breaches of its inherent fiduciary duties and its duties under PERSIA and ERISA §404(a) and are prohibited transactions that violate ERISA §406, which entitle the Class Plans, pursuant to ERISA §502(a)(2), to recover appropriate relief under ERISA §409 and, pursuant to ERISA §502(a)(3), to enjoin acts which violate ERISA. *See* 29 U.S.C. §§1104(a), 1106, 1132(a)(2)-(3), and 1109(a).

9. Plaintiff Board of Trustees for the City of Birmingham Employees' Retirement System is the trustee and plan administrator of the City of Birmingham Employees' Retirement System, which is a pension plan and trust established by the Birmingham City Charter and Birmingham City Municipal Code and pursuant to MPERSIA. The Board is also created by the City Charter and City Code. The Retirement System's offices are located at 151 Martin Street in Birmingham, Michigan. The trustees are all citizens of the State of Michigan.

10. Plaintiff Board of Trustees for the Road Commission for Oakland County Retirement System is the trustee and plan administrator of the Road Commission for Oakland County Retirement System, which is a pension plan and trust established by the Road Commission for Oakland County pursuant to MPERSIA. The Board was also established by the Road Commission for Oakland County. The Retirement System's offices are located at 31001 Lahser Road in Beverly Hills, Michigan. The trustees are all citizens of the State of Michigan.

11. Plaintiff Board of Trustees of the Iron Workers' Local No. 25 Pension Fund is the trustee and plan administrator of the Iron Workers' Local No. 25 Pension Fund, an employee pension benefit plan within the meaning of Section 3(2) of the Employee Retirement Security Act of 1974, as amended, 29 U.S.C. § 1001, et. seq. ("ERISA"). Iron Workers' Local No. 25 Pension Fund is based in Novi, Michigan and has approximately 4,400 participants.

12. Plaintiff Board of Trustees of the Iron Workers' Health Fund of Eastern Michigan is the trustee and plan administrator of the Iron Workers' Health Fund of Eastern Michigan, an employee welfare benefit plan within the meaning of Section 3(2) of the Employee Retirement Security Act of 1974, as amended, 29 U.S.C. § 1001, et. seq. ("ERISA"). Iron Workers' Health Fund of Eastern Michigan is based in Novi, Michigan and has approximately 3,000 participants.

13. Plaintiff Board of Trustees of the Roofers Local No. 149 Pension Fund is the trustee and plan administrator of the Roofers Local No. 149 Pension Fund, an employee pension benefit plan within the meaning of Section 3(2) of the Employee Retirement Security Act of 1974, as amended, 29 U.S.C. § 1001, et. seq. ("ERISA"). Roofers' Local 149 Pension Fund's administrative offices are located in Troy, Michigan.

14. Plaintiff Board of Trustees of the Waterford Township General Employees' Retirement System is the trustee and plan administrator of the Waterford Township General Employees' Retirement System, which is a pension plan and trust established by Waterford Ordinance Sec. 2-78, pursuant to IRC § 401 and MPERSIA, PA 314 §§ 16, 12(e); MCL § §38.1133(6), 38.1132e(5). The offices are located in Waterford, Michigan. The Trustees, William Flury, Margaret Birch, Derek Diedrich, Sue Camilleri and Shirley Barnett are citizens of the State of Michigan

15. Plaintiff Board of Trustees of the City of Monroe Employees' Retirement System is the trustee and plan administrator of the City of Monroe Employees' Retirement System, established by the City Charter § 346, and the Municipal Code, Monroe Ordinance ¶ 296.30 which establishes the Board of Trustees. The offices are located in Monroe, Michigan. The Trustees, Mike Gaynier, Randy Harris, Edward Chakmakian, Edward Paisley, Andrew Pinchoff, Michael DeSloover, Gregory Hill and George Brown are citizens of the State of Michigan.

16. Plaintiff Board of Trustees of the Carpenters Pension Fund-Trust Detroit & Vicinity, is the trustee and plan administrator of Carpenters Pension Fund Trust, an employee pension benefit plan within the meaning of Section 3(2) of the Employee Retirement Security Act of 1974, as amended, 29 U.S.C. § 1001, et. seq. ("ERISA"). Carpenters Pension Fund-Trust's administrative offices are located in Troy, Michigan.

17. Plaintiff, Board of Trustees of the Line Construction Benefit Fund, Fund is the trustee and plan administrator of the Line Construction Benefit Pension Fund, an employee pension benefit plan within the meaning of Section 3(2) of the Employee Retirement Security Act of 1974, as amended, 29 U.S.C. § 1001, et. seq. ("ERISA"). Line Construction Benefit Fund's administrative offices are located in Lombard, Illinois

18. Comerica is a citizen of the state of Texas. Defendant Comerica Bank ("Comerica"), a subsidiary of Comerica Incorporated ("Comerica Inc."), is a Texas banking association, incorporated in Texas. Comerica is headquartered in Dallas, Texas and is chartered by the State of Texas. Comerica is a member of the Federal Reserve System and is supervised and regulated by the Federal Reserve Bank of Dallas.[1] Comerica has branches in Texas, Michigan, Florida, California and Arizona

19. Comerica is a Texas banking association and under the Texas Banking Act, the term "banking association" is defined as a "state bank that is organized under [the statute] as a corporation, authorized to issue shares of stock, and controlled by its shareholders." Tex. Fin. Code Ann. § 31.002(a)(5).

20. Comerica's principal place of business is in Dallas, Texas. This is where it is headquartered; is the primary site of its executive management; is the location at which major corporate actions are executed; and is where its officers directed, control, and coordinate Comerica's activities. As of December 31, 2007 and onward, Comerica's FDIC filings show its headquarters are located in Dallas, Texas.

[1]On October 31, 2007, Comerica Bank, a Michigan banking corporation, was merged with and into Comerica Bank, a Texas banking association.

JURISDICTION AND VENUE

21. This Court has exclusive jurisdiction over this action and the Defendant pursuant to 28 U.S.C. §§1331 and 1332, and ERISA §502(e)(1),(2); 29 U.S.C. §1132(e)(1), (2) and 28 U.S.C. § 1332(d) and 28 U.S.C. § 1367.

22. Venue is proper in this District pursuant to ERISA §502(e)(2); 29 U.S.C. §1132(e)(2) and 28 U.S.C. §1391 because Defendant resides or may be found in this District and because Defendant's breaches took place in this District.

FACTUAL ALLEGATIONS

Comerica's Securities Lending Program

23. "Securities lending" is the practice of lending of securities owned by one party to another Party ("the borrower") for reasons such as market making, hedging and arbitrage. In cases such as this one, the process is facilitated by a financial institution such as Comerica. The financial institution lends its customers' securities out to third parties, which in exchange provide collateral to the financial institution. The financial institution in turn invests all of its clients' collateral in a collective pool and splits the revenue with the customer. Traditionally, the reinvestment income has been used by security lending participants to offset the expenses of maintaining its portfolio, including custodial costs and brokerage commissions. The investment of collateral through the SLP was focused on preservation of capital and liquidity to ensure that the cash collateral could be returned to the investors upon the termination of the securities loans.

24. The terms of the loan are governed by a "Securities Lending Agreement," which requires that the borrower provide the lender with collateral in the form of cash, government securities or a letter of credit of value equal to or greater than the loaned securities. Each Class Member, including the City of Birmingham Employees' Retirement System, the Road

Commission for Oakland County Retirement System, the Iron Workers' Local No. 25 Pension Fund, the Iron Workers' Health Fund of Eastern Michigan, the Roofers Local No. 149 Pension Fund, the City of Monroe Employees' Retirement System, the Waterford Township General Employees' Retirement System, the Carpenters Pension Fund-Trust Detroit & Vicinity and the Line Construction Benefit Fund, was a party to a substantially similar securities lending agreement with Comerica (each a "Securities Lending Agreement"). Pursuant to these Securities Lending Agreements, Comerica loaned securities owned by Class Members to third-party borrowers in return for such collateral. Defendant or its agent then invested that collateral in an effort to earn an investment return on the collateral. In return, Defendant received, as compensation, 30%-50% of the profit generated for each Class Member through the investment of the collateral.

25. As an intermediary between the lender and the borrower and as an agent on behalf of the Class Plans, Comerica or its agent invested the collateral provided by the borrower in a collateral pool under the control and management of Comerica.

26. In its capacity as a lending agent for the Class Plans, Comerica acknowledges its fiduciary responsibility to always put its clients' interests first.

27. Upon information and belief, in advertising its Securities Lending Program, Defendant even attached the "Definition of 'Fiduciary'" for purposes of investment advice.

28. According to Comerica's website, Comerica has provided securities lending services since 1981. The website reflects Comerica's appreciation of the need for securities lending collateral to be invested prudently, stating that the program "helps to maximize portfolio returns . . . . Our program is a strategic combination of technology, market trading, and distribution expertise – *with prudent risk management*." The website also states that Comerica's

program includes "[c]ontrol of all program operations and administration," "[s]tate-of-the-art trading technology," and "[e]xpertise in markets and distribution capabilities."

29. The collateral invested by Defendant had to be returned to the borrowers upon repayment of the loaned securities. For this reason, Comerica recognized that in investing the collateral, the "*safekeeping of assets is critical.*" Indeed, Comerica understood that "*revenue is never more important than the safety of our clients' assets*." As a result, it boasted that it had developed a "*conservative program that has never had a loss*."

30. Comerica acknowledged that a main objective of its Securities Lending Program is to "provide you with the opportunity to earn incremental income without *exposure to unnecessary risk*" and that it was responsible for providing that "[c]ash collateral is invested subject to *prudent investment guidelines*." It also acknowledged its "Commitment" as providing securities lending clients "with the opportunity to earn incremental income *without exposure to unnecessary risk*."

31. Comerica said that its "*strength as a custodian and risk manager* provide[s] clients with a high level of service. The emphasis we place on the trading component of securities lending differentiates us from the typical agent bank program. By understanding the particular trading strategies that are the driving forces behind settling a rebate, we are able to increase spread *without taking unnecessary investment or counter party risk*. . . . There have been no securities lending losses in our program." It listed securities lending "Program Benefits" as "Clients are provided with an opportunity to earn substantial incremental income *without exposure to unnecessary risk. . . . Comerica has never had a securities lending loss*." Comerica further acknowledged that its Securities Lending Program "[i]ncreases spread *without sacrificing liquidity or the safety of principal*."

32. To that end, Comerica touted its "[e]xpertise in collateral management." It acknowledged its responsibility for "*active risk management*" and "*daily monitoring of the activities*" and emphasized that its securities lending system "tracks all" and "provides full accounting of securities lending activities," and that its "[m]ulti-functional securities lending system provides interactive control over all facets of the securities lending process and provides full accounting of securities lending activities."

33. Comerica's "active risk management" also included "[o]versight by Institution Trust Committee and the Trust Committee of the Comerica Bank Board of Directors" with "Trust Operations' internal controls continually monitored by external and internal audit programs."

Plaintiffs' and the Class Members' Securities Lending Agreements

34. On or about December 15, 2005, Plaintiff Board of Trustees of the City of Birmingham Retirement System, on behalf of the City of Birmingham Retirement System, entered into a Securities Lending Agreement (the "Birmingham Agreement"). A true and correct copy of the Birmingham Agreement is attached hereto as Exhibit A.

35. On or about May 16, 2002, Plaintiff Board of Trustees of the Oakland County Road Commission Retirement System, on behalf of the Oakland County Road Commission Retirement System, entered into a Securities Lending Agreement (the "Oakland Road Commission Agreement"). A true and correct copy of the Oakland Road Commission Agreement is attached hereto as Exhibit B.

36. On or about January 23, 1997, Plaintiff Board of Trustees of the Iron Workers' Local No. 25 Pension Fund, on behalf of Iron Workers' Local No. 25 Pension Fund, entered into a Securities Lending Agreement with Comerica (the "Iron Workers' Agreement"). A true and correct copy of the Iron Workers' Agreement is attached hereto as Exhibit C.

37. On or about August 6, 2001, Plaintiff Board of Trustees of the Iron Workers' Health Fund of Eastern Michigan, on behalf of the Iron Workers' Health Fund of Eastern Michigan, entered into a Securities Lending Agreement with Comerica (the "Iron Workers' Health Agreement"). A true and correct copy of the Iron Workers' Health Agreement is attached hereto as Exhibit D.

38. On or about August 24, 2006, Plaintiff Board of Trustees of the Roofers Local No. 149 Pension Fund, on behalf of Roofers Local No. 149 Pension Fund, entered into a Securities Lending Agreement with Comerica (the "Roofers Agreement"). A true and correct copy of the Roofers Agreement is attached hereto as Exhibit E.

39. On or about May 15, 2002, Plaintiff Board of Trustees of the City of Monroe Employees' Retirement System, on behalf of the City of Monroe Employees' Retirement System, entered into a Securities Lending Agreement with Comerica (the "City of Monroe Agreement"). A true and correct copy of the City of Monroe Agreement is attached hereto as Exhibit F.

40. On or about January 23, 2002, Plaintiff Board of Trustees of the Waterford Township General Employees' Retirement System, on behalf of the Waterford Township General Employees' Retirement System, entered into a Securities Lending Agreement with Comerica (the "Waterford Agreement"). A true and correct copy of the Waterford Agreement is attached hereto as Exhibit G.

41. On or about May 3, 2004, Plaintiff Board of Trustees of the Carpenters Pension Fund-Trust Detroit & Vicinity on behalf of the Carpenters Pension Fund-Trust Detroit & Vicinity entered into a Securities Lending Agreement with Comerica (the "Carpenters

Agreement'). A true and correct copy of the Carpenters Agreement is attached hereto as Exhibit H.

42. On or about September 19, 2006, Plaintiff Board of Trustees of the Line Construction Benefit Fund entered into a Securities Lending Agreement with Comerica (the "Line Construction Agreement"). A true and correct copy of the Line Construction agreement is attached hereto as Exhibit I.

43. Birmingham, the Oakland Road Commission, the Iron Workers' Pension, Iron Workers' Health, Roofers, City of Monroe, Waterford, Carpenters and Line Construction Agreements delineate Comerica's standardized Securities Lending Program. Upon information and belief, the Birmingham, Oakland Road Commission, Iron Workers' Pension, Iron Workers' Health, Roofers, City of Monroe, Waterford, Carpenters and Line Construction Agreements executed by and between the Plans and Defendant are materially similar to Securities Lending Agreements ("Agreements") executed by and between Defendant and the members of the Class on behalf of the Class Plans.

44. Under the terms of the Agreements, Defendant, as agent for the Class Plans, agreed to lend and loaned securities owned by the Class Plans to creditworthy borrowers pursuant to a securities borrowing agreement.

45. In order to protect the Class Plans' securities from a borrower's default, the terms of the Agreements required borrowers to post collateral in the form of cash, securities issued by the U.S. government or its agencies, or letters of credit (collectively, the "Collateral") which, at all times, had a market value of not less than 102% of the market value of the loaned securities as of the close of the preceding business day (the "Collateral Requirement"). If the market value of the Collateral received from the borrower fell below the 102% Collateral Requirement, Comerica

was required to demand additional Collateral from the borrower in order to assure that the market value of the Collateral was never less than the Collateral Requirement.

46. Defendant, as agent for the Class Plans, received and held the Collateral in an approved collateral account (the "Collateral Account"). The Plans' Collateral was commingled with the Collateral of other lender Class Plans. The Class Plans, each of which was a securities lending client, then held a pro rata share in the Collateral Account based on their outstanding loan balances.

47. The Plans and other Class Members were to receive a *pro rata* share of all revenues earned by the direct investment or by the collective investment vehicles in which their cash collateral was invested, less the expenses and fees taken by Defendant and the rebate paid to the borrowers of the Class Members' securities.

48. Defendant received, as compensation for its services, a percentage of the net revenues – generally 30%-50% – generated through the Securities Lending Program for each Class Member.

49. In addition to its general duties of prudence, care and loyalty, because Defendant invested cash collateral – essentially borrowed money – that had to be returned to the borrowers of the securities upon return of those securities, Defendant was required to invest the cash collateral conservatively and prudently, consistent with the Securities Lending Program's primary objective of safeguarding principal.

50. The Securities Lending Agreements acknowledged the importance of investing the collateral prudently explaining, for example, that Defendant, or its agent, "shall invest the cash collateral in various short-term instruments and investment vehicles."

51. Comerica acknowledged the importance of adhering to various investment maturity guidelines and other limits with respect to how much of the cash collateral pool may be invested with any issuer and the approved repurchase agreement dealers. Each of the investments that it acknowledged were appropriate was relatively short-term in nature and generally regarded by investors as safe. In particular, the investments were intended to be a means of generating modest returns while limiting risk and preserving capital.

52. Accordingly, consistent with Defendant's fiduciary duties and duties under ERISA and PERSIA, the key objectives for the management of the cash collateral were to: (a) safeguard principal; (b) maintain a diversified portfolio of conservative investments and adequate liquidity; and (c) consistent with these objectives, to optimize the spread between the collateral earnings and the rebate paid to the borrowers of securities.

Defendant's Fiduciary Duties

53. Defendant owes the Class Plans fiduciary obligations because it was under a duty to act for the benefit of the Class Plans on matters within the scope of their relationship. Specifically, Defendant owed the Class Plans fiduciary duties by virtue of its authority and control over the assets of the Class Plans and its discretionary authority over investment of collateral under the Agreements.

54. As a fiduciary of the Class Plans, Comerica owed the Class Plans duties of good faith, loyalty, and avoidance of self-dealing. Comerica was required to discharge its obligations with respect to Class Plans and Class Members solely in the interest of Class Plans and Class Members while subordinating its own interests to those of the Class Plans and Class Members, for the exclusive purpose of providing benefits to Class Plans and Class Members, and with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person

acting in a like capacity and familiar with such matters would use in the conduct of a similar enterprise with similar aims.

55. Further, Comerica is a fiduciary in that it exercised authority or control over the management or disposition of the assets of the Plans, the Collateral, and, upon information and belief, the assets of the Class Plans. ERISA §3(21) (29 U.S.C. §1002(21)).

56. Pursuant to ERISA §404(a)(1) (29 U.S.C. §1104(a)(1)), Defendant had the following duties:

> [A] fiduciary shall discharge his duties with respect to a plan solely in the interest of the participants and beneficiaries and –
>
> (A) for the exclusive purpose of:
>
> (i) providing benefits to participants and their beneficiaries; and
>
> (ii) defraying reasonable expenses of administering the plan;
>
> (B) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;
>
> (C) by diversifying the investments of the plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and
>
> (D) in accordance with the documents and instruments governing the plan insofar as such documents and instruments are consistent with the provisions of this title and title IV.

Defendant also had the duty to refrain from engaging in prohibited transactions. Section 406(b)(1) of ERISA (29 U.S.C. §1106(b)(1)) provides, in pertinent part:

> (b) Transactions between plan and fiduciary. A fiduciary with respect to a plan shall not –
>
> (1) deal with the assets of the plan in his own interest or for his own account . . . .

57. Moreover, Comerica is an investment fiduciary within the meaning of MCL §38.1132c Sec. 12 (c)(1) because it exercised discretionary authority and/or control in the investment of the Class Plans' assets.

58. Pursuant to MCL §38.1133 Sec. 13 (3), Defendant had the following duties:

> An investment fiduciary shall discharge his or her duties solely in the interest of the participants and the beneficiaries, and shall do all of the following:
>
> (a) 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.
>
> (b) Act with due regard for the management, reputation, and stability of the issuer and the character of the particular investments being considered.
>
> (c) Make investments for the exclusive purposes of providing benefits to participants and participants' beneficiaries, and of defraying reasonable expenses of investing the assets of the system.
>
> (d) Give appropriate consideration to those facts and circumstances that the investment fiduciary knows or should know are relevant to the particular investment or investment course of action involved, including the role the investment or investment course of action plays in that portion of the system's investments for which the investment fiduciary has responsibility; and act accordingly. For purposes of this subsection, "appropriate consideration" includes, but is not limited to, a determination by the investment fiduciary that a particular investment or investment course of action is reasonably designed, as part of the investments of the system, to further the purposes of the system, taking into consideration the risk of loss and the opportunity for gain or other return associated with the investment or investment course of action; and consideration of the following factors as they relate to the investment or investment course of action:
>
> (i) The diversification of the investments of the system.
>
> (ii) The liquidity and current return of the investments of the system relative to the anticipated cash flow requirements of the system.
>
> (iii) The projected return of the investments of the system relative to the funding objectives of the system.

(e) Give appropriate consideration to investments that would enhance the general welfare of this state and its citizens if those investments offer the safety and rate of return comparable to the other investments permitted under this act and available to the investment fiduciary at the time the investment decision is made.

(f) Prepare and maintain written objectives, policies, and strategies with clearly defined accountability and responsibility for implementing and executing the system's investments.

(g) Monitor the investment of the system's assets with regard to the limitations on those investments pursuant to this act. Upon discovery that an investment causes the system to exceed a limitation prescribed in this act, the investment fiduciary shall reallocate assets in a prudent manner in order to comply with the prescribed limitation.

Comerica Breached Its Fiduciary Duties

59. Despite these objectives and duties, Defendant invested and lost a substantial portion of the Class Members' Collateral in medium term notes ("MTNs") issued by Sigma Finance, Inc. ("SFI"). SFI is a Delaware corporation organized for the sole purpose of issuing debt securities for its Cayman Islands parent company, Sigma Finance Corporation ("Sigma").

60. The debt securities – in this case MTNs – were secured only by a "floating lien" on the assets of Sigma, which was subject to subordination to the lien interests of Sigma's other creditors, including repurchase agreement ("repo") counterparties.2

61. Sigma was a SIV managed by the British firm Gordian Knot Ltd. SIVs had very simple business models. They issued short-term, low-yielding debt, typically in the form of MTNs and commercial paper. SIVs then used the proceeds that they received from the issuance

[2] A repurchase agreement is an agreement whereby a structured investment vehicle ("SIV") sells a portion of its assets to a "repo counterparty," typically a bank. At the same time, the SIV agrees to buy its assets back at a specified time and price and pays interest to the repo counterparty over the term of the transaction. It is a means for the SIV to borrow cash collateralized by the assets ("repoed") at an interest rate implied by the forward purchase price. In this case transactions occurred when Sigma sold a portion of its long-term assets to third parties and agreed to repurchase those assets at a later date. To protect itself from default by Sigma, those third parties required Sigma to post collateral in excess of the amount it borrowed.

of the short-term debt to buy long-term, high-yielding (and riskier) assets, such as mortgage-backed securities.

62. SIVs earned revenue because the riskier long-term assets yielded higher returns than they were required to pay on the short-term debt. Therefore, the solvency of a SIV is put at risk when the values of the assets fall below the value of the quickly maturing liabilities. By their very nature, SIVs have built-in credit and liquidity risk.

63. As of July 2007, Sigma had outstanding debt of approximately $52 billion.

64. Defendant knew that SIVs were what its parent company, Comerica Inc., called "*high risk, sophisticated financing vehicles*." And in Comerica Inc.'s concern for "managing and mitigating risk" for itself, it did not create any SIVs, as many other banks had done. But, although Comerica Inc. chose to avoid the risk for itself, in the summer of 2007, Comerica had no qualms about investing large quantities of the Class Members' Collateral in Sigma.

65. Moreover, Sigma was riskier than other SIVs. This is because, unlike most SIVs, it did not have a bank "back-stopping" it. In other words, if Sigma failed, there was no bank to step in and provide the funds necessary to save it. Investors would be left to recoup what they could through a fire-sale of assets.

66. Under these circumstances, when the overarching goal is to preserve principal and maintain adequate liquidity to be able to return Collateral to borrowers, a reasonably prudent investor would not have invested the Class Members' Collateral in "*high risk, sophisticated financing vehicles*."

67. And, indeed, shortly after Defendant purchased a substantial amount of the high-risk Sigma MTNs using the Collateral held for Class Members, SIVs began to collapse.

68. By August of 2007, market analysts were issuing warnings concerning the solvency of SIVs. This is because, as the market crashed that summer, the value of the long-term assets in SIVs' portfolios crashed with it. At the same time, the market for MTNs and commercial paper dried up. As a result, SIVs were unable to issue debt to raise new funds.

69. The warnings were issued after a subsidiary of Bear Stearns & Co. ("Bear Stearns") was forced to bail out two of its hedge funds. The funds were shut down in August 2007. The collapse of these funds kicked off a liquidity crisis that quickly spread to other SIVs.

70. On August 22, 2007, in an article entitled "*SIVs, next shoe to drop in global credit crisis?*," *Reuters* reported:

> Wall Street should keep its eye on a little-known coterie of investment companies run by European banks called "structured investment vehicles," or *SIVs, which are having a tough time raising short-term funding*. These *risky investment vehicles* raise cheap cash by issuing short-term debt called commercial paper and buy higher-yielding securities, often U.S. mortgages, pocketing the difference.
>
> But analysts say *widespread failure in these vehicles* could mean higher borrowing costs for U.S.-based companies that rely on the asset-backed securities market.

The article noted: "According to Standard & Poor's, *the largest SIV programs as of July 13 were Sigma Finance, run by Gordian Knot, a London-based firm that is 32 percent-owned by Deutsche Bank*; Cullinan Finance, run by HSBC Bank; and K2 Corp., run by Dresdner Kleinwort."

71. The article further explained:

> Money-market funds, which are big buyers of commercial paper, are spooked by possible contagion from subprime mortgages, or risky home loans granted to low-credit home buyers, and are shunning commercial paper backed by assets.
>
> As a result, *SIVs can't raise any new funds and could soon be forced to dump more than $120 billion in investments* – including higher-rated securities backed by mortgages and collateralized debt obligations, or bonds backed by other types of debt – on jittery investors who are already fleeing risk.

> Such a massive unwind could further batter the nearly frozen U.S. asset-backed securities market . . . .
>
> * * *
>
> To be sure, SIV managers have a pile of emergency cash on hand and are pursuing other avenues, like short-term loans called repurchase agreements, to hoard more cash and wait out the investor boycott.
>
> But *SIVs may not be able to wait longer than several weeks before unloading assets to repay investors*.

72. On August 29, 2007, *The New York Times*, in an article entitled "S.&P. Cuts British Firm's Debt Rating," reported that Cheyne Capital Management, a SIV, had its ratings slashed and would likely be forced to liquidate its assets:

> A London money management firm, Cheyne Capital Management, may be forced to liquidate the assets backing its $10 billion commercial paper program in the latest casualty of the jittery credit market.
>
> Standard & Poor's, the rating agency, yesterday abruptly downgraded, by six notches, the ratings of the short-term notes issued by Cheyne Finance, a structured investment vehicle that the firm uses to bolster returns.
>
> * * *
>
> The action was taken after the securities underlying Cheyne Finance's commercial paper program quickly declined in value, forcing it to liquidate some assets in order to repay its creditors. That process could begin as early as Thursday, when Cheyne's portfolio managers will estimate the proceeds from future asset sales.

73. On September 6, 2007, a J.P. Morgan Securities Short-Term Fixed Income Research Note by Alex Roever reported:

> *We believe that the survival of the SIV business model is in serious jeopardy* owing to the ongoing liquidity drought and the resulting difficulty SIVs face in issuing new debt.
>
> * * *
>
> *The outlook for Structured Investment Vehicles (SIVs) is grim. . . .* [T]he SIVs are heavily exposed to the general level of credit spreads; both as investors and issuers, and the substantial spread widening sustained during the past several weeks has hurt them on both sides of their balance sheets.

> The confluence of current market circumstances . . . *puts the SIVs under extraordinary pressure*. . . . The negative headlines generated by the demise of several "SIV-lites" and now unwinding Cheyne Finance PLC have not helped matters.

74. The J.P. Morgan Note listed Sigma as the largest SIV, with $53 billion outstanding.

75. The Note further explained that negative disclosures regarding the outlook for SIVs had created

> a new uncertainty . . . in the minds of investors as a response to recent agency actions – and inactions – in the Cheyne Finance case, as well as others. The timing and magnitude of developments in this episode suggest the possibility that the very agents which investors rely upon most for SIV oversight may not have been completely focused on underlying asset valuations. The result has been to undermine investor confidence in rating agency surveillance of SIVs. These new doubts, piled upon what is already an incredibly challenging market, will make it harder for liquidity-driven investors to continue participating in the funding of senior debt on an ongoing basis.

76. The Note also discussed market concern with the lack of visibility into the level of risk in the portfolios of the SIVs, writing, "In the absence of clear disclosure the SIVs have allowed speculation about the risks embedded in their portfolios to fester and grow." It added, however, that investors should be concerned because "*SIVs have probably sustained significant erosion in underlying asset values since the beginning of August*." The Note explained:

> The ability of SIVs to liquidate assets and shrink their portfolios is hampered by these resulting pricing implications. If a liquidating SIV begins selling these assets on the market in size, spreads will widen further and these $1-2 hits to asset prices will just be the tip of the iceberg.
>
> The latter point should be of *concern to SIV investors*. . . . If the liquidation value of the assets differs substantially from the values used to conduct capital adequacy tests or to measure NAVs, the funds available to repay investors could easily be compromised. The degree to which investors question the veracity of periodic marks-to-market undermines their confidence in the SIV business model as well as the value they place in a credit ratings process that uses market values as a key input.

77. In particular, the Note explained:

> Moody's admitted it does not audit the quality of mark-to-market quotes used for market value calculations. The agency stated that it basically takes what the manager provides under the assumption that the manager is closely adhering to program documentation that outlines acceptable procedures for marking assets to market. Moody's claims to have turned down several requests to mark to model. Although Moody's professed confidence in the accuracy of the marks, its commentary only served to unnerve investors. The Reagan-era mantra of "trust but verify" is not at work here.
>
> * * *
>
> [As a result] [t]he investors who in the past have bought SIV senior debt are not now participating as actively in this sector as they were. Many of them are unlikely to return unless they can regain confidence in these assets and the ratings assigned to them.

78. Regarding the use of repo agreements by SIVs to remain afloat, the Note explained:

> Moody's noted that under certain conditions, use of repurchase agreements would be an acceptable financing strategy for SIVs, although *it admitted that the repo counterparty was essentially senior to the CP and MTN holders. We think this is an extraordinary accommodation, and reflects the degree to which Moody's is concerned about the viability of the SIV sector*. Our best information is that third-party repo is not generally available to SIVs on commercially acceptable terms, so this accommodation is really about making it easier for banks to support the SIVs that they manage.

The Note detailed some of the problems inherent in the SIVs' use of repo agreements to fund maturing debt:

> This simple sounding solution is actually problematic to execute for at least two reasons. First, not all of the assets owned by SIVs, such as the CDO or esoteric ABS positions, are items that Wall Street's repo desks are willing or able to finance. With only some assets financeable, the amount of funding available using repo would be limited. Second, *it's doubtful the rating agencies would permit this sort of transaction because it would give the repo counterparty a preferential claim on the most liquid portfolio assets to the detriment of the senior debt holders. Any repo that took place in the SIVs would need to be secured by a vertical slice of the portfolio . . . rather than claims on only the best assets*.

79. The Note concluded that, absent some miraculous quick recovery by the market, the SIVs were doomed. It explained that any potential solutions for SIVs were merely

> stop-gaps that would buy SIV more time in the event the market was slow to return to normal. *In the end, the long-term viability of the SIVs is dependent on the short-term market returning to a normal functioning state in the not too distant future. It is not currently clear to us that this type of recovery is imminent.* As recent Federal Reserve data indicate, there has been a significant contraction of ABCP outstandings that we believe signifies a significant decrease in the degree of trust investors are willing to vest in ABCP in general. The recovery of that trust and with it short duration investors' willingness to resume buying this paper *will take longer to return*.

80. On September 10, 2007, in an article entitled "Banks face billions in renewals," *The Globe and Mail* listed Sigma and other SIVs as in talks with banks to enter repo agreements to help pay maturing paper and avoid fire sales of their assets: "Structured-investment vehicles, known as SIVs, are in talks with banks to borrow against their own assets to obtain funding pacts known as repurchase agreements. These so-called repo agreements could help pay maturing paper and to avoid fire sales of their assets, which include securities tied to U.S. mortgage loans."

81. A September 18, 2007 article in *The New York Times* noted that many other SIVs faced problems similar to those of Cheyne, especially those without the backing of large banks to fill the short-term financing shortfall.

82. And, indeed, by this time, the market for Sigma's debt had deteriorated. Upon information and belief, by October 18, 2007, with *$22.5 billion in debt coming due in 2008*, Sigma was *only able to raise $20 million in new MTNs* to finance these quickly approaching obligations.

83. With the value of their assets sinking, their debt coming due, and no ability to issue new debt to raise funds, the SIVs that were not declaring bankruptcy immediately were attempting to sell their assets (often at losses) and entering into repo agreements to raise the necessary funds to stay afloat. But this approach was harmful to holders of SIV debt for several reasons. First, the assets that investors were willing to buy from SIVs or to allow them to use as

collateral for repo agreements were likely to be the highest quality assets in the SIVs portfolio. This, in turn, diminished the overall quality of the SIVs' remaining portfolio and its ability to raise additional cash in the future using those remaining assets. Second, the repo agreements gave the repo counterparties a claim to those higher quality assets that was senior to the claim held by the holders of SIV debt, including the Class Members. As a result, were a SIV to fail, debt holders would be left only with the assets not already pledged to repo counterparties.

84. Between August and October 2007, more than a dozen SIVs failed, following downgrades by rating agencies over the quality of their assets.

85. On October, 19, 2007, in an article entitled "Banks' Plan To Help May Itself Need Help," *The New York Times* reported that the problems with SIVs were so severe that Treasury was working on a proposal with the banks to buy the securities owned by the SIVs so that they would not cause the banks themselves to fail. According to the article: "The Treasury-supported proposal for the industry, however, provides a framework for a new fund to purchase assets held by structured investment vehicles, or SIV's, that have been pressured since the credit market meltdown this summer. It is intended to help the banks backing such vehicles avoid bringing those risky loans onto their balance sheets and to spare investors – including money market funds – distress." The article reported that "[t]he creation of the fund, some investors said, seemed to indicate that problems were far worse for the banks backing the SIV's than they had thought."

86. The article noted:

> Yesterday, the big banks convened an organizational meeting at Citigroup's headquarters in Manhattan. Each bank will have about 15 executives take part in various committees. A detailed proposal is expected in about two weeks, according to a person close to the situation.
>
> So far, the banks agree on the larger goal: to restore stability and confidence to a vital pocket of the commercial paper market. They are concerned

that if all 30 S.I.V.'s, which hold about $320 billion in assets, began selling securities at once, prices would plummet and lead to a lending freeze.

* * *

The new fund is intended to buy many of the securities owned by the S.I.V.'s, but at a cost. A S.I.V. would pay a fee for the right to sell to the fund, and part of the fee would be passed along to the banks, increasing profits.

* * *

Jim McDonald, a T. Rowe Price portfolio manager who holds commercial paper issued by four S.I.V.s, said his initial reaction was negative. "Our credit analysts have more questions," he said. "Their take on the whole thing is that the only benefit to this program is that it might give S.I.V.'s a longer time to sell their assets."

87. On October 19, 2007, *NakedCapitalism*, in a report entitled "Citi Secures Interim Funding as SIV Plan Gets Jeered," wrote that the SIVs would benefit from the Treasury plan because it would "give them a nice infusion of cash." The plan, however, would "be nothing other than a tool to obfuscate the balance sheets of SIV sponsors. Or as one reader put it, *rearranging the deck chairs on the Titanic*. But even that view may be optimistic. Selling assets to the MLEC could be seen as an admission of financial problems." According to the report, "That alone would keep other SIV owners away."

88. On October 20, 2007, *The Boston Globe*, in an article entitled "Banking on a bailout," blasted the SIV model as "*shades of Enron*." *The Boston Globe* article also wrote that the Citigroup bankers who "devised" the SIV "scheme" "later founded their own company, exquisitely named Gordian Knot Ltd., *whose Sigma Finance investment vehicle is now on the hook for over $50 billion in risky assets*."

89. But despite these warnings in the financial community and Defandant's claimed daily monitoring, it ignored this negative information about Sigma and the SIV market generally, and did nothing to extricate Class Members' Collateral from the "high risk" Sigma investment.

90. On October 22, 2007, a J.P. Morgan CDO Monitor report by Christopher Flanagan discussed the Treasury plan to buy assets from the SIVs, stating, "*we . . . still believe that the SIV business model is broken*, and that the implementation of today's agreement will not bring liquidity investors back to the SIVs on a going concern basis. As a result, we believe the SIVs will continue to deliver in the coming months, keeping pressure on asset spreads."

91. By October 26, 2007, writers for *Fortune* were wondering aloud whether money market funds had broken laws requiring investments with "'minimal credit risks'" by investing in SIVs, or what they called the "*shadowy debt funds that are now struggling*." In the article, entitled "Risky money market fund bets may be illegal: Money market funds may have broken a law dictating a conservative investment profile by investing in SIVs, reports Fortune's Peter Eavis," *Fortune* wrote:

> Did mutual fund companies fall afoul of a key federal regulation by allowing their money market funds to buy securities issued by the *shadowy debt funds that are now struggling*?
>
> Money market funds are often the safest investments offered by fund companies, but several large money market funds own securities that were issued by structured investment vehicles (SIVs), the large, offshore funds that have recently made it into the headlines because the U.S. Treasury, along with Citigroup, Bank of America and JP Morgan Chase, are working on a plan to shore up [sic] them up.
>
> * * *
>
> Securities regulations state that money market funds can only buy short-term, very safe securities. In particular, rule 2a-7, part of the Investment Company Act of 1940, says that money market funds can only hold securities that have "minimal credit risks."
>
> *The fact that the SIVs are in trouble suggests that SIV securities had more than "minimal credit risks.*"

92. The article noted that "SIV exposure" was not an "industry-wide phenomenon" and that many financial institutions, unlike Comerica, had steered clear of the risky investments:

> The issue here is whether money market funds should ever have been invested in SIV paper at all.
>
> Some fund management companies that have large money market funds have very small SIV-related holdings, like BlackRock (under 0.5% of money market fund assets, according to a company spokesman) and Goldman Sachs and Vanguard, which have none, say company representatives.
>
> In other words, certain money market funds chose to eschew SIV securities, which dispenses with the excuse that SIV exposure is an industry-wide phenomenon. Not everyone was into it.

93. According to the article: "The argument for the defense of money market funds holding SIV paper goes something like the following. The SIVs that issue the notes are highly rated, well managed and have high quality balance sheets. Recently, they have been hit, almost unfairly, by an extraordinary panic in the credit markets that has led to a drop in demand for the notes the SIVs issue to fund themselves. And once the markets get back to normal, especially with the help of the Treasury, the SIVs will be fine." But, the article reports, this argument is far from convincing: "Why isn't this approach convincing? Remember the key test is whether the securities present minimal credit risk. In this case, we have to ask whether the SIVs were actually strong enough to deserve the AAA rating, which usually only applies to entities with tiny amounts of credit risk. That rating on a SIV implies that the SIV has the strength to get through almost any crisis. The fact the SIVs stumbled so quickly shows that they weren't built with anywhere near enough capital or commitments of back-up funding."

94. The article also concludes that the assets backing the SIV debt should not give investors comfort:

> The other defense argument is that the SIV notes are backed with assets, which means the holders won't take a big loss because they have a claim on those assets and the income they produce. This is true, and it is a source of comfort for any poor money market funds holding SIV paper that does go into a liquidation process.

> But it'd be a stronger argument if the SIVs had actually made public what the assets are that back their paper. What if those assets were loans or securities that are themselves distressed or very hard to sell? If so, the holder of the SIV securities will end up getting back less than 100 cents on the dollar.
>
> But if a money market fund were to recoup the value of its SIV securities by claiming the underlying assets, wouldn't that allow the fund company to say that the SIV securities had "minimal credit risks" after all? Are you crazy?
>
> Money market funds are supposed to [sic] the safest fund investments of all. They're not supposed to get involved in liquidations. That sort of event is a nightmare for a money market fund.

95. On October 28, 2007, in an article entitled "Money-Market Fund Investors Fret About Their SIV Risk," *The Washington Post* reported: "Some money-market fund investors are again wondering if their investments are at risk because another complex investment product has fallen out of favor and become difficult to unload. . . . Just as some money-market funds invested in subprime loans, some funds have lent money to what are called structured investment vehicles, or SIVs. The SIVs take this money and put it in high-yielding risky investments like mortgage debt. SIVs make money by collecting more interest on the risky debt than they pay to borrow it. A distaste for any type of investments deemed risky has hurt SIVs." The article further reported: "Some money-market funds got involved in SIVs by lending them money. Now, though, *as it has become more difficult for the SIV wheel to keep spinning, some money-market fund managers have grown concerned that SIVs are less likely to repay the money they borrowed*." The article concludes that investors would not recoup their investments in SIVs. In fact, according to analysts, "'*In terms of whether or not people are going to be made whole in their investments, I think the answer is pretty unequivocally no'* . . . ."

96. After the deluge of negative information and SIV failures, most funds had already begun their mass exodus from SIV debt. In November 2007, S&P reported that SIV exposures

in its stability rated funds were down more than 40% during the prior two months. S&P noted that it expected to see continued decreases in exposures as well.

97. Likewise, on November 13, 2007, *Bloomberg* reported that ***"[i]nvestors started fleeing SIV debt in August."*** But unlike these funds, Comerica did nothing to protect the Collateral of Class Members.

98. The November 13, 2007 *Bloomberg* article also reported:

> *The SIV crisis has raised questions about whether the debt vehicles are appropriate investments for money-market funds*. Vanguard Group, the fifth-largest U.S. manager of money funds, shunned them as too risky. New York-based *Goldman Sachs Group Inc., the world's most profitable securities firm, dumped SIV debt on expectations the vehicles would be hurt by losses on subprime-mortgage securities*.
>
> *"I'm sure, in hindsight, every manager wishes they hadn't" bought SIV debt, said Robert Plaze, an associate director in the investment management division at the U.S. Securities and Exchange Commission in Washington*.
>
> * * *
>
> *Vanguard of Valley Forge, Pennsylvania, steered clear of SIV debt because it has "little or no" backstop financing from banks*, David Glocke, manager of the closely held firm's $97 billion Prime Money Market Fund, said in an e-mail.
>
> "Without established bank lines that the SIVs can access to cover funding disruptions, they're at the mercy of the market," he said.
>
> Goldman Sachs Asset Management said it sold "a very small position" in SIV debt earlier this year.
>
> "SIVs are very sensitive to investor confidence," Elizabeth Anderson, co-chief investment officer for Goldman's Global Cash Business, said in an interview. "*We decided to sell over worries that things were going to get worse*."

99. According to the article, *Bank of America had to provide $300 million to a money-market fund that bought SIV debt* and would have to give a similar aggregate amount to other funds: "The bank provided the support because of '*uncertainty around the value' of the SIV debt*."

100. A November 30, 2007 *Asia Times* article, entitled "The Pathology of Debt," reported that Sigma along with several others were the "major players in the SIV market by the end of 2005." The article disclosed that "*[a]s of March 2007, every one of the above SIVs was in distress*."

101. That same day, other articles detailed the problems facing SIVs generally. *Morningstar UK*, in an article entitled "Demystifying a Credit Crisis Bogeyman: Everything you always wanted to know about SIVs, but were afraid to ask," wrote: "Among the various acronyms in the financial services world, *the structured investment vehicle, or SIV, now has an evil ring to it* because of its association with the credit crisis." According to the article, "SIVs do pose some real risks." In particular, "The funds take on both credit risk and liquidity risk. Credit risk is the risk that the securities the fund holds drop in value. The securities are the collateral for the SIV's debt. So if the securities drop in value, the SIV might not be able to pay its creditors back. Any hint that they might not get their money back is enough to make the SIV's lenders run for the hills. And that could lead to liquidity problems. Liquidity is the ability to sell your investments to willing buyers at a fair price. Once the whiff of credit problems gets about, the willing buyers could head for the hills as well, forcing you to sell your securities for much less than they are worth and leading to a permanent capital loss."

102. In a section entitled "What Went Wrong with SIVs," the article explained that these risks had already come to pass: "This is exactly the scenario that has played out with SIVs in recent months. Some SIVs hold subprime securities in their investment portfolios. Although the percentages are not large and there have not been any losses yet, the hint of subprime exposure was enough to scare off the commercial paper buyers, the investors who normally lend the SIVs money. The threat of credit problems led to a liquidity crisis, and the SIVs have found

it difficult or impossible to keep operating without constant sources of funding. Some had to sell assets at a loss." This was not as big of a problem for some SIVs who, the article explained, were backed by banks: "Many SIVs are backed by banks that agree to step in and cover a certain portion of any potential losses. HSBC and Citigroup are among the top sponsors of SIVs." The article also warned that the risky SIVs put the buyers of their debt in danger: "The other companies that may be affected are the asset managers who operate money market funds. Money markets are major buyers of short-term debt issued by SIVs. If the SIVs can't pay their debts, the companies who offer the money funds may have to reimburse the funds for any losses or suffer the reputational damage of sticking investors with the bill. On the fund side of the equation, money markets and funds with large equity stakes in financials are two obvious areas that could be at further risk from SIVs and the subprime crisis in general."

103. Many of the SIVs that collapsed in the fall of 2007 were subsidiaries of, or had been set up by, major banks. As such, these banks – including Citigroup and HSBC – essentially absorbed their failures.

104. As *Bloomberg* reported in February 2008, Sigma, however, was unique in that it had no investment or commercial bank backing it. Sigma barely managed to survive through this period by (a) adding to its liquidity; (b) making use of repurchase agreements for financing; and (c) removing market-value triggers that forced the other SIVs to sell their assets as the values of their underlying assets declined, causing their failure. Additionally, much of Sigma's outstanding debt was in the form of MTNs with a longer maturity date than most other funds, not maturing until the fall of 2008.

105. Sigma's survival was contingent upon the use of repurchase agreements, which encumbered an overwhelming majority of its assets to the detriment of the Class Plans (because

the Class Plans' interests were subordinated to the security interests of the repo counterparties), and the willingness of the repo counterparties to provide a continuous influx of money to Sigma collateralizing against Sigma's existing asset base. This temporary survival strategy prolonged Sigma's collapse, but significantly increased its risk of failure.

106. The *Financial Times* wrote on December 18, 2007 that Sigma had weathered the first SIV liquidity storm, but was certain to be caught up in a second liquidity storm when its MTNs came due. The *Financial Times* article, entitled "*Second wave of SIV liquidity problems loom*," explained:

> *The funding problems for the structured investment vehicles (SIVs) that have been at the centre of this year's liquidity troubles are far from over in spite of a number of banks stepping in to support their vehicles.*
>
> *January will bring the start of a second wave of liquidity problems for SIVs as the vast majority of medium-term funding starts to come due for repayment*, according to a report from Dresdner Kleinwort analysts to be published tomorrow.
>
> SIVs rely on cheap, short-term debt to fund investments in longer-term, higher-yielding securities. They have been hurt as funding has dried up and asset values have declined.
>
> * * *
>
> "Outstanding MTN for the 30 SIVs currently stands at $181bn, which will be the next liquidity challenge they face."
>
> This funding represents almost 65 per cent of the value of the SIV sector by the middle of October. Since then it is likely that SIVs have shrunk a great deal more and that that percentage is almost certainly higher.
>
> According to the DrK analysts' calculations, two-thirds of all MTN funding for SIVs comes due for repayment by the end of next September. Almost $40bn is to be repaid from January to March alone.

107. According to the *Financial Times* article, Sigma was in some of the gravest danger from the second wave of liquidity problems: "*This second liquidity squeeze will affect some SIVs more than others. Sigma Finance, run by Gordian Knot, accounts for 22.5 per cent of*

all outstanding MTNs issued by SIVs. It must repay about $22.5bn by the end of September and another $2.5bn in the final quarter."

108. Upon information and belief, in December 2007, S&P assigned a long-term negative outlook to Sigma.

109. Therefore, as early as December 2007, analysts clearly foresaw and publicly announced that Sigma would face a liquidity crisis by the end of September 2008.

110. Incredibly, Defendant recognized the risk of investing in SIVs, yet it continued to invest the Plans' Collateral in Sigma. At the same time that Defendant was failing to exercise its fiduciary duties with regard to Class Members' Collateral, Comerica's holding company was reassuring its own investors that they were safe from SIV risk. In its 2007 Annual Report and Letter to Shareholders, Comerica Inc., boasted:

> *Our pursuit of long-term value for shareholders is embodied by our sharp focus on managing and mitigating risk. In fact, we have not created any structured investment vehicles, off-balance-sheet conduits or other forms of high-risk, sophisticated financing vehicles that drew headlines in 2007.*
>
> To the contrary, in recent years we have invested significant resources into enhancing our credit and risk processes. We view our credit quality and focus on risk management as a key differentiator for our company and take a view that this philosophy must remain a constant regardless of where we are in a credit or economic cycle.
>
> These enhanced credit processes are helping us navigate the swift currents and manage through cycles like the one we saw in 2007 and expect in 2008.

111. While Comerica Inc. clearly recognized that SIVs were "high-risk" and chose to avoid that risk for itself, the "Institutional Trust Committee and the Trust Committee of the Comerica Bank Board of Directors" that were engaged in "active" oversight of the Class Members' Collateral, failed to exercise their fiduciary duty to safeguard that Collateral.

112. Likewise, in its 2007 Annual Report, J.P. Morgan wrote that it had steered clear of SIVs because of their inherent risk: "We deliberately steered clear of most SIVs because we

viewed them as arbitrage vehicles with plenty of risk, a limited business purpose and a flawed design . . . . SIVs will probably disappear . . . and the world will not miss them."

113. In J.P. Morgan's January 2008 publication entitled "Risk," it elaborated: "One of the most painful areas for some banks has been their exposure to structured investment vehicles (SIVs) – a sector that has imploded due to the refusal by asset-backed commercial paper investors to rollover short-term funding, combined with a plunge in the value of SIV structured credit portfolios. Some banks, such as Citigroup, HSBC and Société Générale, have opted to consolidate these vehicles on to their balance sheet, in the process taking what could be a nasty hit to capital levels. JP Morgan, however, ditched its exposures to SIVs three years ago."

114. Upon information and belief, a January 2008 Moody's Investors Services ("Moody's") report stated that the entire *SIV business model is now widely acknowledged as unsustainable* without restructuring.

115. And the negative information just kept coming. On January 8, 2008, the London Stock Exchange reported that Gordian Knot had decided not to renew its rating contract with Fitch Ratings (Derivative Fitch) in respect of ratings provided to Sigma. The article reported that Fitch had rated Sigma since January 1995.

116. By January 9, 2008, the reason for Gordian Knot's request that Fitch withdraw its rating of Sigma had come to light. According to a *Business Wire* report of that date, "In December, Fitch requested additional information from Sigma on its liquidity and funding position" and was scheduled to meet with Sigma. Tellingly, despite market concern about the lack of visibility into the quality of SIV assets, rather than provide the requested information, Sigma requested that Fitch withdraw its rating. Fitch, however, reported that it did not plan to

withdraw its rating and was "in the process of reviewing Sigma's ratings in light of current funding disruptions and the heightened stress experienced by a number of entities."

117. By January 18, 2008, Fitch had placed Sigma on negative watch. A *Euromoney Institutional Investor* article of that same date reported that "Fitch may downgrade nearly $32 billion of medium-term notes and $2.3 billion of commercial paper as a result of the action due to a lack of liquidity, term-funding and bank support." The article noted: "This week has been unkind to the structured investment vehicle market." Stefan Bund, the managing director of Fitch, *explained why Sigma was even riskier than most SIVs*: "*Sigma Finance is the only SIV rated by Fitch that does not have a bank back-stopping it* . . . . '*Other comparable investment entities rated by Fitch have a bank backing them or have even less term mismatch*.'"

118. A January 18, 2008 *Dow Jones* article discussed the consequences of ratings cuts: "Ratings cuts would make it harder for Sigma Finance to finance itself, potentially forcing it to sell assets to meet maturing debt." The article reported that Fitch "*has concerns over the long-term viability of Sigma's funding strategy and its implications for senior investors* in the current market environment."

119. On January 25, 2008, *Euromoney Institutional Investor* wrote that Fitch had highlighted Sigma's reliance on repo funding as a key issue. The article explained: "Because repo counterparties hold on to SIVs assets during the life of the repo, they have more chance of getting their money back than other senior investors. If a SIV could not repay a repo, the counterparty could just hold the assets. *This option is not available to normal senior investors who would be at risk in a fire sale*."

120. Circumstances continued to deteriorate for Sigma after January 2008.

121. In February 2008, *Euromoney Institutional Investor* wrote that Sigma "has run into the same problems of declining market value for high-quality assets that many SIVs have suffered from."

122. On February 27, 2008, *Dow Jones* reported that Moody's might cut Sigma's rating because "'[o]verall market price deterioration, continued inability to issue senior debt and reliance on repos have *increased the company's risk profile.*'"

123. Another *Dow Jones* article of the same date reported that Sigma "is facing further funding difficulties after a second ratings agency threatened to cut its top ratings and as market prices of its assets continue to decline." According to the article, "Any ratings cuts would make it harder for Sigma Finance to finance itself, potentially forcing it to sell assets to meet maturing debt." The article disclosed that "[s]ince July, Sigma Finance mainly has been financing its portfolio with repurchase agreements."

Also in February 2008, the *Financial Times* reported: "Most other large SIVs are run by big banks, which have now stepped in to support their vehicles. The lack of a large bank behind Sigma leaves it *vulnerable to collapse*." *See* Paul J. Davis, *Moody's to review Sigmarating, FT.com*, Feb. 27, 2008.

124. Meanwhile, unlike Comerica, other financial institutions managing clients' assets were acting on this flood of negative information and news by continuing to reduce their positions in Sigma. For example, on February 29, 2008, J.P. Morgan reported that "Federated's positions in Sigma are being reduced. Federated is actively reducing its positions in Sigma and other SIVs. We expect substantially all SIV exposure will be eliminated by August 2008."

125. Likewise, on March 14, 2008, a Fox-Pitt Kelton report regarding Chiba Bank wrote that "we acknowledge the likelihood that Chiba may incur further unrealized losses and possibly write-downs. *Of particular concern are the bank's SIV-like investments known as 'Sigma-Finance'. According to numerous media outlets, as of February 2007, Gordian Knot's*

investment vehicle, Sigma, was running into funding challenges and Moody's was considering cutting the investment vehicle's rating . . . ."

126. Still, Defendant did nothing to safeguard the assets of Class Members.

127. On March 17, 2008, an article entitled "Gordian Knot's $40B Sigma Fund Faces Uncertain Future" reported that "Sigma has been described as the 'Sword of Damocles' hanging over the financial markets." It explained, "As dozens of hedge funds and investment vehicles are flushed out of the 'shadow' banking system, the manager of the world's biggest structured investment vehicle is fighting for its future. . . . [T]he $40 billion Sigma Finance vehicle has to repay or refinance roughly $12 billion in debt this year to keep funding its portfolio of asset-backed securities and bank debt – and at a time when buyers have gone on strike and are pulling back on lending." The article reported that "[t]he securities Sigma holds have plunged in value, making it tougher to secure new funding and putting its Triple-A credit ratings under threat." Moreover, Sigma "has been unable to issue any substantial new debt" and, as a result, "Gordian Knot has had little choice but to slowly unload its assets. It has mainly done this by entering agreements with investors to exchange the senior debt they hold for chunks of top-rated securities from its portfolio." Moreover, "Gordian Knot has also been talking to banks about substantially extending Sigma's use of repo lines. Moody's said Sigma has entered into $22 billion worth of repos over the past eight months." According to the report, Sigma was attempting to secure larger funding lines by "promis[ing] to favor those banks in future transactions." The report also concluded that "Sigma's longer-term future is in question."

128. On March 18, 2008, *Dow Jones* reported that S&P had warned that it might cut Sigma's rating. The article noted that Sigma had $15 billion in debt coming due by June and that "S&P warned that Sigma Finance could face difficulty refinancing maturing debt, meeting

margin calls or selling assets to decrease its need to borrow. . . . 'Sigma needs to continue to finance assets whose credit quality is backed by a weakening U.S. and global economy amid the disarray in the financing markets,' S&P said." The article reiterated that "[a] downgrade could make it harder or more expensive for Sigma Finance to raise funds and put more pressure on it to sell assets at a difficult time" and that Sigma "is the largest of a group of investment vehicles that have struggled since the summer to finance portfolios of bank debt and asset-backed securities." The article also disclosed that, according to S&P, Sigma had borrowings of $35 billion, or $11 for every $1 collected from investors.

129. By March 19, 2008, as *Bloomberg* later reported, Sigma acknowledged that its ability to sell commercial paper had "diminished significantly."

130. A March 28, 2008 *Euromoney Institutional Investor* report shed light on Sigma's exchanging of its assets for senior debt. The report disclosed that Sigma had been allowing the parties to the exchanges to cherry pick the assets that they wanted to exchange for, rather than giving them a vertical slice of the entire portfolio: "Rather than using vertical slices to avoid crystallizing these losses, Sigma has mainly been exchanging assets for senior liabilities, said a source. With this method, the assets do not need to be a representative sample of the portfolio, giving the investor more freedom to choose which assets to swap senior debt for. . . . 'Because the banks know the assets they'll get in return for putting up the money, they're much more comfortable than when putting a commitment into a variable portfolio.'" While this arrangement allowed Sigma to come up with temporary funding to meet its obligations, it was damaging its long-term prospects because as the banks snagged the best assets from Sigma's portfolio, the overall quality of its remaining portfolio declined. As the quality of the portfolio worsened, banks would be less likely to commit to future exchanges or repo agreements with assets as

collateral. And this practice increased the risk for Sigma's debt holders because, in the event of a liquidation, the assets left in the portfolio would be the assets that none of the banks or investors had wanted.

131. Other financial institutions managing clients' assets continued to get rid of their risky SIV holdings. On April 4, 2008, Credit Suisse reported that "Schwab continues to wind down its SIV exposure – we expect the current ~$2.5Bn will decline to fairly de minimis levels by August."

132. On April 4, 2008, both Moody's and S&P downgraded the MTNs issued by Sigma (in which the Class Members' Collateral was invested). According to an April 4, 2008 *Dow Jones* article, the "*rating cut was sharper than expected when Moody's put the ratings on review in February*." The article reported that, in addition to putting the ratings on review for further downgrade, Moody's wrote, "'*Continuing uncertainties surrounding Sigma's ability to absorb the heightened and unprecedented levels of stress in the credit markets, coupled with further deterioration in Sigma's asset prices*, caused Moody's to revise its opinion to A2.'" Moody's further explained that "[w]hile repurchase agreements provide much-needed liquidity, investors and repurchase counterparties could themselves come under liquidity pressure."

133. Another *Dow Jones* article from the same day reported that the rating cut "*add[ed] to uncertainty over [Sigma's] future*." According to the article, "the inherent mismatch in the tenure of [Sigma's] assets and liabilities mean it is *still vulnerable to an eventual collapse*." The article reported:

> Moody's main concern is that Sigma Finance has been increasingly relying on short-term repurchase agreements and debt-for-asset exchanges with creditors to stay afloat. The fund, which is structured as a 'limited purpose finance company,' hasn't been able to raise any significant longer-term financing since the credit crunch hit last summer.

> The agency said about $20 billion of maturing debt must be refinanced before the end of September. Sigma can continue to add to its repo lines and to cut deals with investors on asset sales, but if those sources of liquidity were to dry up, it would potentially have to sell large chunks of assets at a loss in the open market.
>
> Since June, Sigma Finance has liquidated $9.5 billion in assets, at steadily declining prices.

134. On April 7, 2008, J.P. Morgan explained that financial institutions had understood the risk in Sigma long before the ratings cuts. In the report, in a section entitled "Moody's cuts Sigma below Aaa: Really?," J.P. Morgan blasted Moody's failure to lower the ratings sooner: "On Friday, Moody's lowered ratings on Sigma Finance's senior debt, with the short-term rating falling to P-2 and the long-term rating dropping 5 notches from Aaa to A2. At this point we think the move says much more about Moody's than it does about Sigma." Of particular concern to J.P. Morgan was the subordination of the debt resulting from repo agreements. It wrote:

> Given that the CP and MTN markets have been closed to Sigma since last fall, Moody's indicates that one of the things Sigma has done to bridge the gap between assets and senior debt is to rely more on repurchase agreements. And it's with this point that we take exception, not with Sigma, but rather with the rating agencies. *Here you have an issuer that has effectively been locked out of its primary funding markets for months – markets that are unlikely to ever open to this kind of issuer again, for reasons having to do with the investor base. In the absence of that funding, the issuer substitutes another form of short-term debt that it becomes increasingly reliant on, and which might have a super senior claim on some of the company's best assets. Is the credit risk faced by Sigma's senior debt holders at the end of March 2008 the same as it was before August 2007? Really?*

135. According to the report, "The investors still holding Sigma are painfully aware of this. For many of them the rating agencies lost credibility on this name long ago. We don't believe that this rating downgrade really signals an increase in risk or increases the probability of an enforcement type event occurring in the near term. Rather, we view it only as a long-overdue acknowledgement."

136. Various sources continued to report that Sigma was having difficulty financing the $20 billion in debt that it had coming due in September 2008. Sigma would have to find a way to finance that $20 billion debt and more in order to ensure its survival before it even began to worry about the debt held by Defendant on behalf of Class Members, which would not come due until May 2009. Despite this, Defendant showed no concern for the increasing risk to Class Members' Collateral. On the other hand, according to *Euromoney Institutional Investor*, Sigma was the "*foremost concern among money market funds*."

137. As a result, managers of *money market funds had already reduced their investments in Sigma and rolled money into more conservative programs*.

138. On April 8, 2008, *The New York Times* explained that the downgrades to Sigma MTNs were caused by the decreasing likelihood that Sigma could secure the $20 billion in funding it needed to stay afloat: "Gordian's Sigma Finance Corp. *must refinance $20 billion of debt by September in a market where even the biggest banks are struggling to borrow*, according to Moody's Investors Service. Moody's cut the $40 billion fund's Aaa rating by five levels to A2 last week because of *concern about Sigma's ability to weather the credit crunch*. Standard & Poor's downgraded Sigma on Monday to AA- from AAA. *The inability to replace the debt may cause Sigma to dissolve*. . . . [Sigma] has dodged the turmoil by finding financing alternatives after demand for the industry's primary source of cash, commercial paper, dried up. A failure would signal a credit market freeze that began in July [2007] and led to the collapse of Bear Stearns isn't close to ending . . . ."

139. Also on April 8, 2008, *Dow Jones* reported that Sigma had "*suffered another blow to its chances for survival*." The article noted that "[a]nalysts are predicting that Sigma Finance will probably have to wind down its portfolio, marking the end of a structure that was copied by

dozens of banks and asset managers." The article also explained that part of the risk of the repo lines was that "lenders can demand more collateral to keep the financing in place, a scenario that can potentially lead to default."

140. On April 9, 2008, *The Wall Street Journal Europe* reported that Sigma would "find it difficult to issue commercial paper or bonds with anything less than the top rating." It also noted that the "value of its underlying assets has slid because of the credit crunch that began last summer."

141. On April 10, 2008, *breakingviews.com*, in an article entitled "Gordian Knot's SIV starting to look frayed," reported that "*[t]he last structured investment vehicle left on its own two feet has been pushed nearer the edge*." The article noted that the downgrades by Moody's and S&P come "at a delicate time. The vehicle is about to refinance half its $40bn debt. That's a big call in these markets." The article noted that Sigma had outperformed other SIVs, "[b]ut staying ahead of the pack isn't such a comfort when peers have performed so badly. They have either folded, like Cheyne Capital's Cheyne Finance vehicle, or fallen back on bank sponsors, like HSBC's Cullinan." The article also reported that *Sigma "has gone particularly heavy into the repo market, where it has pledged $14bn of assets to 17 counterparties*." In order to survive, the article concluded, "*Sigma needs to keep pulling rabbits out of the hat over the next few months*."

142. On April 11, 2008, *Euromoney Institutional Investor* reported that Sigma "*faces a struggle*" to refinance the necessary $20bn in debt by September after the ratings cut and characterized it as "*a massive hurdle for Gordian Knot to overcome*." The article characterized Sigma as "the latest, and the last, victim of the virus which spread through the SIV sector after the ABCP market became a hot spot of the credit crisis last summer." The article disclosed that Moody's had warned that repo funding and asset exchanges "may not be sustainable ways for the

vehicle to fund." Indeed, "Moody's [said] that 'continued weakness in [Sigma's] liquidity position, crystallisation of mark-to-market losses or deterioration in portfolio credit quality' could send Sigma into a natural amortization state while S&P says that the vehicle has come close to triggering this state." The article noted that most investors had already fled the SIV market: "'Apart from the investors holding Sigma paper, the market has reacted calmly,' said a London-based CP head. 'This goes to show you how little investor participation there is in the sector now. *Investors have largely exited SIVs and conduits and made a flight to quality*.'"

143. On April 18, 2008, Fox-Pitt Kelton corroborated the flight of investors from SIVs, reporting that Charles Schwab Corp "*continues to reduce its exposure to SIVs . . . . Exposure to Sigma Finance is just 0.14% and will be eliminated by the end of Apr*."

144. On April 23, 2008, *The Wall Street Journal* reported that the ratings downgrades "*called [Sigma's] survival into question*."

145. Then, upon information and belief, Sigma engaged in $26 billion in repo financing and sold assets in an attempt to temporarily survive.

146. On July 14, 2008, *Dow Jones* reported that Moody's had cut Sigma's debt rating "and said it may cut the rating again, citing ongoing volatility in the credit markets." The article noted that Sigma had gained two additional repo counterparties, increasing the number of third parties with senior claims to the Class Plans' Collateral investment to 19. Moreover, those repo counterparties were cherry picking the best assets, increasing the risk to investors and limiting Sigma's capacity for additional repo transactions: "Repo counterparties also have a strong preference for certain asset types, which limits the capacity for more repo transactions, Moody's said. Sigma might have to liquidate more assets if repos and ratio trades cannot fill all its financing needs, the rating agency said."

147. That same day, *Dow Jones*, in an article entitled "Sigma Finance $26B SIV Faces Further Funding Squeeze," disclosed: "Moody's Monday said market prices on Sigma's assets – which include bank bonds, collateralized debt obligations and mortgage-backed securities – have continued to deteriorate, putting pressure on Sigma's ability to keep raising money to repay maturing debt. . . . According to Moody's, the majority of Sigma Finance's portfolio, or about $14.7 billion, is being financed through repurchase agreements that involve posting the investment assets as collateral with lending counterparties. . . . The fund has also been selling assets on the open market, though at increasingly lower prices."

148. In the meantime, on July 17, 2008, in Comerica Inc.'s Second Quarter 2008 Financial Review, Comerica Inc. boasted that it did "not have issues that resulted in capital calls at other banks," including "[n]o asset-backed commercial paper or SIVs created by Comerica [Inc.]." But while Defendant's parent boasted of its own immunity, Comerica did nothing to fulfill its fiduciary duty to protect Class Members' Collateral, which was still invested in a "high-risk" SIV.

149. On August 1, 2008, *Reuters* reported that Sigma's creditors were looking for an advisor "amid *concerns about the company's ability to pay its debts*." According to the article, a recent Citibank report explained: "Should any of the repo counterparties withdraw its funding (that is, not renew its repo agreement) or demand greater haircuts, there does not seem to be much room for manoeuvring [sic]."

150. On September 12, 2008, *Thomson Financial News* reported that S&P had further downgraded Sigma's issuer credit and senior debt ratings, "reflecting the ongoing challenges in the credit markets, the potential side effects of repurchase financing, the absence of new third-

party capital investment, and the updated results of our stress-case scenario analysis." The article disclosed that "*S&P has a negative outlook on the company*."

151. On September 22, 2008, HSBC wrote that "[w]e are particularly nervous about the fate of the last remaining SIV, Sigma Finance."

152. Other financial institutions managing clients' assets were exiting their investment in Sigma en masse. In fact, *money market funds, which still held as much as $5 billion in Sigma debt as of April 2008, had no holdings in Sigma debt by the end of September 2008.*

153. And these investors were recouping almost their entire investment in Sigma. In fact, even as late as September 2008, Sigma's debt holders were able to sell their notes with minimal losses. For example, on September 12, 2008, the Orange County California Treasurer's Office took "timely action to protect Orange County Schools, Cities, Agencies and County government from a devastating investment loss." *On Friday September 12, 2008, the Treasurer's Office sold all of its investment in the Sigma floating-lien MTNs for 91.5 cents on the dollar, saving the Office from a $50 million loss.*

154. However, even after all of the information available to the financial experts, Defendant took no similar action to protect Class Members. As a result, Class Members' Collateral was still invested in Sigma when, as had been predicted for almost a year, it failed on October 1, 2008.

155. On September 29, 2008, J.P. Morgan, one of Sigma's repo counterparties, terminated its repo agreement and served Sigma with a notice of default because Sigma could not provide sufficient collateral to J.P. Morgan in response to a margin call (prompted by a decline in value of the securities J.P. Morgan held as collateral).

156. Following J.P. Morgan, HSBC and Royal Bank of Scotland also terminated their repurchase agreements with Sigma.

157. As a result, these lenders seized the assets they held under the repurchase agreements. The defaults allowed Sigma's repo counterparties to sell the securities they held pursuant to the repo agreements. Again, Defendant failed to exercise its discretion to liquidate the Collateral investment in Sigma.

158. On September 30, 2008, Moody's and S&P downgraded Sigma on this news and warned that investors in roughly $6 billion of Sigma's remaining debt (which included the MTNs) may not get their money back.

159. At the time of default, 92.5% of Sigma's assets were held by counterparties to Sigma's repo agreements. These lenders seized the assets that they held under the repo agreements, leaving woefully inadequate assets to satisfy MTN holders. In fact, of Sigma's approximately $27 billion in face value of assets, approximately $25 billion had been seized as repo collateral, which left approximately $1.9 billion in face value of unencumbered assets backing approximately $6.2 billion in outstanding senior secured liabilities (primarily MTNs).

160. An October 1, 2008 *Bloomberg* article, entitled "Sigma Finance Plans to Stop Trading, Making Payments," reported that "Sigma Finance Corp., the last of the companies known as structured investment vehicles," had stopped trading. *But, armed with the disclosures of the past year, many investors had gotten out of their Sigma investments. The article reported that "Money-market funds in the U.S. have no holdings of Sigma debt, down from about $5 billion as of April, according to S&P. 'That is usually a good representation of the entire market*,' Peter Rizzo, director of fund services at S&P in New York, said in an interview." The article also disclosed that investors still holding Sigma debt were unlikely to recoup the majority

of their investment because of the seniority of repo holders: "Sigma posted $25 billion of its assets to banks under the repurchase agreements, known as repos, leaving $2 billion to repay $5.9 billion of bonds, Moody's said. The value of the assets has slumped amid a seizure in credit markets. 'It's not clear whether the senior debt investors will be able to get any more than the $2 billion of assets in the company currently,' Moody's analyst Henry Tabe said in an interview today. 'And even if Sigma were to liquidate that $2 billion, they may not get anything close to that amount.'"

161. On October 2, 2008, UniCredit's Daily Credit Briefing reported:

> The last SIV standing tumbles. . . . SIGMA has survived until now only by getting banks to lend to it via repos. Sigma's assets account for about USD 27 bn, with 92.5% thereof (USD 25 bn) held under repo agreements. . . . Sigma's ability to engage in further repos was hindered by market value declines on the portfolio as well as a reduction in the types of assets favored by repo counterparties. According to Moody's, it is not sure whether the senior debt investors will be able to get any more than the USD 2 bn of assets currently in the company. And even if Sigma were to liquidate that USD 2 bn, it may not get anything close to that amount . . . .

162. On October 3, 2008, Oppenheim Research scolded Zurich Financial Services for its failure to sell its position in Sigma before its fall: "[A]lready back in March 2008 S&P wrote that it will lower Sigma's rating. It is interesting to see that US money market funds have no holdings of Sigma debt, down from about USD5bn as of April 2008. One can conclude that there was a market for these assets but ZFS' risk management has underestimated the default risk. . . . Senior creditors are expected to get some 15-20% of par in a best-case scenario."

163. By October 6, 2008, Sigma was in receivership, with receivers appointed to wind up its affairs. On December 2, 2008, the receivers held an auction sale of Sigma's debt securities, selling them for $306 million. The receivers estimated that Sigma's obligation to MTN holders was approximately $6.2 billion and that MTNs maturing after October 23, 2008 would not be satisfied from any such proceeds.

164. The Class Members' investments in Sigma were to mature on May 18, 2009, after October 23, 2008. As a result, they will not participate in any of the proceeds.

165. As of December 2008, the Sigma MTNs have lost approximately 97% of their value. Upon information and belief, the City of Birmingham Employees' Retirement System, the Road Commission for Oakland County Retirement System, the Iron Workers' Local No. 25 Pension Fund, the Iron Workers' Health Fund of Eastern Michigan, the Roofers Local No. 149 Pension Fund, the City of Monroe Employees' Retirement System, the Waterford Township General Employees' Retirement System, the Carpenters Pension Fund-Trust Detroit & Vicinity and the Line Construction Benefit Fund, each have losses and lost profits of at least $75,000 as a result of Defendant's investment of Collateral in Sigma. Upon information and belief, the Class Plans have also suffered huge losses associated with Defendant's Sigma investments. The matter in controversy exceeds the sum of $5,000,000.

The Class Plans' Losses Are a Direct Result of Defendant's Breaches

166. Under these circumstances, when the overarching goal was to preserve principal and maintain adequate liquidity to be able to return Collateral to borrowers – an expected and inevitable requirement in any securities lending program – a reasonably prudent fiduciary would not have made the hazardous investment decisions made by Comerica. This is especially true because Comerica knew that SIVs were "high risk." Indeed, in the face of this knowledge and of known market conditions, a reasonably prudent fiduciary would not have had exposure to high risk SIVs, and instead would have invested in safer vehicles.

167. Since Defendant at all times had a duty to act as a reasonably prudent fiduciary, it knew, or at the very least should have known, that its investment decisions concerning the

Collateral were unduly hazardous and risky and that it should not have invested the Collateral in the imprudent investment described above.

168. Despite the avalanche of warnings about the risky nature of the Sigma investment and in conflict with the stated and agreed investment goals and objectives of the Agreements and the Investment Guidelines, Comerica continued to invest the Class Plans' Collateral in the imprudent investments described above well into 2008.

169. In stark contrast to and in violation of its express duty to use expertise in investing, Comerica continued to hold the Collateral in the imprudent Sigma investment described above, despite wide-spread and consistent knowledge amongst financial institutions that such investment was inherently risky beyond that sanctioned under the Agreements and Investment Guidelines. In fact, it was widely understood by such institutions that Sigma was risky and likely to fail.

170. When it became obvious that the Collateral was at risk of loss and in danger of losing principal or becoming illiquid, a reasonably prudent fiduciary would have taken affirmative steps to liquidate the Collateral to preserve the value of the Collateral to protect the Class Plans, as Defendant knew or should have known.

171. On October 6, 2008, Sigma was placed in receivership.

172. Upon information and belief, since Sigma's collapse, Comerica has written to Class Members: "The Sigma Finance Medium Term Notes is an impaired investment and we believe that recovery, if any, will be minimal."

173. Comerica knew that it had no risk of loss but was paid 30%-50% of any profit and, therefore, had placed the entire risk of its imprudent, if not reckless, investment strategy on the Class Plans. Because of this "heads I win, tails you lose" paradigm, Comerica had no

incentive to modify its unauthorized and inherently risky investment strategy and made not one attempt to do so, because it was the beneficiary of all profits and would not be responsible for any losses.

174. Comerica's incentives were diametrically opposed to Comerica's fiduciary obligations to Plaintiffs, the Plans, the Class Plans, and Class Members.

175. Comerica made the foregoing high risk investments solely to maximize its own profits and in express dereliction of its fiduciary duties.

176. Defendant's failure to comply with its inherent fiduciary duties, including its duties of loyalty and prudence under ERISA and PERSIA, directly harmed the Plans and, upon information and belief, the Class Plans, in that the Collateral not only earned less than it would have earned if invested by a reasonably prudent fiduciary, but also lost principal.

CLASS ACTION ALLEGATIONS

177. Plaintiffs bring this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class of all trustees, administrators, and other fiduciaries of Class Plans which entered into Securities Lending Agreements with Comerica and whose Collateral was invested by Comerica (the "Class"). Excluded from the Class are: (a) Defendant; (b) the subsidiaries and affiliates of Defendant; (c) any person or entity who is a partner, executive officer, director or controlling person of Defendant; (d) any entity in which Defendant has controlling interest; (e) Defendant's directors' and officers' liability insurance carriers, and any affiliates or subsidiaries thereof; and (f) the legal representatives, heirs, successors and assigns of any such excluded party.

178. Upon information and belief, as of October 2008, the average assets on loan under Defendant's program totaled approximately $4 billion. While the exact number of Class

Members is unknown to Plaintiffs at this time, Plaintiffs believe and therefore aver that Class Members number in the hundreds.

179. Plaintiffs' claims are typical of the claims of the members of the Class in that, upon information and belief, all Class Members entered into identical or virtually identical Securities Lending Agreements with Comerica on behalf of Class Plans which held Collateral in the Collateral Account and sustained damages as a result of Defendant's wrongful conduct complained of herein.

180. Plaintiffs will fairly and adequately protect the interests of the members of the Class and have retained counsel competent and experienced in class litigation. Plaintiffs have no interests that are adverse or antagonistic to the Class.

181. Plaintiffs anticipate that there will be no difficulty in the management of this litigation as a class action. A class action is superior to other available methods for the fair and efficient adjudication of this controversy. Because the damages suffered by any individual Class Plan may be relatively small, and Plaintiffs seek injunctive relief, the expense and burden of individual litigation make it impracticable for Class Members individually to seek redress for the wrongful conduct alleged herein. Further, the prosecution of separate actions by individual members of the Class would create a risk of inconsistent or varying adjudications with respect to individual members of the Class and the Class Plans which would establish incompatible standards of conduct for the party opposing the Class.

182. Defendant has acted on grounds generally applicable to the Class and the Class Plans with respect to the matters complained of herein, thereby making appropriate the relief sought herein with respect to the Class as a whole.

183. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are: (a) whether Defendant is a fiduciary; (b) whether Defendant violated its obligations set forth in the Securities Lending Agreement and the Investment Guidelines; (c) whether Defendant violated its fiduciary duties of prudence and/or loyalty; (d) whether Defendant engaged in prohibited transactions in connection with Collateral investments; (e) whether the Plans and the Class Plans suffered any losses as a result of Defendant's actions; and (f) whether Plaintiffs and the Class would suffer irreparable injury by the continuation of Defendant's

184. On information and belief, the names and addresses of those persons and entities that held shares in the Collateral Account are available from Defendant. Notice may be provided to such Class Members via first class mail using techniques and a form of notice similar to those customarily used in class actions.

I. Declaratory Judgment

185. Plaintiffs repeat and reallege the allegations contained in ¶¶1-171 as if fully set forth herein.

186. A bona fide, actual, present practical need exists for the Court to declare that Comerica acted improperly in demanding reimbursement of the Collateral deficiency from the Class Plans.

187. Comerica violated its fiduciary duties to the Class Plans by making inherently risky investments. The imprudent investments caused the Class Plans to suffer substantial losses of Collateral. Comerica is now demanding that the Class Plans reimburse the Collateral losses directly caused by Comerica's misconduct. Moreover, Comerica will not permit the Plans to

discontinue their investments or withdraw from the Securities Lending program until the Plans reimburse the Collateral losses directly caused by Comerica's misconduct.

188. It is improper for Plaintiffs and the Class to make up for losses caused by Defendant through its imprudent conduct and violation of fiduciary duties. Further, such a demand causes additional harm to Plaintiffs and the Class.

189. Plaintiffs and the Class are entitled to injunctive relief restraining Defendant from requiring the Class Plans to fund the Collateral deficiency.

II. Breach of Fiduciary Duty

190. Plaintiffs repeat and reallege the allegations contained in ¶¶1-176 as if fully set forth herein.

191. Defendant owed fiduciary duties to the Class Plans by virtue of the nature of its relationship with the Class Plans and because it was under a duty to act for the benefit of the Class Plans on matters within the scope of their relationship. Specifically, Defendant exercised authority and/or control with respect to the management of Class Plans' assets, namely the investment of the Class Plans' collateral. Further, Comerica agreed to be a fiduciary for the Class Plans' assets.

192. As a fiduciary of the Class Plans, Comerica owed the Class Plans duties of good faith, loyalty, and avoidance of self-dealing. Comerica was required to discharge its obligations with respect to Class Members solely in the interest of Class Members while subordinating its own interests to those of the Class Members, for the exclusive purpose of providing benefits to Class Members, and with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of a similar enterprise with similar aims.

193. Defendant also had a duty to monitor the Collateral investments continuously to ensure that they were at all times proper. If a Collateral investment became imprudent or improper, Defendant had a duty to act immediately to protect the Class Plans from any investment harm by, *inter alia*, liquidating the Collateral investment.

194. Defendant failed to invest the Collateral in safe and prudent investments. Instead, Defendant invested the Collateral in highly risky investments in direct violation of its duties.

195. Defendant also failed to monitor the Collateral investments to ensure they were at all times proper investments in accordance with its duties and, therefore, improperly maintained the imprudent Collateral investments.

196. No reasonably prudent fiduciary would have invested the Collateral in the investments selected by Defendant in its complete and sole discretion under the reasonably known market conditions. Further, no reasonably prudent fiduciary would have maintained those investments. Since Defendant had a duty to act as a reasonably prudent fiduciary, it knew or at the very least should have known these facts.

197. Defendant's failure to invest the Collateral in a prudent manner constitutes a breach of Defendant's fiduciary duty of care and prudence.

198. Moreover, Defendant's actions were designed to increase profits earned by Defendant from securities lending in disregard of the risk of losses that could be suffered by the Class Plans.

199. Defendant created a conflict of interest whereby Defendant disloyally placed its interests above the interests of the Class Plans and made a profit while the Class Plans suffered losses.

200. Defendant favored its own interests in gambling to make profits without any reasonable regard to losses that could be suffered by the Class Plans.

201. Defendant earned substantial fees and profits as a result of acting in its own self-interest.

202. By employing its "heads I win, tails you lose" investment strategy that was highly risky to the Class Plans for its own benefit, Defendant violated its duty of loyalty.

203. Plaintiffs and other members of the Class were injured as a result of the breach and face significant, irreparable harm if Defendant is permitted to continue to violate duties owed to Plaintiffs and the Class.

204. Further, the Class Plans are entitled to a declaration that Defendant's attempt to collect Collateral losses from the Class Plan, after losing the Class Plans' Collateral by its imprudent and disloyal conduct in violation of Defendant's fiduciary duties is improper and the Class Plans are not required to fund the Collateral losses.

III. Violations of Erisa §404 (29 U.S.C. §1104)

205. Plaintiffs repeat and reallege the allegations contained in ¶¶1-191 as if fully set forth herein.

206. At all relevant times, Defendant acted as a fiduciary within the meaning of ERISA §3(21)(A) (29 U.S.C. §1002(21)(A)) by exercising authority or control with respect to the management or disposition of the Collateral, the Plans' assets.

207. Defendant had a duty to invest the Collateral for the benefit of the Plans prudently based on the standards of a reasonably prudent fiduciary.

208. Defendant had a duty of loyalty to invest the Collateral solely in the exclusive interests of the Plans and their participants and beneficiaries and for the exclusive purpose of providing benefits.

209. To the extent that the Agreements or the Investment Guidelines required Defendant to invest the Collateral imprudently, Defendant also had a duty to disregard those requirements and invest the Collateral prudently. Defendant could not blindly follow those requirements if doing so would cause harm to the Plans.

210. Defendant had a duty to monitor the Collateral investments continuously to ensure that they were at all times proper. If a Collateral investment became imprudent or improper, Defendant had a duty to act immediately to protect the Plans from any investment harm by, *inter alia*, liquidating the Collateral investment.

211. Defendant failed to invest the Collateral in safe and prudent investments as required by the Agreements and the Investment Guidelines. Instead, Defendant invested the Collateral in highly risky investments in direct violation of the Agreements and the Investment Guidelines.

212. Defendant also failed to monitor the Collateral investments to ensure they were at all times proper investments in accordance with the Agreements and Investment Guidelines and, therefore, improperly maintained the imprudent Collateral investments.

213. No reasonably prudent fiduciary would have invested the Collateral in the investments selected by Defendant in its complete and sole discretion under the Agreement, the Investment Guidelines, or reasonably known market conditions. Further, no reasonably prudent fiduciary would have maintained those investments. Since Defendant had a duty to act as a reasonably prudent fiduciary, it knew or at the very least should have known these facts.

214. Defendant's failure to invest the Collateral in a prudent manner constitutes, pursuant to ERISA §404(a)(1), a breach of Defendant's fiduciary duty of prudence.

215. Moreover, Defendant's actions were designed to increase profits earned by Defendant from securities lending in disregard of the risk of losses that could be suffered by the Plans.

216. Defendant favored its own interests in gambling to make profits without any reasonable regard to losses that could be suffered by the Plans.

217. Defendant earned substantial fees and profits as a result of acting in its own self-interest.

218. By employing its "heads I win, tails you lose" investment strategy that was highly risky to the Plans for its own benefit, Defendant violated the duty of loyalty under ERISA §404(a)(1).

219. Defendant is liable under ERISA §409, which provides: "[A]ny person who is a fiduciary with respect to a plan who breaches any of the responsibilities, obligations, or duties imposed upon fiduciaries by this title shall be personally liable to make good to such plan any losses to the plan resulting from each such breach, and to restore to such plan any profits of such fiduciary which have been made through use of assets of the plan by the fiduciary, and shall be subject to such other equitable or remedial relief as the court may deem appropriate, including removal of such fiduciary."

220. Defendant is liable under ERISA §502(a)(2) to restore to the Class Plans all losses due to Defendant's breaches, as well as any profits that would have been earned by the Class Plans had the Collateral been prudently invested.

221. The Class Plans face significant, irreparable harm if Defendant is permitted to continue to violate duties owed to the Class Plans.

222. Further, the Class Plans are entitled to a declaration that Defendant's attempt to collect Collateral losses from the Class Plans, after losing the Class Plans' Collateral by its imprudent conduct in violation of Defendant's fiduciary duties, is improper and the Class Plans are not required to fund the Collateral losses.

IV. Violations of Erisa §406 (29 U.S.C. §1106)

223. Plaintiffs repeat and reallege the allegations contained in ¶¶1-209 as if fully set forth herein.

224. At all relevant times, Defendant acted as a fiduciary within the meaning of ERISA §3(21)(A) (29 U.S.C. §1002(21)(A)) by exercising authority or control concerning the management or disposition of the Collateral, the Plans' assets.

225. Defendant dealt with the Collateral, the Plans' assets, in its own interest or for its own account in that it invested the Collateral for the express purpose of making investments for its own financial benefit and earning profits for itself and at the expense of the Plans. Consequently, Defendant's investment of the Plans' Collateral violated ERISA §406.

226. By the acts, transactions and courses of conduct alleged herein, Defendant caused losses to the Plans.

227. Under ERISA §502(a)(2), Defendant is required to pay damages to the Plans.

228. The Plans face significant, irreparable harm if Defendant is permitted to continue to violate duties owed to the Plans.

229. Further, the Plans are entitled to a declaration that Defendant's attempt to collect Collateral losses from the Plan, after losing the Plans' Collateral by its imprudent conduct in

violation of Defendant's fiduciary duties, is improper and the Plans are not required to fund the Collateral losses.

V. Violation of Duty of Care and Duty of Loyalty Based on MCL §38.1133

230. Plaintiffs repeat and reallege the allegations contained in ¶¶1-216 as if fully set forth herein.

231. At all relevant times, Defendant acted as a fiduciary within the meaning of MCL §38.1132c Sec. 12c(1) and §38.1133 Sec. 13(3) by exercising discretionary authority or control with respect to the investment of the Plaintiffs' collateral assets.

232. Pursuant to MCL §38.1133 Sec. 13(3), Defendant owed Plaintiffs and the members of the Class a duty of care in its capacity as manager and trustee of Plaintiffs' and the Class's collateral.

233. This duty included the obligation to 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. Therefore, Defendant was required to exercise reasonable care and prudence in the handling of investments made by Comerica and/or its agents on behalf of Plaintiffs and the Class.

234. Defendant also had a duty of loyalty to invest the Collateral solely in the interests of the Class Plans and their participants and beneficiaries and for the exclusive purpose of providing benefits to participants and participants' beneficiaries and defraying reasonable expenses of investing the Class Plans' assets.

235. To the extent that any of the Agreements required Defendant to invest the Collateral imprudently, Defendant also had a duty to disregard those requirements and invest the

Collateral prudently. Defendant was not permitted to blindly follow those requirements if doing so would cause harm to the Class Plans.

236. Defendant had a duty to monitor the Collateral investments continuously to ensure that they were at all times proper. If a Collateral investment became imprudent or improper, Defendant had a duty to act immediately to protect the Class Plans from any investment harm by, *inter alia*, liquidating the Collateral investment.

237. Defendant failed to invest the Collateral in safe and prudent investments. Instead, Defendant invested the Collateral in highly risky investments in direct violation of its duties.

238. Defendant also failed to monitor the Collateral investments to ensure they were at all times proper investments in accordance with its duties and, therefore, improperly maintained the imprudent Collateral investments.

239. No reasonably prudent fiduciary would have invested the Collateral in the investments selected by Defendant in its complete and sole discretion under the reasonably known market conditions. Further, no reasonably prudent fiduciary would have maintained those investments. Since Defendant had a duty to act as a reasonably prudent fiduciary, it knew or at the very least should have known these facts.

240. Defendant's failure to invest the Collateral in a prudent manner constitutes, pursuant to MCL §38.1133 Sec. 13(3), a breach of Defendant's fiduciary duty of care and prudence.

241. Moreover, Defendant's actions were designed to increase profits earned by Defendant from securities lending in disregard of the risk of losses that could be suffered by the Class Plans.

242. Defendant created a conflict of interest whereby Defendant disloyally placed its interests above the interests of the Class Plans and made a profit while the Class Plans suffered losses.

243. Defendant favored its own interests in gambling to make profits without any reasonable regard to losses that could be suffered by the Class Plans.

244. Defendant earned substantial fees and profits as a result of acting in its own self-interest.

245. By employing its "heads I win, tails you lose" investment strategy that was highly risky to the Class Plans for its own benefit, Defendant violated the duty of loyalty under MCL §38.1133 Sec. 13(3).

246. Plaintiffs and other members of the Class were injured as a result of the breach and face significant, irreparable harm if Defendant is permitted to continue to violate duties owed to Plaintiffs and the Class.

247. Further, the Class Plans are entitled to a declaration that Defendant's attempt to collect Collateral losses from the Class Plans, after losing the Class Plans' Collateral by its imprudent and disloyal conduct in violation of Defendant's fiduciary duties, is improper and the Class Plans are not required to fund the Collateral losses.

248. Plaintiffs and other members of the Class were injured as a result of the breach and face significant, irreparable harm if Defendant is permitted to continue its wrongful conduct.

VI. Breach of Contract

249. Plaintiffs repeat and reallege the allegations contained in ¶¶1-238 as if fully set forth herein.

250. The Securities Lending Agreements represent valid and binding contracts between Plaintiffs and Defendant that govern Defendant's obligations with respect to the investment of Plaintiffs' collateral.

251. Defendant, as described above, breached its contractual duties under the Agreements by failing to use the same degree of care and skill in the exercise of its duties as a reasonably prudent expert would exercise or use in the conduct of its own affairs.

252. The SLAs required Defendant, *inter alia*: (a) to comply with the Investment Guidelines (including safeguarding principal and maintaining adequate liquidity): (b) to discharge its fiduciary and legal duties to the Plans and all other Class Members; and (c) to assume liability for any losses resulting from its negligence, bad faith or willful misconduct in managing the Securities Lending Program.

253. Defendant breached these contractual obligations by:

(a) failing to conduct a complete, thorough, and careful investigation into the Sigma floating-lien MTNs which, if conducted, would have revealed a substantial and unacceptable risk of under-collateralization which would leave the Plans and all other Class Members exposed to high risk;

(b) imprudently investing the collateral received by Plaintiffs and other Class Members in the Sigma floating-lien MTNs, which were inappropriate and unsuitable investments for investment of the cash collateral and which did not comply with the Investment Guidelines;

(c) failing to monitor the investments in the Sigma floating-lien MTNs which, if prudently performed, would have revealed the excessive risks associated with Sigma's ability to pay the floating-lien MTNs as they matured: and

(d) imprudently maintaining the investments in the Sigma floating-lien MTNs despite the
numerous public warnings concerning Sigma, its dire financial condition, and its likely failure before the floating-lien MTNs matured.

254. Defendant breached its contractual obligations under the Agreements by failing to use the same degree of care and skill in the exercise of its duties as a reasonably prudent financial institution and, in so doing, made risky and imprudent investment decisions that caused Plaintiffs' losses.

255. Defendant breached its contractual obligations under the Agreements by failing to safeguard principal.

256. Plaintiffs are not in breach of any obligation of the Agreements.

257. Plaintiffs and other members of the Class were injured as a result of the breach and face significant, irreparable harm if Defendant is permitted to continue its wrongful conduct.

VII. Breach of the Implied Covenant of Good Faith and Fair Dealing

258. Plaintiffs repeat and reallege the allegations contained in ¶¶1-245 as if fully set forth herein.

259. The Securities Lending Agreements represent valid and binding contracts between Plaintiffs and Defendant that govern the terms of the investment of Plaintiffs' collateral. An implied covenant of good faith and fair dealing arises from these contracts. Separate and apart from the express terms of those contracts, the implied covenant of good faith and fair dealing obligated Defendant to deal honestly, fairly and equitably with Plaintiffs and the Class.

260. Defendant's conduct, as described above, breached the implied covenant of faith and fair dealing by engaging in imprudent and disloyal investment activities.

261. Plaintiffs and other members of the Class were injured as a result of the breach and face significant, irreparable harm if Defendant is permitted to continue in its breach.

VIII. Prayer for Relief

WHEREFORE, Plaintiffs demand judgment and preliminary and permanent relief, in Plaintiffs' favor and in favor of the Class and against Defendant, as follows:

i. Declaring that this action is properly maintainable as a class action, and certifying Plaintiffs as class representatives and Plaintiffs' counsel as class counsel;

ii. Declaring that Defendant's conduct complained of herein was in violation of Defendant's fiduciary duties;

iii. Declaring that Defendant has engaged in prohibited transactions in violation of §406 of ERISA;

iv. Declaring that Defendant's demand to collect Collateral losses from the Plans is improper and the Plans are not required to fund the Collateral losses

v. Issuing an order, pursuant to ERISA §§409(a) and 502(a)(2), compelling disgorgement and/or restitution and all other remedial relief as the Court may deem appropriate;

vi. Issuing an order compelling disgorgement and/or restitution and all other remedial relief as the Court may deem appropriate;

vii. Issuing an order enjoining Defendant from any further violations of its fiduciary obligations;

viii. Ordering Defendant to pay the Plans, such damages as the Plans sustained as a result of Defendant's misconduct, including losses and lost profits, and damages based on the profits Defendant earned from its improper investment of the Collateral;

ix. Ordering an accounting;

x. Imposing a constructive trust, in favor of the Plans, upon any amounts by which Defendant was unjustly enriched at the expense of the Plans as a result of Defendant's breaches of fiduciary obligations and wrongful conduct;

xi. Awarding attorney's fees pursuant to §502(g) of ERISA (29 U.S.C. §1132(g)) and/or the Common Fund Doctrine; and

xii. Awarding exemplary damages;

xiii. Granting such other and further relief as this Court may deem just and proper.

JURY DEMAND

Plaintiffs demand a trial by jury.

Dated: September 30, 2010

<table>
<tr>
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s/Sharon S. Almonrode

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P33938

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• The Board of Trustees of the Iron Workers' Health Fund of Eastern Michigan
• The Board of Trustees of the Roofers Local No. 149 Pension Fund
• The Board of Trustees of the City of Monroe Employees' Retirement System
• The Board of Trustees of the Waterford Township General Employees' Retirement System
• The Board of Trustees of Carpenters Pension Fund Trust-Detroit & Vicinity
• The Board of Trustees of Line Construction Benefit Fund
</td>
<td>
s/E. Powell Miller

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Attorneys for Plaintiffs
• The Board of Trustees of the City of Birmingham Employees' Retirement System
• The Board of Trustees of the Road Commission for Oakland County Retirement System
</td>
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655 West Broadway, Suite 1900
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</table>

CERTIFICATE OF SERVICE

I hereby certify that on **September 30, 2010,** I electronically filed the foregoing paper with the Clerk of the Court using the ECF system which will send notification of such filing to all counsel of record**.**

/s/ Sharon S. Almonrode
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P33938

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

BOARD OF TRUSTEES OF THE IRON WORKERS' LOCAL NO. 25 PENSION FUND, BOARD OF TRUSTEES OF THE IRON WORKERS' HEALTH FUND OF EASTERN MICHIGAN, BOARD OF TRUSTEES OF THE ROOFERS LOCAL NO. 149 PENSION FUND, BOARD OF TRUSTEES OF THE CITY OF MONROE EMPLOYEES' RETIREMENT SYSTEM and BOARD OF TRUSTEES OF THE WATERFORD TOWNSHIP GENERAL EMPLOYEES' RETIREMENT SYSTEM, Individually and on Behalf of All Others Similarly Situated,

Plaintiffs,

vs.

COMERICA BANK,

Defendant.

Civil Action No.

CLASS ACTION

INDEX OF EXHIBITS TO:

CONSOLIDATED COMPLAINT

Exhibit	**Description**
A	Securities Lending Agreement between Comerica Bank and Birmingham Retirement System
B	Securities Lending Agreement between Comerica Bank and Oakland County Road Commission Retirement System
C	Securities Lending Agreement between Comerica Bank and Ironworkers' Local No. 25 Pension Fund
D	Securities Lending Agreement between Comerica Bank and

	Ironworkers' Health Fund of Eastern Michigan
E	Securities Lending Agreement between Comerica Bank and Roofers Local No. 149 Pension Fund
F	Securities Lending Agreement between Comerica Bank and Monroe Employees' Retirement System
G	Securities Lending Agreement between Comerica Bank and Waterford Township Employees' Retirement System
H	Securities Lending Agreement between Comerica Bank and Carpenters Pension Fund-Trust Detroit & Vicinity
I	Securities Lending Agreement between Comerica Bank and Line Construction Benefit Fund

EXHIBIT A

Comerica

City of Birmingham Employees Retirement System

This letter together with the attachments hereto constitute our agreement wherein you appoint Comerica Bank, as your agent to engage in securities lending activities, as provided herein on your behalf. We may lend securities from the accounts you have established or may establish in the future pursuant to your trust, custody, agency, or managing agency agreement with Comerica Bank. We will lend such securities only to the banks and security brokers approved by you as identified in Attachment A and as we may amend from time to time. You represent that none of the banks and security brokers identified in Attachment A nor any of their affiliates has discretionary authority or control with respect to the investment of employee benefit fund assets involved in a loan transaction or renders investment advice (within the meaning of 29 CRF 2510.3 - 21(c)) with respect to those assets. We acknowledge that we are a fiduciary with respect to our discretionary responsibilities under this agreement and shall administer such loans, whether or not subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), in accordance with the terms of Department of Labor Prohibited Transaction Exemption 81-6, as amended, originally dated effective January 23, 1981, which are incorporated by reference into and made a part of this agreement, and subject to the following terms and conditions:

1. We, or our agent, shall secure a written Loan Agreement from each bank and security broker to whom securities are loaned pursuant to this agreement. We will allocate securities loan opportunities among our securities lending clients by reasonable and equitable methods in accordance with applicable regulations. We, or our agent shall use our best efforts to complete promptly, either by physical delivery or by book entry in a securities depository, the delivery of securities against same day delivery of collateral equal to at least 102% of the market value of the security loaned. Such collateral (the "Collateral") will be held by us for your account and shall consist of cash, securities issued or guaranteed by the United States Government or its agencies or instrumentalities ("Government Securities").

2. We, or our agent, shall invest the cash Collateral in various short-term instruments and investment vehicles. You agree that we can commingle cash Collateral in your account(s) with the cash Collateral in one or more accounts of others securities lending customers. We shall credit the account with income less expenses therefrom including rebate or similar fees where appropriate. When Collateral other than cash is received, the fee to the account shall be reasonable and shall be related to relevant market factors. You reserve the right to instruct us in writing to refrain from investing cash Collateral in specific securities or with the issuers thereof. You understand and agree that your cash Collateral account(s) will not acquire a fractional undivided interest in the securities held therein, but rather will acquire pro rata proportionate interest in each and every security. We will not charge you a fee for investing the cash collateral and will follow guidelines detailed in Attachment E, which may be amended from time to time upon notification to you.

3. We will credit your account on payable date with interest, dividends, rights and other distributions paid on U.S. securities loaned to borrowers.

4. You agree that all voting rights shall be exercisable by the borrower of the loaned securities or its designee and authorize us to waive such rights on behalf of the account.

5. We or our agent receive copies of financial statements from borrowers.

Comerica

6. If the aggregate market value of all securities loaned to a borrower pursuant to this agreement (determined on the basis of the last reported sales prices on the national securities exchange on which the securities are traded or, if not so traded, as reasonably determined by us or our agent) shall exceed, at any time as of the close of business on any business day (as hereinafter defined), the amount of the Current Collateral (as hereinafter defined), we shall promptly demand that the borrower increase the amount of the Collateral ("mark to market") by an amount sufficient to cause the aggregate amount of the Current Collateral to equal not less than 100% of the then market value of the securities as of the close of business on the business day as of which such excess was determined to exist. In such event, we shall demand that the borrower deliver to us or our agent for your account, no later than the close of business on the business day following the business day as of which such excess was determined to exist, additional Collateral in the appropriate amount. "Business day" shall mean a day on which the New York Stock Exchange, banks located in the city of New York and Comerica Bank, are open for business. "Current Collateral" shall mean the Collateral initially delivered by the borrower in an amount equal to at least 102% of the market value of the securities loaned to the borrower pursuant to this agreement, plus accrued rebate owed to the borrower, plus the aggregate of all additional amounts deposited by the borrower, if any, and less the aggregate of all amounts released to the borrower, if any.

7. You shall pay for services provided under this agreement at rates as set forth in Attachment B hereto, and as such rates may be amended from time to time, subject to your approval.

8. You acknowledge that **THE PROVISIONS OF THE SECURITIES INVESTOR PROTECTION ACT OF 1970 (SIPA) MAY NOT PROTECT THE LENDER WITH RESPECT TO THE SECURITIES LOAN TRANSACTIONS BETWEEN LENDER AND BORROWER AND THAT, THEREFORE, THE COLLATERAL DELIVERED BY BORROWER TO LENDER MAY CONSTITUTE THE ONLY SOURCE OF SATISFACTION OF BORROWER'S OBLIGATION IN THE EVENT BORROWER FAILS TO RETURN THE SECURITIES INSOFAR AS SIPA IS CONCERNED.**

9. This Agreement may be modified by mutual consent in writing and may be terminated at the option of either party upon three business days' prior written notice to the other party; provided, however, that upon our receipt of a written termination notice from you, we shall not make any new loans pursuant hereto and with respect to all outstanding loans we shall terminate such loans on an orderly basis. In any event, we shall terminate any outstanding loan upon your request.

10. Each party hereto represents to the other that it is authorized to enter into this Agreement and the persons executing this Agreement do legally bind each party to the terms hereof.

11. This Agreement may not be assigned without the prior written approval of each of the parties hereto.

12. This Agreement shall be governed by and construed in accordance with the Michigan Public Employee Retirement System Investment Act, Act No. 314 of the Public Acts of 1965, Section 38.1140e of the Michigan Complied Laws, and other applicable laws or regulations, including but not limited to the laws of the State of Michigan.

13. All notices required or permitted under this Agreement shall be delivered or mailed by first class mail, postage prepaid, or sent by facsimile transmission and confirmed by mail to the addresses or facsimile numbers indicated below, or to such other addresses or facsimile numbers as we furnish in writing to each other from time to time. Such notices may be given verbally as long as they are subsequently confirmed in writing.

Comerica

14. We, for ourselves and for our subcontractors, covenant not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, or marital status, or because of a disability that is unrelated to the individuals ability to perform the duties of a particular job or position. Breach of this covenant may be regarded by you as a material breach of this Agreement.

Please indicate your acceptance of agreement to the terms and conditions set forth in this letter by signing the enclosed copy of this letter in the place provided below and returning it to us, whereupon this letter shall become a binding agreement between us.

Very truly yours,

COMERICA BANK

Institutional Trust Department
411 West Lafayette, MC 3465
Detroit, Michigan 48226
Facsimile Transmission 313-222-3224

By: [signature] NADIA SANCHEZ, AVP
Date: Dec 14, 2005

Accepted and agreed to:

City of Birmingham Employees Retirement System

By: [signature]
Date: December 12, 2005

By: ______________________
Date: ______________________

ATTACHMENT A

COMERICA BANK
SECURITIES BORROWER LIST

ABN AMRO, Inc.
Abbey National Securities
BNP Paribas Securities Corp.
Banc of America Securities LLC
Barclays Capital Inc.
Bear Stearns & Co., Inc.
Citigroup Global Markets Inc.
Countrywide Securities Corp.
Credit Suisse First Boston LLC
Deutsche Bank Alex Brown Securities Inc.
Dresdner Kleinwort Benson
Fimat USA, Inc.
Goldman Sachs & Co.
Greenwich Capital Markets Inc.
HSBC Securities (USA) Inc.
Harris Nesbitt Corp.
ING Financial Markets LLC
J. P. Morgan Securities Inc.
Jefferies and Company
Lehman Brothers, Inc.
Merrill Lynch, Pierce, Fenner & Smith
Morgan Stanley & Co.
RBC Capital Markets Corporation
SG Americas Securities Inc.
UBS Securities LLC

ATTACHMENT B

FEE SCHEDULE - SECURITIES LENDING

All Loans - Comerica Bank will charge a monthly fee equal to 50% of the income received after all borrower rebates are deducted.

ATTACHMENT C

Comerica Bank
411 West Lafayette, MC 3465
Detroit, Michigan 48226

Board of Trustees:

Re: SECURITIES LENDING AGREEMENT DATED December 12, 2005

BETWEEN COMERICA BANK AND THE CITY OF BIRMINGHAM EMPLOYEES RETIREMENT SYSTEM

With respect to the referenced agreement, we hereby acknowledge that Comerica Bank does not indemnify against any loss which may result from investment risk.

By: Thelma Golden

Date: December 12, 2005

By: ______________________

Date: ______________________

ATTACHMENT D

Indemnification Addendum

This Attachment is added to and forms a part of the letter agreement dated 12-12-2005, between **City of Birmingham Employees Retirement System** ("Lender") and Comerica Bank ("Comerica").

Comerica agrees to indemnify Lender as follows:

(a) If any such borrower fails to return any securities loaned or any portion thereof for any reason (including, without limitation, the solvency or bankruptcy of a borrower) in accordance with the terms of the Loan Agreement, Comerica will indemnify Lender against loss resulting from the failure of such borrower to remit amounts equal to interest, dividends or other distributions on the securities loaned, by crediting Lender's account in cash, within a reasonable time, in an amount equal to the amount of interest, dividends or other distributions due but not received by Comerica.

(b) Comerica will indemnify Lender against loss resulting from a default on the part of any such borrower in making a timely return of the securities loaned or any portion thereof for any reason (including, without limitation, the solvency or bankruptcy of a borrower). Comerica's responsibility will be satisfied by crediting Lender's account within a reasonable time following the termination of a loan with either the securities in kind or, at the option of Comerica, an amount in cash equal to the market value of the securities as of the close of the business on the day the account of the Lender is so credited.

This indemnity does not cover loss resulting from a failure on the part of the borrower to return securities if such failure results from the inability of Comerica to return, because of a loss or decrease in the value of the cash collateral investment, the current collateral securing a loan.

COMERICA BANK

By [signature] NADIA SANCHEZ, AVP

Date 12-14-05

Accepted and agreed to:

CITY OF BIRMINGHAM EMPLOYEES RETIREMENT SYSTEM

By [signature] By________________

Date December 12, 2005 Date________________

ATTACHMENT E

COMERICA BANK
SECURITIES LENDING PROGRAM
COLLATERAL REINVESTMENT GUIDELINES

I. PERMITTED INVESTMENTS (applicable at time of purchase)

A. Negotiable commercial paper obligations rated at least A-1 by Standard and Poor's and P-1 by Moody's (or similarly rated by any two nationally recognized rating organizations).

B. Corporate medium term notes and corporate floating rate instruments with a minimum long-term investment grade rating.

C. Funding agreements issued by domestic and international life insurance companies rated A or better by Best, Standard and Poor's or Moody's, approved by Munder Capital Management.

D. Asset-backed securities rated AAA by Standard and Poor's or Aaa by Moody's (or similarly rated by any two nationally recognized organizations).

E. Certificates of deposit, time deposits, floating rate instruments, banker's acceptances issued by U.S. and foreign banks with a minimum long term rating of A or better by Standard and Poor's or Moody's (or similarly rated by any two nationally recognized organizations).

F. Direct obligations issued and guaranteed as to principal and interest by the U.S. government or its agencies.

G. Repurchase agreements collateralized at a minimum level of 102% with obligations issued and guaranteed by the U.S. government or its agencies.

H. Repurchase agreements collateralized at a minimum level of 105% with investment grade corporate bonds, or with money market instruments outlined in A, B and D above, collateralized at 102%.

I. Indemnified Repurchase Agreements, collateralized at a minimum level of 102% with Private Label MBS, CMO's, ABS, Whole Loans, Corporate Bonds rated at least B3 by Moody's, or B- by Standard & Poor's or B- by Fitch, Money Market Instruments rated at least P-3 by Moody's or A-3 by Standard and Poor's or F-3 by Fitch, and Equity securities listed on a U.S. exchange. Indemnification against counterparty default must be provided by a sponsor rated A-1 by Standard and Poor's and P-1 by Moody's (or similarly rated by any two nationally recognized organizations).

J. Master Notes issued by broker dealers and their affiliates, where the holding company is rated A-1 by Standard and Poor's and P-1 by Moody's (or similarly rated by any two nationally recognized organizations).

K. Money market and short term investment funds investing in U.S. dollar denominated obligations of domestic and foreign issuers, including certificates of deposit, time deposits, bankers acceptances, A-1 and P-1 (or similarly rated) commercial paper and corporate obligations (including variable and floating rate instruments), obligations issued or guaranteed by the U.S. government, U.S. agencies, or instrumentalities, and repurchase agreements pertaining to all of the foregoing. All money market funds and short term investment funds are subject to the approval of Munder Capital Management prior to investment.

II. INVESTMENT LIMITATIONS (applicable at time of purchase)

A. The following investment maturity guidelines will apply:

I. At least 20% of the total value of the cash collateral pool shall consist of cash demand obligations and assets that will mature on the cash collateral pool's next business day.

II. At least 20% of the total value of the cash collateral pool shall be invested in obligations and assets that will mature no longer than 30 days from the date of purchase.

III. Up to 60% of the total value of the cash collateral pool shall be invested in obligations whose maturities are 31 -90 days from the date of purchase.

IV. Up to 30% of the total value of the cash collateral pool may be invested in obligations whose maturities are 91 -180 days from the date of purchase.

V. Up to 20% of the total value of the cash collateral pool may be invested in obligations whose maturities are 181 -365 days from the date of purchase.

VI. Up to 20% of the total value of the cash collateral pool may be invested in obligations having maturities of 2 years.

B. The maximum reset for floating rate instruments is 3 months, all interest must be paid at least quarterly. In no case will a floating rate instrument (structured note) have its principal linked to a formula (i.e., fail to mature at par according to its stated terms). Inverse floaters are not permitted.

C. No more than 20% of the cash collateral pool will be invested in funding agreements. A maximum maturity of 13 months will apply. The maximum reset is 3 months.

D. A per issuer limit of 5% of the cash collateral pool, will apply to the purchase of commercial paper obligations, asset backed securities, corporate or medium term notes, corporate floating rate instruments funding agreement and foreign and domestic bank instruments. No more than 15% of the cash collateral pool will be invested in A-2 and P-2 or split rated commercial paper.

E. Bank obligations will be purchased from the list of issuers approved by Munder Capital Management. Bank obligations may be purchased from an issuer not appearing on the listing provided the issuer meets Munder Capital Management's criteria.

F. All investments having a maturity of more than twelve (12) months must be floating rate instruments and pay interest at least annually.

G. A maturity or investment concentration limitation does not apply to direct obligations issued and guaranteed as to principal and interest by the U.S government or its agencies. Except that under no circumstance will a maturity of an obligation extend more than two years from the date of purchase.

H. Comerica or its tri-party custodian must take possession of all non-indemnified repurchase agreement collateral. The maximum repurchase agreement term is 90 days. Such collateral must be marked to market daily by Comerica or its tri-party custodian. No more than 15% of the cash collateral pool will be invested in each type the repurchase agreements outlined in H under Permitted Investments. Repurchase agreements that are non-indemnified must be entered into with primary government dealers and their affiliates.

I. Broker Master notes may not exceed a 7-day term.

Comerica Bank

NOTICE OF IT/RS COMMITTEE ACTION WITHOUT A FORMAL MEETING

APPROVAL OF SECURITIES LENDING INDEMNIFICATION FOR CITY OF BIRMINGHAM EMPLOYEES RETIREMENT SYSTEM

The Institutional Trust/Retirement Services Committee hereby approve Securities Lending Indemnification for the City of Birmingham Employees Retirement System.

	Name	Signature	Date
1.	Cheryl Derezinski	[signature]	1/12/06
2	Arthur C. Doner	[signature]	1/12/06
3.	Gary A. Failla	[signature]	1/12/06
4.	William Feldmaier	[signature]	1/20/06
5.	Jane Miller	[signature]	1/19/06
6.	Sandra Miller	[signature]	1/12/06
7.	Ronald Siemiontkowski	[signature]	1/12/06

EXHIBIT B

Comerica

Board of Trustees:

This letter together with the attachments hereto constitute our agreement wherein you appoint Comerica Bank, as your agent to engage in securities lending activities, as provided herein on your behalf. We may lend securities from the accounts you have established or may establish in the future pursuant to your trust, custody, agency, or managing agency agreement with Comerica Bank. We will lend such securities only to the banks and security brokers approved by you as identified in Attachment A and as we may amend from time to time. You represent that none of the banks and security brokers identified in Attachment A nor any of their affiliates has discretionary authority or control with respect to the investment of employee benefit fund assets involved in a loan transaction or renders investment advice(within the meaning of 29CRF 2510.3 - 21(c)) with respect to those assets. We shall administer such loans, whether or not subject to the Employee Retirement Income Security Act of 1974 ("ERISA") in accordance with the terms of Department of Labor Prohibited Transaction Exemption 81-6, as amended originally dated effective January 23, 1981, which are incorporated by reference into and made a part of this agreement, and subject to the following terms and conditions:

1. We, or our agent, shall secure a written Loan Agreement from each bank and security broker to whom securities are loaned pursuant to this agreement. We or our agent shall use our best efforts to complete promptly, either by physical delivery or by book entry in a securities depository, the delivery of securities against same day delivery of collateral of at least equal value which will be held by us for your account. Such collateral (the "Collateral") shall consist of:

> cash, securities issued or guaranteed by the United States Government or its agencies or instrumentalities ("Government Securities"), or irrevocable letters of credit issued by banks insured by the Federal Deposit Insurance Corporation or by a foreign bank that has filed an agreement with the Board of Governors of the Federal Reserve System on Form F.R.T.-2, provided that as to lenders who are subject to ERISA, the issuer is not the borrower or an affiliate of the borrower.

2. We, or our agent, shall invest the cash Collateral in various short-term instruments and investment vehicles. We shall credit the account with income less expenses therefrom including rebate or similar fees where appropriate. When Collateral other than cash is received, the fee to the account shall be reasonable and shall be related to relevant market factors. You reserve the right to instruct us in writing to refrain from investing cash Collateral in specific securities or with the issuers thereof, and to refrain from accepting letters of credit issued by specific banks.

3. We will credit your account on payable date with interest, dividends, rights and other distributions paid on U.S. securities loaned to borrowers.

4. You agree that all voting rights shall be exercisable by the borrower of the loaned securities or its designee and authorize us to waive such rights on behalf of the account.

5. We or our agent receive copies of financial statements from borrowers.

6. If the aggregate market value of all securities loaned to a borrower pursuant to this agreement (determined on the basis of the last reported sales prices on the national securities exchange on which the securities are traded or, if not so traded, as reasonably determined by us or our agent) shall exceed, at any time as of the close of business on any business day (as hereinafter defined), the amount of the Current Collateral (as hereinafter defined), we shall promptly demand that the borrower increase the amount of the Collateral ("mark to market") by an amount sufficient to cause the aggregate amount of the Current Collateral to equal not less than 100% of the then market value of the securities as of the close of business on the business day as of which such excess was determined to exist. In such event, we shall demand that the borrower deliver to us or our agent for your account, no later than the close of business on the business day following the business day as of which such excess was determined to exist, additional Collateral in the appropriate amount. "Business day" shall mean a day on which the New York Stock Exchange, banks located in the city of New York and Comerica Bank, are open for business. "Current Collateral" shall mean the Collateral initially delivered by the borrower in an amount equal to at least 100% of the market value of the securities loaned to the borrower pursuant to this agreement, plus accrued rebate owed to the borrower, plus the aggregate of all additional amounts deposited by the borrower, if any, and less the aggregate of all amounts released to the borrower, if any.

7. You shall pay for services provided under this agreement at rates as set forth in Attachment B hereto, and as such rates may be amended from time to time, subject to your approval.

8. You acknowledge that **THE PROVISIONS OF THE SECURITIES INVESTOR PROTECTION ACT OF 1970 (SIPA) MAY NOT PROTECT THE LENDER WITH RESPECT TO THE SECURITIES LOAN TRANSACTIONS BETWEEN LENDER AND BORROWER AND THAT, THEREFORE, THE COLLATERAL DELIVERED BY BORROWER TO LENDER MAY CONSTITUTE THE ONLY SOURCE OF SATISFACTION OF BORROWER'S OBLIGATION IN THE EVENT BORROWER FAILS TO RETURN THE SECURITIES INSOFAR AS SIPA IS CONCERNED.**

9. This Agreement may be modified by mutual consent in writing and may be terminated at the option of either party upon three business days' prior written notice to the other party; provided, however, that upon our receipt of a written termination notice from you, we shall not make any new loans pursuant hereto and with respect to all outstanding loans we shall terminate such loans on an orderly basis. In any event, we shall terminate any outstanding loan upon your request.

10. Each party hereto represents to the other that it is authorized to enter into this Agreement and the persons executing this Agreement do legally bind each party to the terms hereof.

11. This Agreement may not be assigned without the prior written approval of each of the parties hereto.

12. This Agreement shall be governed by and construed in accordance with the Employee Retirement Income Security Act of 1974, as amended, if applicable to your account established hereunder or to other applicable laws or regulations, including but not limited to the laws of the States of New York and Michigan.

13. All notices required or permitted under this Agreement shall be delivered or mailed by first class mail, postage prepaid, or sent by facsimile transmission to the addresses or facsimile numbers indicated below, or to such other addresses or facsimile numbers as we furnish in writing to each other from time to time. Such notices may be given verbally as long as they are subsequently confirmed in writing.

Please indicate your acceptance of agreement to the terms and conditions set forth in this letter by signing the enclosed copy of this letter in the place provided below and returning it to us, whereupon this letter shall become a binding agreement between us.

Very truly yours,

COMERICA BANK

Institutional Trust Department
411 West Lafayette M/C 3465
Detroit, Michigan 48226
Facsimile Transmission 313-222-3224

By: ______________________
GARY A FALLA

Date: 5/20/02

Accepted and agreed to:

OAKLAND COUNTY ROAD COMMISSION RETIREMENT SYSTEM

By: ______________________

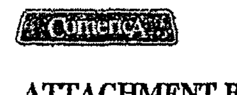
Date: 5-16-02

ATTACHMENT A

COMERICA BANK
SECURITIES BORROWER LIST

Banc of America Securities LLC
Barclays Capital Inc.
Bear Stearns & Co., Inc.
CIBC Oppenheimer Corporation
Credit Suisse First Boston
Deutsche Bank Alex Brown Securities Inc.
Dresdner Kleinwort Benson
Fleet Securities Inc.
Goldman Sachs & Co.
Jefferies and Company
Lehman Brothers, Inc.
Merrill Lynch, Pierce, Fenner & Smith
Morgan Stanley & Co.
BMO Nesbitt Burns Corp.
UBS PaineWebber, Inc.
RBC Dominion Securities Corporation
Salomon Smith Barney
UBS Warburg LLC
West LB

Updated January 2002



ATTACHMENT B

FEE SCHEDULE - SECURITIES LENDING

All Loans - Comerica Bank will charge a monthly fee equal to 40% of the income received after all borrower rebates and finder fees are deducted.

ATTACHMENT C

Comerica Bank
411 West Lafayette M/C 3465
Detroit, Michigan 48226

Gentlemen:

Re: SECURITIES LENDING AGREEMENT DATED 5/16/02

BETWEEN COMERICA BANK AND OAKLAND COUNTY ROAD COMMISSION RETIREMENT SYSTEM

With respect to the referenced agreement, we hereby acknowledge that Comerica Bank does not indemnify against any loss which may result from investment risk or borrower default.

By: [signature]

Date: 5-18-02

EXHIBIT C

Gentlemen:

This letter together with the attachments hereto constitute our agreement wherein you appoint Comerica Bank, as your agent to engage in securities lending activities, as provided herein on your behalf. We may lend securities only from the account(s) identified in Attachment A to the banks and security brokers approved by you as identified in Attachment B and as such list may be amended from time to time. You represent that none of the banks and security brokers identified in Attachment B nor any of their affiliates has discretionary authority or control with respect to the investment of employee benefit fund assets involved in a loan transaction or renders investment advice (within the meaning of 29 CRF 2510.3 - 21(c)) with respect to those assets. We shall administer such loans, whether or not subject to the Employee Retirement Income Security Act of 1974 ("ERISA") in accordance with the terms of Department of Labor Prohibited Transaction Exemption 81-6, as amended originally dated effective January 23, 1981, which are incorporated by reference into and made a part of this agreement, and subject to the following terms and conditions:

1. We, or our agent, shall secure a written Loan Agreement from each bank and security broker to whom securities are loaned pursuant to this agreement. We or our agent shall use our best efforts to complete promptly, either by physical delivery or by book entry in a securities depository, the delivery of securities against same day delivery of collateral of at least equal value which will be held by us for your account. Such collateral (the "Collateral") shall consist of:

> cash, securities issued or guaranteed by the United States Government or its agencies or instrumentalities ("Government Securities"), or irrevocable letters of credit issued by banks insured by the Federal Deposit Insurance Corporation or by a foreign bank that has filed an agreement with the Board of Governors of the Federal Reserve System on Form F.R.T.-2, provided that as to lenders who are subject to ERISA, the issuer is not the borrower or an affiliate of the borrower.

2. We, or our agent, shall invest the cash Collateral in various short-term instruments and investment vehicles. We shall credit the account with income less borrower rebates where appropriate. When Collateral other than cash is received, the fee to the borrower shall be reasonable and shall be related to relevant market factors. You reserve the right to instruct us in writing to refrain from investing cash Collateral in specific securities or with the issuers thereof, and to refrain from accepting letters of credit issued by specific banks.

3. We will credit your account on payable date with interest, dividends, rights and other distributions paid on securities loaned to borrowers.

4. You agree that all voting rights shall be exercisable by the borrower of the loaned securities or its designee and authorize us to waive such rights on behalf of the account.

5. We or our agent receive copies of financial statements from borrowers.

6. If the aggregate market value of all securities loaned to a borrower pursuant to this agreement (determined on the basis of the last reported sales prices on the national securities exchange on which the securities are traded or, if not so traded, as reasonably determined by us or our agent) shall exceed, at any time as of the close of business on any business day (as hereinafter defined), the amount of the Current Collateral (as hereinafter defined), we shall promptly demand that the borrower increase the amount of the Collateral ("mark to market") by an amount sufficient to cause the aggregate amount of the Current Collateral to equal not less than 102% of the then market value of the securities as of the close of business on the business day as of which such excess was determined to exist. The mark to Market shall be determined pursuant to the policy of Comerica Bank, as set forth in Attachment E. In such event, we shall demand that the borrower deliver to us or our agent for your account, no later than the close of business on the business day following the business day as of which such excess was determined to exist, additional Collateral in the appropriate amount. "Business day" shall mean a day on which the New York Stock Exchange, banks located in the city of New York and Comerica Bank, are open for business. "Current Collateral" shall mean the Collateral initially delivered by the borrower in an amount equal to at least 102% of the market value of the securities loaned to the borrower pursuant to this agreement, plus the aggregate of all additional amounts deposited by the borrower, if any, and less the aggregate of all amounts released to the borrower, if any.

7. You shall pay for services provided under this agreement at rates as set forth in Attachment C hereto, and as such rates may be amended from time to time, subject to your approval.

8. You acknowledge that **THE PROVISIONS OF THE SECURITIES INVESTOR PROTECTION ACT OF 1970 (SIPA) MAY NOT PROTECT THE LENDER WITH RESPECT TO THE SECURITIES LOAN TRANSACTIONS BETWEEN LENDER AND BORROWER AND THAT, THEREFORE, THE COLLATERAL DELIVERED BY BORROWER TO LENDER MAY CONSTITUTE THE ONLY SOURCE OF SATISFACTION OF BORROWER'S OBLIGATION IN THE EVENT BORROWER FAILS TO RETURN THE SECURITIES INSOFAR AS SIPA IS CONCERNED.**

9. This Agreement may be modified by mutual consent in writing and may be terminated at the option of either party upon three business days' prior written notice to the other party; provided, however, that upon our receipt of a written termination notice from you, we shall not make any new loans pursuant hereto and with respect to all outstanding loans we shall terminate such loans on an orderly basis. In any event, we shall terminate any outstanding loan upon your request.

10. You shall provide us with a list of persons who shall be authorized to furnish instructions to us.

11. Each party hereto represents to the other that it is authorized to enter into this Agreement and the persons executing this Agreement do legally bind each party to the terms hereof.

12. This Agreement may not be assigned without the prior written approval of each of the parties hereto.

13. This Agreement shall be governed by and construed in accordance with the Employee Retirement Income Security Act of 1974, as amended, if applicable to your account established hereunder or to other applicable laws or regulations, including but not limited to the laws of the States of New York and Michigan.

14. All notices required or permitted under this Agreement shall be delivered or mailed by first class mail, postage prepaid, or sent by facsimile transmission to the addresses or facsimile numbers indicated below, or to such other addresses or facsimile numbers as we furnish in writing to each other from time to time. Such notices may be given verbally as long as they are subsequently confirmed in writing.

Please indicate your acceptance of agreement to the terms and conditions set forth in this letter by signing the enclosed copy of this letter in the place provided below and returning it to us, whereupon this letter shall become a binding agreement between us.

Very truly yours,

COMERICA BANK

Institutional Trust Division
411 West Lafayette, 4th Floor
Detroit, Michigan 48226
M/C 3465

By: Al Krol
Al Krol

Date: 1-28-97

Accepted and agreed to:

IRONWORKERS LOCAL 25

By: Gregory Hicks

Date: January 23, 1997

ironwork.age

ATTACHMENT A

AUTHORIZED SECURITIES LENDING ACCOUNTS

ACCOUNT NO.	ACCOUNT NAME
1046952	Shields
1046960	IDS
1046978	Invesco
1046986	Loomis
1046994	Lazard
1047000	Munder
1047018	Harbor
1047190	Fiduciary

ATTACHMENT B

COMERICA BANK
SECURITIES BORROWER LIST

Aubrey G. Lanston & Co., Inc.
BT Securities Corporation
Bear Stearns & Co., Inc.
BZW Securities, Inc.
Chase Securities, Inc.
Daiwa Securities America, Inc.
Dean Witter Reynolds, Inc.
Dillon Read & Company
Donaldson Lufkin/Pershing
Dresdner Securities (USA), Inc.
Edwards, AG, Inc.
Goldman Sachs & Co.
Lehman Brothers, Inc.
Morgan Stanley & Co., Inc.
MS Securities Svs., Inc.
Paine Webber, Inc.
Prudential-Securities, Inc.
Raymond James & Associates
Salomon Brothers, Inc.
Sanwa-Bgk. Sec. Co., L.P.
SBC Capital Markets
Shelby Cullom Davis & Co.
Smith Barney Shearson
UBS Securities, Inc.
U.S. Clearing Corp.
Wood Gundy Corp.
Yamaichi Intl (America)

ATTACHMENT C

FEE SCHEDULE - SECURITIES LENDING

All Loans - Comerica Bank will charge a monthly fee equal to 40% of the income received after all borrower rebates are deducted.

ATTACHMENT D

Comerica Bank
411 West Lafayette
Detroit, Michigan 48226-3465

Gentlemen:

RE: SECURITIES LENDING AGREEMENT DATED January 28, 1997

BETWEEN COMERICA BANK AND IRONWORKERS LOCAL 25

With respect to the referenced agreement, we hereby acknowledge that Comerica Bank does not indemnify against any loss which may result from investment risk or borrower default.

By: [signature]

Date: JANUARY 23, 1997

ATTACHMENT E

COLLATERAL COVERAGE AND COLLATERAL MARKING
DOMESTIC SECURITIES LENDING
COMERICA BANK

Loans of equities and corporate bonds are initially collateralized at 102% of the market value (plus accrued interest on corporate bonds). If the collateral value (cash, government securities, letters of credit) of an equity or corporate bond loan falls below 102% by $2,500 or more, at the close of any business day, Comerica Bank will mark the borrower on the following business day for an amount sufficient to restore the collateral value to 102% (plus accrued interest on corporate bonds). Provided the mark is not disputed, the borrower will release additional cash collateral on the same day as marked.

Loans of government securities (U.S. treasuries and agencies) are initially collateralized at 102% of the market value (plus accrued interest). Loans are subsequently marked to market daily based on the aggregate loan position and the aggregate collateral position each borrower maintains for all Comerica clients lending government securities. A borrower is subject to a mark if the aggregate collateral value (cash, government securities, letters of credit and accrued rebate) falls $25,000 below 102% of the aggregate market value (plus accrued interest) of the loaned securities. If the aggregate collateral position is insufficient, individual loans that fall below the 102% requirement are reviewed prior to 10 a.m. on the next business day. Each loan is valued by comparing the current Telerate price against the previous close of business contract price. If the comparison shows that the aggregate shortfall to 102% (plus accrued interest) is less than $25,000, the borrower is not marked. If the aggregate shortfall to 102% (plus accrued interest) is more than $25,000, the borrower is marked. Provided the mark is not disputed, the borrower will release additional collateral on the same day as marked.

Comerica

COMERICA BANK
SECURITIES LENDING PROGRAM
COLLATERAL REINVESTMENT GUIDELINES

I. PERMITTED INVESTMENTS (applicable at time of purchase)

A. Negotiable commercial paper obligations rated at least A-1 by Standard and Poor's and P-1 by Moody's or A-2 by Standard and Poor's and P-2 by Moody's (or similarly rated by any two nationally recognized rating organizations).

B. Corporate medium term notes and corporate floating rate instruments with a minimum long term investment grade rating.

C. Funding agreements issued by domestic and international life insurance companies rated A or better by Best, Standard and Poor's or Moody's, approved by Munder Capital Management.

D. Asset-backed securities rated AAA.

E. Certificates of deposit, time deposits, floating rate instruments, banker's acceptances issued by U.S. and foreign banks with a minimum long term rating of A or better by Standard and Poor's or Moody's.

F. Direct obligations issued and guaranteed as to principal and interest by the U.S. government or its agencies.

G. Overnight and term repurchase agreements collateralized at 102% with obligations issued and guaranteed by the U.S. government or its agencies.

H. Overnight and term repurchase agreements collateralized at 105% with whole loans rated AA or conforming to government agency qualifications.

I. Overnight and term repurchase agreements collateralized at 105% with investment grade corporate bonds.

J. Overnight and term repurchase agreements collateralized at 102% with money market instruments outlined in A and D above.

K. Broker Master Notes collateralized at 105% with investment grade corporate bonds or with money market instruments outlined in A, D and E above.

L. Money market and short term investment funds investing in U.S. dollar denominated obligations of domestic and foreign issuers, including certificates of deposit, time deposits, bankers acceptances, A-1 and P-1 (or similarly rated) commercial paper and corporate obligations (including variable and floating rate instruments), obligations issued or guaranteed by the U.S. government, U.S. agencies, or instrumentalities, and repurchase agreements pertaining to all of the foregoing. All money market funds and short term investment funds are subject to the approval of Munder Capital Management prior to investment.

II. INVESTMENT LIMITATIONS (applicable at time of purchase)

A. The following investment maturity guidelines will apply:

I. At least 20% of the total value of the cash collateral pool shall consist of cash demand obligations and assets that will mature on the cash collateral pool's next business day.

II. At least 20% of the total value of the cash collateral pool shall be invested in obligations and assets that will mature no longer than 30 days from the date of purchase.

III. Up to 60% of the total value of the cash collateral pool shall be invested in obligations whose maturities are 31 - 90 days from the date of purchase.

IV. Up to 30% of the total value of the cash collateral pool may be invested in obligations whose maturities are 91 - 180 days from the date of purchase.

V. Up to 20% of the total value of the cash collateral pool may be invested in obligations whose maturities are 181 - 365 days from the date of purchase.

VI. Up to 20% of the total value of the cash collateral pool may be invested in floating rate instruments having maturities of 2 years.

B. The maximum reset for floating rate instruments is 90 days, all interest must be paid at least quarterly. In no case will a floating rate instrument (structured note) have its principal linked to a formula (i.e., fail to mature at par according to its stated terms). Inverse floaters are not permitted.

C. No more than 20% of the cash collateral pool will be invested in funding agreements. A maximum maturity of one (1) year will apply. The maximum reset is 90 days.

D. A per issuer limit of 5% of the cash collateral pool, will apply to the purchase of commercial paper obligations, asset backed securities, corporate or medium term notes, corporate floating rate instruments funding agreement and foreign and domestic bank instruments. No more than 15% of the cash collateral pool will be invested in A-2 and P-2 or split rated commercial paper.

E. Bank obligations will be purchased from the list of issuers approved by Munder Capital Management. Bank obligations may be purchased from an issuer not appearing on the listing provided the issuer meets Munder Capital Management's criteria.

F. All investments having a maturity of more than twelve (12) months must pay interest at least annually.

G. A maturity or investment concentration limitation does not apply to direct obligations issued and guaranteed as to principal and interest by the U.S government or its agencies. Except that under no circumstance will a maturity of an obligation extend more than two years from the date of purchase.

H. Comerica or its tri-party custodian must take possession of all repurchase agreement collateral. The maximum repurchase agreement term is 90 days. Collateral must be marked to market daily by Comerica or its tri-party custodian. No more than 15% of the cash collateral pool will be invested in each type the repurchase agreements outlined in H., I., and J. under Permitted Investments. Repurchase agreements may be entered into with the following primary government dealers:

Barclays Capital Inc.
Bear Stearns & Co. Inc.
Credit Suisse First Boston
Dresdner Kleinwort Benson
Goldman, Sachs & Co.
Lehman Brothers Inc.
Merrill Lynch Government Securities Inc.
Morgan Stanley & Co.
Citigroup Global Markets Inc.

I. Comerica or its tri-party custodian must take possession of all Broker Master Note collateral. Collateral must be marked to market daily by Comerica or its tri-party custodian. A Broker Master Note may be entered into with the following primary government dealers:

Citigroup Global Markets Inc.
Goldman, Sachs & Co.
Merrill Lynch Government Securities Inc.

EXHIBIT D

ComericA

Gentlemen:

This letter together with the attachments hereto constitute our agreement wherein you appoint Comerica Bank, as your agent to engage in securities lending activities, as provided herein on your behalf. We may lend securities from the accounts you have established or may establish in the future pursuant to your trust, custody, agency, or managing agency agreement with Comerica Bank. We will lend such securities only to the banks and security brokers approved by you as identified in Attachment A and as we may amend from time to time. You represent that none of the banks and security brokers identified in Attachment A nor any of their affiliates has discretionary authority or control with respect to the investment of employee benefit fund assets involved in a loan transaction or renders investment advice(within the meaning of 29CRF 2510.3 - 21(c)) with respect to those assets. We shall administer such loans, whether or not subject to the Employee Retirement Income Security Act of 1974 ("ERISA") in accordance with the terms of Department of Labor Prohibited Transaction Exemption 81-6, as amended originally dated effective January 23, 1981, which are incorporated by reference into and made a part of this agreement, and subject to the following terms and conditions:

1. We, or our agent, shall secure a written Loan Agreement from each bank and security broker to whom securities are loaned pursuant to this agreement. We or our agent shall use our best efforts to complete promptly, either by physical delivery or by book entry in a securities depository, the delivery of securities against same day delivery of collateral of at least equal value which will be held by us for your account. Such collateral (the "Collateral") shall consist of:

> cash, securities issued or guaranteed by the United States Government or its agencies or instrumentalities ("Government Securities"), or irrevocable letters of credit issued by banks insured by the Federal Deposit Insurance Corporation or by a foreign bank that has filed an agreement with the Board of Governors of the Federal Reserve System on Form F.R.T.-2, provided that as to lenders who are subject to ERISA, the issuer is not the borrower or an affiliate of the borrower.

2. We, or our agent, shall invest the cash Collateral in various short-term instruments and investment vehicles. We shall credit the account with income less expenses therefrom including rebate or similar fees where appropriate. When Collateral other than cash is received, the fee to the account shall be reasonable and shall be related to relevant market factors. You reserve the right to instruct us in writing to refrain from investing cash Collateral in specific securities or with the issuers thereof, and to refrain from accepting letters of credit issued by specific banks.

3. We will credit your account on payable date with interest, dividends, rights and other distributions paid on domestic securities loaned to borrowers.

4. You agree that all voting rights shall be exercisable by the borrower of the loaned securities or its designee and authorize us to waive such rights on behalf of the account.

5. We or our agent receive copies of financial statements from borrowers.

6. If the aggregate market value of all securities loaned to a borrower pursuant to this agreement (determined on the basis of the last reported sales prices on the national securities exchange on which the securities are traded or, if not so traded, as reasonably determined by us or our agent) shall exceed, at any time as of the close of business on any business day (as hereinafter defined), the amount of the Current Collateral (as hereinafter defined), we shall promptly demand that the borrower increase the amount of the Collateral ("mark to market") by an amount sufficient to cause the aggregate amount of the Current Collateral to equal not less than 102% of the then market value of the securities as of the close of business on the business day as of which such excess was determined to exist. The mark to market shall be determined pursuant to the policy of Comerica Bank, as set forth in Attachment D. In such event, we shall demand that the borrower deliver to us or our agent for your account, no later than the close of business on the business day following the business day as of which such excess was determined to exist, additional Collateral in the appropriate amount. "Business day" shall mean a day on which the New York Stock Exchange, banks located in the city of New York and Comerica Bank, are open for business. "Current Collateral" shall mean the Collateral initially delivered by the borrower in an amount equal to at least 102% of the market value of the securities loaned to the borrower pursuant to this agreement, plus the aggregate of all additional amounts deposited by the borrower, if any, and less the aggregate of all amounts released or owing to the borrower, if any.

7. You shall pay for services provided under this agreement at rates as set forth in Attachment B hereto, and as such rates may be amended from time to time, subject to your approval.

8. You acknowledge that **THE PROVISIONS OF THE SECURITIES INVESTOR PROTECTION ACT OF 1970 (SIPA) MAY NOT PROTECT THE LENDER WITH RESPECT TO THE SECURITIES LOAN TRANSACTIONS BETWEEN LENDER AND BORROWER AND THAT, THEREFORE, THE COLLATERAL DELIVERED BY BORROWER TO LENDER MAY CONSTITUTE THE ONLY SOURCE OF SATISFACTION OF BORROWER'S OBLIGATION IN THE EVENT BORROWER FAILS TO RETURN THE SECURITIES INSOFAR AS SIPA IS CONCERNED.**

9. This Agreement may be modified by mutual consent in writing and may be terminated at the option of either party upon three business days' prior written notice to the other party; provided, however, that upon our receipt of a written termination notice from you, we shall not make any new loans pursuant hereto and with respect to all outstanding loans we shall terminate such loans on an orderly basis. In any event, we shall terminate any outstanding loan upon your request.

10. Each party hereto represents to the other that it is authorized to enter into this Agreement and the persons executing this Agreement do legally bind each party to the terms hereof.

11. This Agreement may not be assigned without the prior written approval of each of the parties hereto.

12. This Agreement shall be governed by and construed in accordance with the Employee Retirement Income Security Act of 1974, as amended, if applicable to your account established hereunder or to other applicable laws or regulations, including but not limited to the laws of the States of New York and Michigan.

13. All notices required or permitted under this Agreement shall be delivered or mailed by first class mail, postage prepaid, or sent by facsimile transmission to the addresses or facsimile numbers indicated below, or to such other addresses or facsimile numbers as we furnish in writing to each other from time to time. Such notices may be given verbally as long as they are subsequently confirmed in writing.

Please indicate your acceptance of agreement to the terms and conditions set forth in this letter by signing the enclosed copy of this letter in the place provided below and returning it to us, whereupon this letter shall become a binding agreement between us.

Very truly yours,

Comerica Bank

Institutional Trust Department
411 West Lafayette, 4th Floor
Detroit, Michigan 48226
M/C 3465
Facsimile Transmission 313-222-3224

By: ______________________
Gary A. Failla
First Vice President

Date: August 6, 2001

Accepted and agreed to:
Ironworkers' Health Fund of Eastern Michigan

By: Frank D. Kavanaugh

Date: 7-19-01

ATTACHMENT A

COMERICA BANK
SECURITIES BORROWER LIST

Banc of America Securities
Barclays Capital Inc.
Bear Stearns
CIBC World Markets Corp.
Credit Suisse First Boston
Deutsche Bank Alex Brown Securities Inc.
Dresdner Kleinwort Benson
Edwards, A.G., Inc.
Fleet Securities Inc.
Goldman Sachs & Co.
Jefferies and Company
Lehman Brothers, Inc.
Morgan Stanley
National Financial Services
BMO Nesbitt Burns Corp.
UBS Paine Webber, Inc.
RBC Dominion Securities Corp.
Salomon/Smith Barney
UBS Warburg LLC
West LB

ATTACHMENT B

FEE SCHEDULE - SECURITIES LENDING

All Loans - Comerica Bank will charge a monthly fee equal to 30% of the income received after all borrower rebates and finder fees are deducted.

ATTACHMENT C

Comerica Bank
411 West Lafayette
Detroit, Michigan 48226-3465

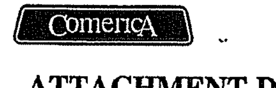
Gentlemen:

Re: SECURITIES LENDING AGREEMENT DATED August 6, 2001 **BETWEEN COMERICA BANK AND IRONWORKERS' HEALTH FUND OF EASTERN MICHIGAN**

With respect to the referenced agreement, we hereby acknowledge that Comerica Bank does not indemnify against any loss which may result from investment risk or borrower default.

By: Frank D. Kavanaugh

Date: 7-19-01



ATTACHMENT D

COLLATERAL COVERAGE AND COLLATERAL MARKING
DOMESTIC SECURITIES LENDING
COMERICA BANK

Loans of equities and corporate bonds are initially collateralized at 102% of the market value (plus accrued interest on corporate bonds). If the collateral value (cash, government securities, letters of credit) of an equity or corporate bond loan falls below 102% by $2,500 or more, at the close of any business day, Comerica Bank will mark the borrower on the following business day for an amount sufficient to restore the collateral value to 102%(plus accrued interest on corporate bonds). Provided the mark is not disputed, the borrower will release additional cash collateral on the same day as marked.

Loans of government securities (U.S. treasuries and agencies) are initially collateralized at 102 % of the market value (plus accrued interest). Loans are subsequently marked to market daily based on the aggregate loan position and the aggregate collateral position each borrower maintains for all Comerica clients lending government securities. A borrower is subject to a mark if the aggregate collateral value (cash, government securities, letters of credit and accrued rebate) falls $25,000 below 102% of the aggregate market value (plus accrued interest) of the loaned securities. If the aggregate collateral position is insufficient, individual loans that fall below the 102% requirement are reviewed prior to 10 a.m. on the next business day. Each loan is valued by comparing the current Telerate price against the previous close of business contract price. If the comparison shows that the aggregate shortfall to 102% (plus accrued interest) is less than $25,000, the borrower is not marked. If the aggregate shortfall to 102% (plus accrued interest) is more than $25,000, the borrower is marked. Provided the mark is not disputed, the borrower will release additional collateral on the same day as marked.

Comerica

COMERICA BANK
SECURITIES LENDING PROGRAM
COLLATERAL REINVESTMENT GUIDELINES

I. PERMITTED INVESTMENTS (applicable at time of purchase)

A. Negotiable commercial paper obligations rated at least A-1 by Standard and Poor's and P-1 by Moody's or A-2 by Standard and Poor's and P-2 by Moody's (or similarly rated by any two nationally recognized rating organizations).

B. Corporate medium term notes and corporate floating rate instruments with a minimum long term investment grade rating.

C. Funding agreements issued by domestic and international life insurance companies rated A or better by Best, Standard and Poor's or Moody's, approved by Munder Capital Management.

D. Asset-backed securities rated AAA.

E. Certificates of deposit, time deposits, floating rate instruments, banker's acceptances issued by U.S. and foreign banks with a minimum long term rating of A or better by Standard and Poor's or Moody's.

F. Direct obligations issued and guaranteed as to principal and interest by the U.S. government or its agencies.

G. Overnight and term repurchase agreements collateralized at 102% with obligations issued and guaranteed by the U.S. government or its agencies.

H. Overnight and term repurchase agreements collateralized at 105% with whole loans rated AA or conforming to government agency qualifications.

I. Overnight and term repurchase agreements collateralized at 105% with investment grade corporate bonds.

J. Overnight and term repurchase agreements collateralized at 102% with money market instruments outlined in A and D above.

K. Broker Master Notes collateralized at 105% with investment grade corporate bonds or with money market instruments outlined in A, D and E above.

L. Money market and short term investment funds investing in U.S. dollar denominated obligations of domestic and foreign issuers, including certificates of deposit, time deposits, bankers acceptances, A-1 and P-1 (or similarly rated) commercial paper and corporate obligations (including variable and floating rate instruments), obligations issued or guaranteed by the U.S. government, U.S. agencies, or instrumentalities, and repurchase agreements pertaining to all of the foregoing. All money market funds and short term investment funds are subject to the approval of Munder Capital Management prior to investment.

II. INVESTMENT LIMITATIONS (applicable at time of purchase)

A. The following investment maturity guidelines will apply:

I. At least 20% of the total value of the cash collateral pool shall consist of cash demand obligations and assets that will mature on the cash collateral pool's next business day,

II. At least 20% of the total value of the cash collateral pool shall be invested in obligations and assets that will mature no longer than 30 days from the date of purchase.

III. Up to 60% of the total value of the cash collateral pool shall be invested in obligations whose maturities are 31 - 90 days from the date of purchase.

IV. Up to 30% of the total value of the cash collateral pool may be invested in obligations whose maturities are 91 - 180 days from the date of purchase.

V. Up to 20% of the total value of the cash collateral pool may be invested in obligations whose maturities are 181 - 365 days from the date of purchase.

VI. Up to 20% of the total value of the cash collateral pool may be invested in floating rate instruments having maturities of 2 years.

B. The maximum reset for floating rate instruments is 90 days, all interest must be paid at least quarterly. In no case will a floating rate instrument (structured note) have its principal linked to a formula (i.e., fail to mature at par according to its stated terms). Inverse floaters are not permitted.

C. No more than 20% of the cash collateral pool will be invested in funding agreements. A maximum maturity of one (1) year will apply. The maximum reset is 90 days.

D. A per issuer limit of 5% of the cash collateral pool, will apply to the purchase of commercial paper obligations, asset backed securities, corporate or medium term notes, corporate floating rate instruments funding agreement and foreign and domestic bank instruments. No more than 15% of the cash collateral pool will be invested in A-2 and P-2 or split rated commercial paper.

E. Bank obligations will be purchased from the list of issuers approved by Munder Capital Management. Bank obligations may be purchased from an issuer not appearing on the listing provided the issuer meets Munder Capital Management's criteria.

F. All investments having a maturity of more than twelve (12) months must pay interest at least annually.

G. A maturity or investment concentration limitation does not apply to direct obligations issued and guaranteed as to principal and interest by the U.S government or its agencies. Except that under no circumstance will a maturity of an obligation extend more than two years from the date of purchase.

Comerica

H. Comerica or its tri-party custodian must take possession of all repurchase agreement collateral. The maximum repurchase agreement term is 90 days. Collateral must be marked to market daily by Comerica or its tri-party custodian. No more than 15% of the cash collateral pool will be invested in each type the repurchase agreements outlined in H., I., and J. under Permitted Investments. Repurchase agreements may be entered into with the following primary government dealers:

Barclays Capital Inc.
Bear Stearns & Co. Inc.
Credit Suisse First Boston
Dresdner Kleinwort Benson
Goldman, Sachs & Co.
Lehman Brothers Inc.
Merrill Lynch Government Securities Inc.
Morgan Stanley & Co.
Citigroup Global Markets Inc.

I. Comerica or its tri-party custodian must take possession of all Broker Master Note collateral. Collateral must be marked to market daily by Comerica or its tri-party custodian. A Broker Master Note may be entered into with the following primary government dealers:

Citigroup Global Markets Inc.
Goldman, Sachs & Co.
Merrill Lynch Government Securities Inc.

EXHIBIT E

Gentlemen:

This letter together with the attachments hereto constitute our agreement wherein you appoint Comerica Bank, as your agent to engage in securities lending activities, as provided herein on your behalf. We may lend securities from the accounts you have established or may establish in the future pursuant to your trust, custody, agency, or managing agency agreement with Comerica Bank. We will lend such securities only to the banks and security brokers as identified in Attachment A and as we may amend from time to time. You represent that none of the banks and security brokers identified in Attachment A nor any of their affiliates has discretionary authority or control with respect to the investment of employee benefit fund assets involved in a loan transaction or renders investment advice(within the meaning of 29CRF 2510.3 - 21(c)) with respect to those assets. We shall administer such loans, whether or not subject to the Employee Retirement Income Security Act of 1974 ("ERISA") in accordance with the terms of Department of Labor Prohibited Transaction Exemption 81-6, as amended originally dated effective January 23, 1981, which are incorporated by reference into and made a part of this agreement, and subject to the following terms and conditions:

1. We, or our agent, shall secure a written Loan Agreement from each bank and security broker to whom securities are loaned pursuant to this agreement. We or our agent shall use our best efforts to complete promptly, either by physical delivery or by book entry in a securities depository, the delivery of securities against same day delivery of collateral of at least equal value which will be held by us for your account. Such collateral (the "Collateral") shall consist of cash or securities issued or guaranteed by the United States Government or its agencies or instrumentalities ("Government Securities").

2. We, or our agent, shall invest the cash Collateral in various short-term instruments and investment vehicles. You agree that we can commingle cash Collateral in your account(s) with the cash Collateral in one or more accounts of other securities lending customers. We shall credit the account with income less expenses therefrom including rebate or similar fees where appropriate. When Collateral other than cash is received, the fee to the account shall be reasonable and shall be related to relevant market factors. You reserve the right to instruct us in writing to refrain from investing cash Collateral in specific securities or with the issuers thereof. You understand and agree that your cash Collateral account(s) will not acquire a fractional undivided interest in the securities held therein, but rather will acquire a pro rata proportionate interest in each and every security.

3. We will credit your account on payable date with interest, dividends, rights and other distributions paid on U.S. securities loaned to borrowers.

4. You agree that all voting rights shall be exercisable by the borrower of the loaned securities or its designee and authorize us to waive such rights on behalf of the account.

5. We or our agent receive copies of financial statements from borrowers.

6. If the aggregate market value of all securities loaned to a borrower pursuant to this agreement (determined on the basis of the last reported sales prices on the national securities exchange on which the securities are traded or, if not so traded, as reasonably determined by us or our agent) shall exceed, at any time as of the close of business on any business day (as hereinafter defined), the amount of the Current Collateral (as hereinafter defined), we shall promptly demand that the borrower increase the amount of the Collateral ("mark to market") by an amount sufficient to cause the aggregate amount of the Current Collateral to equal not less than 102% of the then market value of the securities as of the close of business on the business day as of which such excess was determined to exist. The mark to market shall be determined pursuant to the policy of Comerica Bank, as set forth in Attachment D. In such event, we shall demand that the borrower deliver to us or our agent for your account, no later than the close of business on the business day following the business day as of which such excess was determined to exist, additional Collateral in the appropriate amount. "Business day" shall mean a day on which the New York Stock Exchange, banks located in the city of New York and Comerica Bank, are open for business. "Current Collateral" shall mean the Collateral initially delivered by the borrower in an amount equal to at least 102% of the market value of the securities loaned to the borrower pursuant to this agreement, plus the aggregate of any additional amounts delivered by the borrower, if any, plus the aggregate of any additional amounts owed the borrower (including accrued rebate) if any, and minus the aggregate of any amounts released to the borrower, if any.

7. You shall pay for services provided under this agreement at rates as set forth in Attachment B hereto, and as such rates may be amended from time to time, subject to your approval.

8. You acknowledge that THE PROVISIONS OF THE SECURITIES INVESTOR PROTECTION ACT OF 1970 (SIPA) MAY NOT PROTECT THE LENDER WITH RESPECT TO THE SECURITIES LOAN TRANSACTIONS BETWEEN LENDER AND BORROWER AND THAT, THEREFORE, THE COLLATERAL DELIVERED BY BORROWER TO LENDER MAY CONSTITUTE THE ONLY SOURCE OF SATISFACTION OF BORROWER'S OBLIGATION IN THE EVENT BORROWER FAILS TO RETURN THE SECURITIES INSOFAR AS SIPA IS CONCERNED.

9. This Agreement may be modified by mutual consent in writing and may be terminated at the option of either party upon three business days' prior written notice to the other party; provided, however, that upon our receipt of a written termination notice from you, we shall not make any new loans pursuant hereto and with respect to all outstanding loans we shall terminate such loans on an orderly basis. In any event, we shall terminate any outstanding loan upon your request.

10. Each party hereto represents to the other that it is authorized to enter into this Agreement and the persons executing this Agreement do legally bind each party to the terms hereof.

11. This Agreement may not be assigned without the prior written approval of each of the parties hereto.

12. This Agreement shall be governed by and construed in accordance with the Employee Retirement Income Security Act of 1974, as amended, if applicable to your account established hereunder or to other applicable laws or regulations, including but not limited to the laws of the States of New York and Michigan.

13. All notices required or permitted under this Agreement shall be delivered or mailed by first class mail, postage prepaid, or sent by facsimile transmission to the addresses or facsimile numbers indicated below, or to such other addresses or facsimile numbers as we furnish in writing to each other from time to time. Such notices may be given verbally as long as they are subsequently confirmed in writing.

Please indicate your acceptance of agreement to the terms and conditions set forth in this letter by signing the enclosed copy of this letter in the place provided below and returning it to us, whereupon this letter shall become a binding agreement between us.

Very truly yours,

COMERICA BANK

By: [signature] FOR Gary A. Failla (NADIA SANCHEZ AVP)
First Vice President

Date: 08-24-06

Institutional Trust Department
411 West Lafayette, 4th Floor
Detroit, Michigan 48226
M/C 3465
Facsimile Transmission 313-222-3224

Accepted and agreed to:

ROOFERS LOCAL 149 PENSION FUND

EMPLOYER TRUSTEES

[signature]

UNION TRUSTEES

Robert Peterson [signature]

ATTACHMENT A

COMERICA BANK
SECURITIES BORROWER LIST

ABN AMRO Inc.
Abbey National Securities Inc.
Banc of America Securities LLC
Barclays Capital Inc.
Bear Stearns & Co., Inc.
BNP Paribas Securities Corp
Citigroup Global Markets Inc.
Countrywide Securities Corp.
Credit Suisse First Boston LLC
Deutsche Bank Securities Inc.
Dresdner Kleinwort Wasserstein Securities LLC
Goldman Sachs & Co.
RBS Greenwich Capital Inc.
Harris Nesbitt Corp
HSBC Securities (USA) Inc.
ING Financial Markets LLC.
Jefferies and Company
J.P. Morgan Securities Inc.
Lehman Brothers, Inc.
Merrill Lynch, Pierce, Fenner & Smith Inc
Morgan Stanley & Co. Inc.
RBC Capital Markets Corp.
SG Americas Securities Inc.
UBS Securities LLC

Updated June 2006

ATTACHMENT B

FEE SCHEDULE - SECURITIES LENDING

All Loans - Comerica Bank will charge a monthly fee equal to 35% of the income received after all borrower rebates and finder fees are deducted.

Comerica Bank will charge a monthly fee equal to 30% of the income received after all borrower rebates and finder fees are deducted if the portfolio maintains lendable assets of $150 million for a minimum of 30 days.

ATTACHMENT C

Comerica Bank
411 West Lafayette
Detroit, Michigan 48226-3465

Gentlemen:

Re: SECURITIES LENDING AGREEMENT DATED 08-24-06

BETWEEN COMERICA BANK AND ROOFERS LOCAL 149 PENSION FUND

With respect to the referenced agreement, we hereby acknowledge that Comerica Bank does not indemnify against any loss which may result from investment risk or borrower default.

EMPLOYER TRUSTEES

[signature]

UNION TRUSTEES

Robert Peters [signature]

ATTACHMENT D

COLLATERAL COVERAGE AND COLLATERAL MARKING
DOMESTIC SECURITIES LENDING
COMERICA BANK

Loans of equities and corporate bonds are initially collateralized at 102% of the market value (plus accrued interest on corporate bonds). If the collateral value (cash, government securities, letters of credit) of an equity or corporate bond loan falls below 102% by $2,500 or more, at the close of any business day, Comerica Bank will mark the borrower on the following business day for an amount sufficient to restore the collateral value to 102% (plus accrued interest on corporate bonds). Provided there is not a mark dispute or a partial return, the borrower will release additional collateral on the same day as marked.

Loans of government securities (U.S. treasuries and agencies) are initially collateralized at 102% of the market value (plus accrued interest). Loans are subsequently marked to market daily based on the aggregate loan position and the aggregate collateral position each borrower maintains for all Comerica clients lending government securities. A borrower is subject to a mark if the aggregate collateral value (cash, government securities, letters of credit and accrued rebate) falls $25,000 below 102% of the aggregate market value (plus accrued interest) of the loaned securities. Provided there is not a mark dispute the borrower will release additional collateral on the same day as marked.

COMERICA BANK
SECURITIES BORROWER LIST

ABN AMRO Inc.
Abbey National Securities
BNP Paribas Securities Corp.
Banc of America Securities LLC
Barclays Capital Inc.
Bear Stearns & Co., Inc.
Citigroup Global Markets Inc.
Countrywide Securities Corp.
Credit Suisse First Boston LLC
Deutsche Bank Alex Brown Securities Inc.
Dresdner Kleinwort Benson
Goldman Sachs & Co.
Greenwich Capital Markets Inc.
HSBC Securities (USA) Inc.
Harris Nesbitt Corp.
ING Financial Markets LLC
J. P. Morgan Securities Inc.
Jefferies and Company
Lehman Brothers, Inc.
Merrill Lynch, Pierce, Fenner & Smith
Morgan Stanley & Co.
RBC Capital Markets Corporation
SG Americas Securities Inc.
UBS Securities LLC

Updated June 2006

Comerica

COMERICA BANK
SECURITIES LENDING PROGRAM
COLLATERAL REINVESTMENT GUIDELINES

I. PERMITTED INVESTMENTS (applicable at time of purchase)

A. Negotiable commercial paper obligations rated at least A-1 by Standard and Poor's and P-1 by Moody's or A-2 by Standard and Poor's and P-2 by Moody's (or similarly rated by any two nationally recognized rating organizations).

B. Corporate medium term notes and corporate floating rate instruments with a minimum long-term investment grade rating.

C. Funding agreements issued by domestic and international life insurance companies rated A or better by Best, Standard and Poor's or Moody's, approved by Munder Capital Management.

D. Asset-backed securities rated AAA by Standard and Poor's or Aaa by Moody's (or similarly rated by any two nationally recognized organizations).

E. Certificates of deposit, time deposits, floating rate instruments, banker's acceptances issued by U.S. and foreign banks with a minimum long term rating of A or better by Standard and Poor's or Moody's (or similarly rated by any two nationally recognized organizations).

F. Direct obligations issued and guaranteed as to principal and interest by the U.S. government or its agencies.

G. Repurchase agreements collateralized at a minimum level of 102% with obligations issued and guaranteed by the U.S. government or its agencies.

H. Repurchase agreements collateralized at a minimum level of 105% with investment grade corporate bonds, or with money market instruments outlined in A, B and D above, collateralized at 102%.

I. Indemnified Repurchase Agreements, collateralized at a minimum level of 102% with Private Label MBS, CMO's, ABS, Corporate Bonds rated at least B3 by Moody's, or B- by Standard & Poor's or B- by Fitch, Money Market Instruments rated at least P-3 by Moody's or A-3 by Standard and Poor's or F-3 by Fitch, and Equity securities listed on a U.S. exchange. Indemnification against counterparty default must be provided by a sponsor rated A-1 by Standard and Poor's and P-1 by Moody's (or similarly rated by any two nationally recognized organizations).

J. Master Notes issued by broker dealers and their affiliates, where the holding company is rated A-1 by Standard and Poor's and P-1 by Moody's (or similarly rated by any two nationally recognized organizations).

K. Money market and short term investment funds investing in U.S. dollar denominated obligations of domestic and foreign issuers, including certificates of deposit, time deposits, bankers acceptances, A-1 and P-1 (or similarly rated) commercial paper and corporate obligations (including variable and floating rate instruments), obligations issued or guaranteed by the U.S. government, U.S. agencies, or instrumentalities, and repurchase agreements pertaining to all of the foregoing. All money market funds and short term investment funds are subject to the approval of Munder Capital Management prior to investment.

Comerica

II. INVESTMENT LIMITATIONS (applicable at time of purchase)

A. The following investment maturity guidelines will apply:

I. At least 20% of the total value of the cash collateral pool shall consist of cash demand obligations and assets that will mature on the cash collateral pool's next business day.

II. At least 20% of the total value of the cash collateral pool shall be invested in obligations and assets that will mature no longer than 30 days from the date of purchase.

III. Up to 60% of the total value of the cash collateral pool shall be invested in obligations whose maturities are 31 - 90 days from the date of purchase.

IV. Up to 30% of the total value of the cash collateral pool may be invested in obligations whose maturities are 91 - 180 days from the date of purchase.

V. Up to 20% of the total value of the cash collateral pool may be invested in obligations whose maturities are 181 - 365 days from the date of purchase.

VI. Up to 20% of the total value of the cash collateral pool may be invested in obligations having maturities of 2 years.

B. The maximum reset for floating rate instruments is 3 months, all interest must be paid at least quarterly. In no case will a floating rate instrument (structured note) have its principal linked to a formula (i.e., fail to mature at par according to its stated terms). Inverse floaters are not permitted.

C. No more than 20% of the cash collateral pool will be invested in funding agreements. A maximum maturity of 13 months will apply. The maximum reset is 3 months.

D. A per issuer limit of 5% of the cash collateral pool, will apply to the purchase of commercial paper obligations, asset backed securities, corporate or medium term notes, corporate floating rate instruments funding agreement and foreign and domestic bank instruments. No more than 15% of the cash collateral pool will be invested in A-2 and P-2 or split rated commercial paper.

E. Bank obligations will be purchased from the list of issuers approved by Munder Capital Management. Bank obligations may be purchased from an issuer not appearing on the listing provided the issuer meets Munder Capital Management's criteria.

F. All investments having a maturity of more than twelve (12) months must be floating rate instruments and pay interest at least annually.

G. A maturity or investment concentration limitation does not apply to direct obligations issued and guaranteed as to principal and interest by the U.S government or its agencies. Except that under no circumstance will a maturity of an obligation extend more than two years from the date of purchase.

H. Comerica or its tri-party custodian must take possession of all non-indemnified repurchase agreement collateral. The maximum repurchase agreement term is 90 days. Such collateral must be marked to market daily by Comerica or its tri-party custodian. No more than 15% of the cash collateral pool will be invested in each type the repurchase agreements outlined in H under Permitted Investments. Repurchase agreements that are non-indemnified must be entered into with primary government dealers and their affiliates.

I. Broker Master notes may not exceed a 7-day term.

EXHIBIT F

Ladies and Gentlemen:

This letter together with the attachments hereto constitute our agreement wherein you appoint Comerica Bank, as your agent to engage in securities lending activities, as provided herein on your behalf. We may lend securities from the accounts you have established or may establish in the future pursuant to your trust, custody, agency, or managing agency agreement with Comerica Bank. We will lend such securities only to the banks and security brokers approved by you as identified in Attachment A and as we may amend from time to time. You represent that none of the banks and security brokers identified in Attachment A nor any of their affiliates has discretionary authority or control with respect to the investment of employee benefit fund assets involved in a loan transaction or renders investment advice (within the meaning of 29 CRF 2510.3 - 21(c)) with respect to those assets. We shall administer such loans, whether or not subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), in accordance with the terms of Department of Labor Prohibited Transaction Exemption 81-6, as amended, originally dated effective January 23, 1981, which are incorporated by reference into and made a part of this agreement, and subject to the following terms and conditions:

1. We, or our agent, shall secure a written Loan Agreement from each bank and security broker to whom securities are loaned pursuant to this agreement. We or our agent shall use its best efforts to complete promptly, either by physical delivery or by book entry in a securities depository, the delivery of securities against same day delivery of collateral equal to at least 102% of the market value of the security loaned. Such collateral (the "Collateral") will be held by us for your account and shall consist of:

> cash, securities issued or guaranteed by the United States Government or its agencies or instrumentalities ("Government Securities"), or irrevocable letters of credit issued by banks insured by the Federal Deposit Insurance Corporation or by a foreign bank that has filed an agreement with the Board of Governors of the Federal Reserve System on Form F.R.T.-2, provided that as to lenders who are subject to ERISA, the issuer is not the borrower or an affiliate of the borrower.

2. We, or our agent, shall invest the cash Collateral in various short-term instruments and investment vehicles. We shall credit the account with income less expenses therefrom including rebate or similar fees where appropriate. When Collateral other than cash is received, the fee to the account shall be reasonable and shall be related to relevant market factors. You reserve the right to instruct us in writing to refrain from investing cash Collateral in specific securities or with the issuers thereof, and to refrain from accepting letters of credit issued by specific banks.

3. We will credit your account on payable date with interest, dividends, rights and other distributions paid on U.S. securities loaned to borrowers.

4. You agree that all voting rights shall be exercisable by the borrower of the loaned securities or its designee and authorize us to waive such rights on behalf of the account.

5. We or our agent receive copies of financial statements from borrowers.

6. If the aggregate market value of all securities loaned to a borrower pursuant to this agreement (determined on the basis of the last reported sales prices on the national securities exchange on which the securities are traded or, if not so traded, as reasonably determined by us or our agent) shall exceed, at any time as of the close of business on any business day (as hereinafter defined), the amount of the Current Collateral (as hereinafter defined), we shall promptly demand that the borrower increase the amount of the Collateral ("mark to market") by an amount sufficient to cause the aggregate amount of the Current Collateral to equal not less than 100% of the then market value of the securities as of the close of business on the business day as of which such excess was determined to exist. In such event, we shall demand that the borrower deliver to us or our agent for your account, no later than the close of business on the business day following the business day as of which such excess was determined to exist, additional Collateral in the appropriate amount. "Business day" shall mean a day on which the New York Stock Exchange, banks located in the city of New York and Comerica Bank, are open for business. "Current Collateral" shall mean the Collateral initially delivered by the borrower in an amount equal to at least 102% of the market value of the securities loaned to the borrower pursuant to this Agreement, plus accrued rebate owed the borrower, plus the aggregate of all additional amounts deposited by the borrower, if any, and less the aggregate of all amounts released to the borrower, if any.

7. You shall pay for services provided under this agreement at rates as set forth in Attachment B hereto, and as such rates may be amended from time to time, subject to your approval.

8. You acknowledge that **THE PROVISIONS OF THE SECURITIES INVESTOR PROTECTION ACT OF 1970 (SIPA) MAY NOT PROTECT THE LENDER WITH RESPECT TO THE SECURITIES LOAN TRANSACTIONS BETWEEN LENDER AND BORROWER AND THAT, THEREFORE, THE COLLATERAL DELIVERED BY BORROWER TO LENDER MAY CONSTITUTE THE ONLY SOURCE OF SATISFACTION OF BORROWER'S OBLIGATION IN THE EVENT BORROWER FAILS TO RETURN THE SECURITIES INSOFAR AS SIPA IS CONCERNED.**

9. This Agreement may be modified by mutual consent in writing and may be terminated at the option of either party upon three business days' prior written notice to the other party; provided, however, that upon our receipt of a written termination notice from you, we shall not make any new loans pursuant hereto and with respect to all outstanding loans we shall terminate such loans on an orderly basis. In any event, we shall terminate any outstanding loan upon your request.

10. Each party hereto represents to the other that it is authorized to enter into this Agreement and the persons executing this Agreement do legally bind each party to the terms hereof.

11. This Agreement may not be assigned without the prior written approval of each of the parties hereto.

12. This Agreement shall be governed by and construed in accordance with the Michigan Public Employee Retirement System Investment Act, Act No. 314 of the Public Acts of 1965, Section 38.1140e of the Michigan Complied Laws, and other applicable laws or regulations, including but not limited to the laws of the State of Michigan.

Comerica

13. All notices required or permitted under this Agreement shall be delivered or mailed by first class mail, postage prepaid, or sent by facsimile transmission to the addresses or facsimile numbers indicated below, or to such other addresses or facsimile numbers as we furnish in writing to each other from time to time. Such notices may be given verbally as long as they are subsequently confirmed in writing.

14. We, for ourselves and for our subcontractors, covenant not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, or marital status, or because of a disability that is unrelated to the individuals ability to perform the duties of a particular job or position. Breach of this covenant may be regarded by you as a material breach of this Agreement.

Please indicate your acceptance of agreement to the terms and conditions set forth in this letter by signing the enclosed copy of this letter in the place provided below and returning it to us, whereupon this letter shall become a binding agreement between us.

Very truly yours,

COMERICA BANK

Institutional Trust Department
411 West Lafayette, 4th Floor
Detroit, Michigan 48226
M/C 3465
Facsimile Transmission 313-222-3224

By: [signature] GARY A FAILLA

Date: 5/23/02

Accepted and agreed to:

CITY OF MONROE EMPLOYEES RETIREMENT
120 EAST FIRST STREET
MONROE, MI 48161

By: [signature]

Date: 5-15-02

Non-Standard Rev - 12/19/01

ATTACHMENT A

COMERICA BANK
SECURITIES BORROWER LIST

Banc of America Securities LLC
Barclays Capital Inc.
Bear Stearns & Co., Inc.
CIBC Oppenheimer Corporation
Credit Suisse First Boston
Deutsche Bank Alex Brown Securities Inc.
Dresdner Kleinwort Benson
Fleet Securities Inc.
Goldman Sachs & Co.
Jefferies and Company
Lehman Brothers, Inc.
Merrill Lynch, Pierce, Fenner & Smith
Morgan Stanley & Co.
BMO Nesbitt Burns Corp.
UBS PaineWebber, Inc.
RBC Dominion Securities Corporation
Salomon/Smith Barney
UBS Warburg LLC
West LB

Updated February 2002

ATTACHMENT B

FEE SCHEDULE - SECURITIES LENDING

All Loans - Comerica Bank will charge a monthly fee equal to 40% of the income received after all borrower rebates and finder fees are deducted.

ATTACHMENT C

Comerica Bank
411 West Lafayette
Detroit, Michigan 48226-3465

Gentlemen:

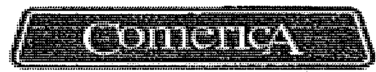
Re: SECURITIES LENDING AGREEMENT DATED 5/15/02

BETWEEN COMERICA BANK AND CITY OF MONROE EMPLOYEES RETIREMENT

With respect to the referenced agreement, we hereby acknowledge that Comerica Bank does not indemnify against any loss which may result from investment risk or borrower default.

By: [signature]

Date: 5-15-02



COMERICA BANK
SECURITIES LENDING PROGRAM
COLLATERAL REINVESTMENT GUIDELINES

I. PERMITTED INVESTMENTS (applicable at time of purchase)

A. Negotiable commercial paper obligations rated at least A-1 by Standard and Poor's and P-1 by Moody's or A-2 by Standard and Poor's and P-2 by Moody's (or similarly rated by any two nationally recognized rating organizations).

B. Corporate medium term notes and corporate floating rate instruments with a minimum long term investment grade rating.

C. Funding agreements issued by domestic and international life insurance companies rated A or better by Best, Standard and Poor's or Moody's, approved by Munder Capital Management.

D. Asset-backed securities rated AAA.

E. Certificates of deposit, time deposits, floating rate instruments, banker's acceptances issued by U.S. and foreign banks with a minimum long term rating of A or better by Standard and Poor's or Moody's.

F. Direct obligations issued and guaranteed as to principal and interest by the U.S. government or its agencies.

G. Overnight and term repurchase agreements collateralized at 102% with obligations issued and guaranteed by the U.S. government or its agencies.

H. Overnight and term repurchase agreements collateralized at 105% with whole loans rated AA or conforming to government agency qualifications.

I. Overnight and term repurchase agreements collateralized at 105% with investment grade corporate bonds.

J. Overnight and term repurchase agreements collateralized at 102% with money market instruments outlined in A and D above.

K. Broker Master Notes collateralized at 105% with investment grade corporate bonds or with money market instruments outlined in A, D and E above.

L. Money market and short term investment funds investing in U.S. dollar denominated obligations of domestic and foreign issuers, including certificates of deposit, time deposits, bankers acceptances, A-1 and P-1 (or similarly rated) commercial paper and corporate obligations (including variable and floating rate instruments), obligations issued or guaranteed by the U.S. government, U.S. agencies, or instrumentalities, and repurchase agreements pertaining to all of the foregoing. All money market funds and short term investment funds are subject to the approval of Munder Capital Management prior to investment.

II. INVESTMENT LIMITATIONS (applicable at time of purchase)

A. The following investment maturity guidelines will apply:

I. At least 20% of the total value of the cash collateral pool shall consist of cash demand obligations and assets that will mature on the cash collateral pool's next business day.

II. At least 20% of the total value of the cash collateral pool shall be invested in obligations and assets that will mature no longer than 30 days from the date of purchase.

III. Up to 60% of the total value of the cash collateral pool shall be invested in obligations whose maturities are 31 - 90 days from the date of purchase.

IV. Up to 30% of the total value of the cash collateral pool may be invested in obligations whose maturities are 91 - 180 days from the date of purchase.

V. Up to 20% of the total value of the cash collateral pool may be invested in obligations whose maturities are 181 - 365 days from the date of purchase.

VI. Up to 20% of the total value of the cash collateral pool may be invested in floating rate instruments having maturities of 2 years.

B. The maximum reset for floating rate instruments is 90 days, all interest must be paid at least quarterly. In no case will a floating rate instrument (structured note) have its principal linked to a formula (i.e., fail to mature at par according to its stated terms). Inverse floaters are not permitted.

C. No more than 20% of the cash collateral pool will be invested in funding agreements. A maximum maturity of one (1) year will apply. The maximum reset is 90 days.

D. A per issuer limit of 5% of the cash collateral pool, will apply to the purchase of commercial paper obligations, asset backed securities, corporate or medium term notes, corporate floating rate instruments funding agreement and foreign and domestic bank instruments. No more than 15% of the cash collateral pool will be invested in A-2 and P-2 or split rated commercial paper.

E. Bank obligations will be purchased from the list of issuers approved by Munder Capital Management. Bank obligations may be purchased from an issuer not appearing on the listing provided the issuer meets Munder Capital Management's criteria.

F. All investments having a maturity of more than twelve (12) months must pay interest at least annually.

G. A maturity or investment concentration limitation does not apply to direct obligations issued and guaranteed as to principal and interest by the U.S government or its agencies. Except that under no circumstance will a maturity of an obligation extend more than two years from the date of purchase.

H. Comerica or its tri-party custodian must take possession of all repurchase agreement collateral. The maximum repurchase agreement term is 90 days. Collateral must be marked to market daily by Comerica or its tri-party custodian. No more than 15% of the cash collateral pool will be invested in each type the repurchase agreements outlined in H., I., and J. under Permitted Investments. Repurchase agreements may be entered into with the following primary government dealers:

Barclays Capital Inc.
Bear Stearns & Co. Inc.
Credit Suisse First Boston
Dresdner Kleinwort Benson
Goldman, Sachs & Co.
Lehman Brothers Inc.
Merrill Lynch Government Securities Inc.
Morgan Stanley & Co.
Citigroup Global Markets Inc.

I. Comerica or its tri-party custodian must take possession of all Broker Master Note collateral. Collateral must be marked to market daily by Comerica or its tri-party custodian. A Broker Master Note may be entered into with the following primary government dealers:

Citigroup Global Markets Inc.
Goldman, Sachs & Co.
Merrill Lynch Government Securities Inc.

EXHIBIT G

Comerica

Ladies and Gentlemen:

This letter together with the attachments hereto constitute our agreement wherein you appoint Comerica Bank, as your agent to engage in securities lending activities, as provided herein on your behalf. We may lend securities from the accounts you have established or may establish in the future pursuant to your trust, custody, agency, or managing agency agreement with Comerica Bank. We will lend such securities only to the banks and security brokers approved by you as identified in Attachment A and as we may amend from time to time. You represent that none of the banks and security brokers identified in Attachment A nor any of their affiliates has discretionary authority or control with respect to the investment of employee benefit fund assets involved in a loan transaction or renders investment advice (within the meaning of 29 CRF 2510.3 - 21(c)) with respect to those assets. We shall administer such loans, whether or not subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), in accordance with the terms of Department of Labor Prohibited Transaction Exemption 81-6, as amended, originally dated effective January 23, 1981, which are incorporated by reference into and made a part of this agreement, and subject to the following terms and conditions:

1. We, or our agent, shall secure a written Loan Agreement from each bank and security broker to whom securities are loaned pursuant to this agreement. We or our agent shall use its best efforts to complete promptly, either by physical delivery or by book entry in a securities depository, the delivery of securities against same day delivery of collateral equal to at least 102% of the market value of the security loaned. Such collateral (the "Collateral") will be held by us for your account and shall consist of:

   cash, securities issued or guaranteed by the United States Government or its agencies or instrumentalities ("Government Securities"), or irrevocable letters of credit issued by banks insured by the Federal Deposit Insurance Corporation or by a foreign bank that has filed an agreement with the Board of Governors of the Federal Reserve System on Form F.R.T.-2, provided that as to lenders who are subject to ERISA, the issuer is not the borrower or an affiliate of the borrower.

2. We, or our agent, shall invest the cash Collateral in various short-term instruments and investment vehicles. We shall credit the account with income less expenses therefrom including rebate or similar fees where appropriate. When Collateral other than cash is received, the fee to the account shall be reasonable and shall be related to relevant market factors. You reserve the right to instruct us in writing to refrain from investing cash Collateral in specific securities or with the issuers thereof, and to refrain from accepting letters of credit issued by specific banks.

3. We will credit your account on payable date with interest, dividends, rights and other distributions paid on U.S. securities loaned to borrowers.

4. You agree that all voting rights shall be exercisable by the borrower of the loaned securities or its designee and authorize us to waive such rights on behalf of the account.

5. We or our agent receive copies of financial statements from borrowers.

6. If the aggregate market value of all securities loaned to a borrower pursuant to this agreement (determined on the basis of the last reported sales prices on the national securities exchange on which the securities are traded or, if not so traded, as reasonably determined by us or our agent) shall exceed, at any time as of the close of business on any business day (as hereinafter defined), the amount of the Current Collateral (as hereinafter defined), we shall promptly demand that the borrower increase the amount of the Collateral ("mark to market") by an amount sufficient to cause the aggregate amount of the Current Collateral to equal not less than 100% of the then market value of the securities as of the close of business on the business day as of which such excess was determined to exist. In such event, we shall demand that the borrower deliver to us or our agent for your account, no later than the close of business on the business day following the business day as of which such excess was determined to exist, additional Collateral in the appropriate amount. "Business day" shall mean a day on which the New York Stock Exchange, banks located in the city of New York and Comerica Bank, are open for business. "Current Collateral" shall mean the Collateral initially delivered by borrowers in an amount equal to at least 102% of the market value of the securities loaned to the borrower pursuant to this agreement, plus the aggregate of all additional amounts deposited by the borrower, if any, and less the aggregate of all amounts released or owing (including accrued rebates) to the borrower, if any.

7. You shall pay for services provided under this agreement at rates as set forth in Attachment B hereto, and as such rates may be amended from time to time, subject to your approval.

8. You acknowledge that **THE PROVISIONS OF THE SECURITIES INVESTOR PROTECTION ACT OF 1970 (SIPA) MAY NOT PROTECT THE LENDER WITH RESPECT TO THE SECURITIES LOAN TRANSACTIONS BETWEEN LENDER AND BORROWER AND THAT, THEREFORE, THE COLLATERAL DELIVERED BY BORROWER TO LENDER MAY CONSTITUTE THE ONLY SOURCE OF SATISFACTION OF BORROWER'S OBLIGATION IN THE EVENT BORROWER FAILS TO RETURN THE SECURITIES INSOFAR AS SIPA IS CONCERNED.**

9. This Agreement may be modified by mutual consent in writing and may be terminated at the option of either party upon three business days' prior written notice to the other party; provided, however, that upon our receipt of a written termination notice from you, we shall not make any new loans pursuant hereto and with respect to all outstanding loans we shall terminate such loans on an orderly basis. In any event, we shall terminate any outstanding loan upon your request.

10. Each party hereto represents to the other that it is authorized to enter into this Agreement and the persons executing this Agreement do legally bind each party to the terms hereof.

11. This Agreement may not be assigned without the prior written approval of each of the parties hereto.

12. This Agreement shall be governed by and construed in accordance with the Michigan Public Employee Retirement System Investment Act, Act No. 314 of the Public Acts of 1965, Section 38.1140e of the Michigan Complied Laws, and other applicable laws or regulations, including but not limited to the laws of the State of Michigan.

Comerica

13. All notices required or permitted under this Agreement shall be delivered or mailed by first class mail, postage prepaid, or sent by facsimile transmission to the addresses or facsimile numbers indicated below, or to such other addresses or facsimile numbers as we furnish in writing to each other from time to time. Such notices may be given verbally as long as they are subsequently confirmed in writing.

14. We, for ourselves and for our subcontractors, covenant not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, or martial status, or because of a disability that is unrelated to the individuals ability to perform the duties of a particular job or position. Breach of this covenant may be regarded by you as a material breach of this Agreement.

Please indicate your acceptance of agreement to the terms and conditions set forth in this letter by signing the enclosed copy of this letter in the place provided below and returning it to us, whereupon this letter shall become a binding agreement between us.

Very truly yours,

COMERICA BANK

Institutional Trust Department
411 West Lafayette, 4th Floor
Detroit, Michigan 48226
M/C 3465
Facsimile Transmission 313-222-3224

By: [signature] GARY A FAIIIA

Date: January 25, 2002

Accepted and agreed to:

WATERFORD TOWNSHIP EMPLOYEES RETIREMENT SYSTEM
5200 CIVIC CENTER DRIVE
WATERFORD, MI 48329

By: Nancy J. Smith

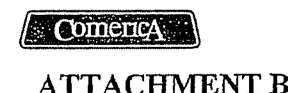
Date: Jan. 22, 2002

ATTACHMENT A

COMERICA BANK
SECURITIES BORROWER LIST

Banc of America Securities LLC
Barclays Capital Inc.
Bear Stearns & Co., Inc.
CIBC Oppenheimer Corporation
Credit Suisse First Boston
Deutsche Bank Alex Brown Securities Inc.
Dresdner Kleinwort Benson
Edwards, A.G., Inc.
Fleet Securities Inc.
Goldman Sachs & Co.
Jefferies and Company
Lehman Brothers, Inc.
Merrill Lynch, Pierce, Fenner & Smith
Morgan Stanley & Co.
National Financial Services Corporation
BMO Nesbitt Burns Corp.
UBS PaineWebber, Inc.
RBC Dominion Securities Corporation
Salomon/Smith Barney
UBS Warburg LLC
West LB

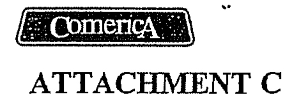
Updated June 2001



ATTACHMENT B

FEE SCHEDULE - SECURITIES LENDING

All Loans - Comerica Bank will charge a monthly fee equal to 40% of the income received after all borrower rebates and finder fees are deducted.



ATTACHMENT C

Comerica Bank
411 West Lafayette
Detroit, Michigan 48226-3465

Gentlemen:

Re: SECURITIES LENDING AGREEMENT DATED January 22, 2002

BETWEEN COMERICA BANK AND WATERFORD TOWNSHIP EMPLOYEES RETIREMENT SYSTEM

With respect to the referenced agreement, we hereby acknowledge that Comerica Bank does not indemnify against any loss which may result from investment risk or borrower default.

By: Nancy J Smith

Date: Jan. 22, 2002

COMERICA BANK
SECURITIES LENDING PROGRAM
COLLATERAL REINVESTMENT GUIDELINES

I. PERMITTED INVESTMENTS (applicable at time of purchase)

A. Negotiable commercial paper obligations rated at least A-1 by Standard and Poor's and P-1 by Moody's or A-2 by Standard and Poor's and P-2 by Moody's (or similarly rated by any two nationally recognized rating organizations).

B. Corporate medium term notes and corporate floating rate instruments with a minimum long term investment grade rating.

C. Funding agreements issued by domestic and international life insurance companies rated A or better by Best, Standard and Poor's or Moody's, approved by Munder Capital Management.

D. Asset-backed securities rated AAA.

E. Certificates of deposit, time deposits, floating rate instruments, banker's acceptances issued by U.S. and foreign banks with a minimum long term rating of A or better by Standard and Poor's or Moody's.

F. Direct obligations issued and guaranteed as to principal and interest by the U.S. government or its agencies.

G. Overnight and term repurchase agreements collateralized at 102% with obligations issued and guaranteed by the U.S. government or its agencies.

H. Overnight and term repurchase agreements collateralized at 105% with whole loans rated AA or conforming to government agency qualifications.

I. Overnight and term repurchase agreements collateralized at 105% with investment grade corporate bonds.

J. Overnight and term repurchase agreements collateralized at 102% with money market instruments outlined in A and D above.

K. Broker Master Notes collateralized at 105% with investment grade corporate bonds or with money market instruments outlined in A, D and E above.

L. Money market and short term investment funds investing in U.S. dollar denominated obligations of domestic and foreign issuers, including certificates of deposit, time deposits, bankers acceptances, A-1 and P-1 (or similarly rated) commercial paper and corporate obligations (including variable and floating rate instruments), obligations issued or guaranteed by the U.S. government, U.S. agencies, or instrumentalities, and repurchase agreements pertaining to all of the foregoing. All money market funds and short term investment funds are subject to the approval of Munder Capital Management prior to investment.

II. INVESTMENT LIMITATIONS (applicable at time of purchase)

A. The following investment maturity guidelines will apply:

I. At least 20% of the total value of the cash collateral pool shall consist of cash demand obligations and assets that will mature on the cash collateral pool's next business day.

II. At least 20% of the total value of the cash collateral pool shall be invested in obligations and assets that will mature no longer than 30 days from the date of purchase.

III. Up to 60% of the total value of the cash collateral pool shall be invested in obligations whose maturities are 31 - 90 days from the date of purchase.

IV. Up to 30% of the total value of the cash collateral pool may be invested in obligations whose maturities are 91 - 180 days from the date of purchase.

V. Up to 20% of the total value of the cash collateral pool may be invested in obligations whose maturities are 181 - 365 days from the date of purchase.

VI. Up to 20% of the total value of the cash collateral pool may be invested in floating rate instruments having maturities of 2 years.

B. The maximum reset for floating rate instruments is 90 days, all interest must be paid at least quarterly. In no case will a floating rate instrument (structured note) have its principal linked to a formula (i.e., fail to mature at par according to its stated terms). Inverse floaters are not permitted.

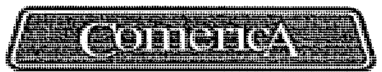
C. No more than 20% of the cash collateral pool will be invested in funding agreements. A maximum maturity of one (1) year will apply. The maximum reset is 90 days.

D. A per issuer limit of 5% of the cash collateral pool, will apply to the purchase of commercial paper obligations, asset backed securities, corporate or medium term notes, corporate floating rate instruments funding agreement and foreign and domestic bank instruments. No more than 15% of the cash collateral pool will be invested in A-2 and P-2 or split rated commercial paper.

E. Bank obligations will be purchased from the list of issuers approved by Munder Capital Management. Bank obligations may be purchased from an issuer not appearing on the listing provided the issuer meets Munder Capital Management's criteria.

F. All investments having a maturity of more than twelve (12) months must pay interest at least annually.

G. A maturity or investment concentration limitation does not apply to direct obligations issued and guaranteed as to principal and interest by the U.S government or its agencies. Except that under no circumstance will a maturity of an obligation extend more than two years from the date of purchase.



H. Comerica or its tri-party custodian must take possession of all repurchase agreement collateral. The maximum repurchase agreement term is 90 days. Collateral must be marked to market daily by Comerica or its tri-party custodian. No more than 15% of the cash collateral pool will be invested in each type the repurchase agreements outlined in H., I., and J. under Permitted Investments. Repurchase agreements may be entered into with the following primary government dealers:

Barclays Capital Inc.
Bear Stearns & Co. Inc.
Credit Suisse First Boston
Dresdner Kleinwort Benson
Goldman, Sachs & Co.
Lehman Brothers Inc.
Merrill Lynch Government Securities Inc.
Morgan Stanley & Co.
Citigroup Global Markets Inc.

I. Comerica or its tri-party custodian must take possession of all Broker Master Note collateral. Collateral must be marked to market daily by Comerica or its tri-party custodian. A Broker Master Note may be entered into with the following primary government dealers:

Citigroup Global Markets Inc.
Goldman, Sachs & Co.
Merrill Lynch Government Securities Inc.

EXHIBIT H

Gentlemen:

This letter together with the attachments hereto constitute our agreement wherein you appoint Comerica Bank, as your agent to engage in securities lending activities, as provided herein on your behalf. We may lend securities from the accounts you have established or may establish in the future pursuant to your trust, custody, agency, or managing agency agreement with Comerica Bank. We will lend such securities only to the banks and security brokers approved by you as identified in Attachment A and as we may amend from time to time. You represent that none of the banks and security brokers identified in Attachment A nor any of their affiliates has discretionary authority or control with respect to the investment of employee benefit fund assets involved in a loan transaction or renders investment advice (within the meaning of 29CRF 2510.3 - 21(c)) with respect to those assets. We shall administer such loans, whether or not subject to the Employee Retirement Income Security Act of 1974 ("ERISA") in accordance with the terms of Department of Labor Prohibited Transaction Exemption 81-6, as amended originally dated effective January 23, 1981. Such Prohibited Transaction Exemption is attached hereto as Attachment E and is made a part hereof by this reference. Where a higher standard is required by the terms of this Agreement than that specified in Attachment E, such higher standard shall be required.

1. We, or our agent, shall secure a written Loan Agreement from each bank and security broker to whom securities are loaned pursuant to this agreement. We, or our agent, shall use our best efforts to complete promptly, either by physical delivery or by book entry in a securities depository, the delivery of securities against same day delivery of collateral of at least equal value which will be held by us for your account. Such collateral (the "Collateral") shall consist of cash, securities issued or guaranteed by the United States Government or its agencies or instrumentalities ("Government Securities").

2. We, or our agent, shall invest the cash Collateral in various short-term instruments and investment vehicles. You agree that we can commingle cash Collateral in your account(s) with the cash Collateral in one or more accounts of other securities lending customers. We shall credit the account with income less reasonable expenses therefrom including rebate or similar fees where appropriate. When Collateral other than cash is received, the fee to the account shall be reasonable and shall be related to relevant market factors. You reserve the right to instruct us in writing to refrain from investing cash Collateral in specific securities or with the issuers thereof. You understand and agree that your cash Collateral account(s) will not acquire a fractional undivided interest in the securities held therein, but rather will acquire a pro rate proportionate interest in each and every security.

3. We will credit your account on payable date with interest, dividends, rights and other distributions paid on U.S. securities loaned to borrowers.

4. You agree that all voting rights shall be exercisable by the borrower of the loaned securities or its designee and authorize us to waive such rights on behalf of the account.

5. We or our agent receive copies of financial statements from borrowers.

6. If the aggregate market value of all securities loaned to a borrower pursuant to this agreement (determined on the basis of the last reported sales prices on the national securities exchange on which the securities are traded or, if not so traded, as reasonably determined by us or our agent) shall exceed, at any time as of the close of business on any business day (as hereinafter defined), the amount of the Current Collateral (as hereinafter defined), we shall promptly demand that the borrower increase the amount of the Collateral ("mark to market") by an amount sufficient to cause the aggregate amount of the Current Collateral to equal not less than 102% of the then market value of the securities as of the close of business on the business day as of which such excess was determined to exist. In such event, we shall demand that the borrower deliver to us or our agent for your account, no later than the close of business on the business day following the business day as of which such excess was determined to exist, additional Collateral in the appropriate amount. "Business day" shall mean a day on which the New York Stock Exchange, banks located in the city of New York and Comerica Bank, are open for business. "Current Collateral" shall mean the Collateral initially delivered by the borrower in an amount equal to at least 102% of the market value of the securities loaned to the borrower pursuant to this agreement, plus accrued rebate owed to the borrower, plus the aggregate of all additional amounts deposited by the borrower, if any, and less the aggregate of all amounts released to the borrower, if any.

7. You shall pay for services provided under this agreement at rates as set forth in Attachment B hereto, and as such rates may be amended from time to time, subject to your approval.

8. Comerica acknowledges its responsibility as a fiduciary under the Employee Retirement Income Security Act, of 1974, as amended ("ERISA") with respect to its exercise of discretion under Paragraph 1 of this agreement.

9. You acknowledge that **THE PROVISIONS OF THE SECURITIES INVESTOR PROTECTION ACT OF 1970 (SIPA) MAY NOT PROTECT THE LENDER WITH RESPECT TO THE SECURITIES LOAN TRANSACTIONS BETWEEN LENDER AND BORROWER AND THAT, THEREFORE, THE COLLATERAL DELIVERED BY BORROWER TO LENDER MAY CONSTITUTE THE ONLY SOURCE OF SATISFACTION OF BORROWER'S OBLIGATION IN THE EVENT BORROWER FAILS TO RETURN THE SECURITIES INSOFAR AS SIPA IS CONCERNED.**

10. This Agreement may be modified by mutual consent in writing and may be terminated at the option of either party upon three business days' prior written notice to the other party; provided, however, that upon our receipt of a written termination notice from you, we shall not make any new loans pursuant hereto and with respect to all outstanding loans we shall terminate such loans on an orderly basis. In any event, we shall terminate any outstanding loan upon your request.

11. Each party hereto represents to the other that it is authorized to enter into this Agreement and the persons executing this Agreement do legally bind each party to the terms hereof.

12. This Agreement may not be assigned without the prior written approval of each of the parties hereto.

Comerica

13. This Agreement shall be governed by and construed in accordance with the Employee Retirement Income Security Act of 1974, as amended, if applicable to your account established hereunder or to other applicable laws or regulations, including but not limited to the laws of the State of Michigan.

14. All notices required or permitted under this Agreement shall be delivered or mailed by first class mail, postage prepaid, or sent by facsimile transmission to the addresses or facsimile numbers indicated below, or to such other addresses or facsimile numbers as we furnish in writing to each other from time to time. Such notices may be given verbally as long as they are subsequently confirmed in writing.

Please indicate your acceptance of agreement to the terms and conditions set forth in this letter by signing the enclosed copy of this letter in the place provided below and returning it to us, whereupon this letter shall become a binding agreement between us.

Very truly yours,

COMERICA BANK

Institutional Trust Department
411 West Lafayette, 4th Floor
Detroit, Michigan 48226
M/C 3465
Facsimile Transmission 313-222-3224

By: [signature]
NADA SANCHEZ, AVP

Date: 05-17-04

Accepted and agreed to:

CARPENTERS PENSION TRUST FUND

By: [signature]
Walter R. Mabry, Chairman

Date: ____________

By: [signature]
John Weiland, Secretary

Date: 5/3/2004

ATTACHMENT A

COMERICA BANK
SECURITIES BORROWER LIST

ABN AMRO Inc.
Banc of America Securities LLC
Banc One Capital Markets, Inc.
Barclays Capital Inc.
Bear Stearns & Co., Inc.
Citigroup Global Markets Inc.
Credit Suisse First Boston LLC
Deutsche Bank Alex Brown Securities Inc.
Dresdner Kleinwort Benson
Goldman Sachs & Co.
Greenwich Capital Markets Inc.
HSBC Securities (USA) Inc.
Harris Nesbitt Corp.
ING Financial Markets LLC.
J.P. Morgan Securities Inc.
Jefferies and Company
Lehman Brothers, Inc.
Merrill Lynch, Pierce, Fenner & Smith.
Morgan Stanley & Co.
RBC Capital Markets Corporation
UBS Securities LLC

ATTACHMENT B

FEE SCHEDULE - SECURITIES LENDING

All Loans - Comerica Bank will charge a monthly fee equal to 30% of the income received after all borrower rebates and finder fees are deducted.

ATTACHMENT C

Comerica Bank
411 West Lafayette
Detroit, Michigan 48226-3465

Gentlemen:

Re: SECURITIES LENDING AGREEMENT DATED 05-17-04

BETWEEN COMERICA BANK AND CARPENTERS PENSION TRUST FUND

With respect to the referenced agreement, we hereby acknowledge that Comerica Bank does not indemnify against any loss which may result from investment risk or borrower default.

By: ______________________
Walter R. Mabry, Chairman

Date: ______________________

By: ______________________
John Weiland, Secretary

Date: 5/03/2004

ATTACHMENT D

COMERICA BANK
SECURITIES LENDING PROGRAM
COLLATERAL REINVESTMENT GUIDELINES

I. PERMITTED INVESTMENTS (applicable at time of purchase)

A. Negotiable commercial paper obligations rated at least A-1 by Standard and Poor's and P-1 by Moody's or A-2 by Standard and Poor's and P-2 by Moody's (or similarly rated by any two nationally recognized rating organizations).

B. Corporate medium term notes and corporate floating rate instruments with a minimum long term investment grade rating.

C. Funding agreements issued by domestic and international life insurance companies rated A or better by Best, Standard and Poor's or Moody's, approved by Munder Capital Management.

D. Asset-backed securities rated AAA.

E. Certificates of deposit, time deposits, floating rate instruments, banker's acceptances issued by U.S. and foreign banks with a minimum long term rating of A or better by Standard and Poor's or Moody's.

F. Direct obligations issued and guaranteed as to principal and interest by the U.S. government or its agencies.

G. Overnight and term repurchase agreements collateralized at 102% with obligations issued and guaranteed by the U.S. government or its agencies.

H. Overnight and term repurchase agreements collateralized at 105% with whole loans rated AA or conforming to government agency qualifications.

I. Overnight and term repurchase agreements collateralized at 105% with investment grade corporate bonds.

J. Overnight and term repurchase agreements collateralized at 102% with money market instruments outlined in A and D above.

K. Broker Master Notes collateralized at 105% with investment grade corporate bonds or with money market instruments outlined in A, D and E above.

L. Money market and short term investment funds investing in U.S. dollar denominated obligations of domestic and foreign issuers, including certificates of deposit, time deposits, bankers acceptances, A-1 and P-1 (or similarly rated) commercial paper and corporate obligations (including variable and floating rate instruments), obligations issued or guaranteed by the U.S. government, U.S. agencies, or instrumentalities, and repurchase agreements pertaining to all of the foregoing. All money market funds and short term investment funds are subject to the approval of Munder Capital Management prior to investment.

II. INVESTMENT LIMITATIONS (applicable at time of purchase)

A. The following investment maturity guidelines will apply:

I. At least 20% of the total value of the cash collateral pool shall consist of cash demand obligations and assets that will mature on the cash collateral pool's next business day.

II. At least 20% of the total value of the cash collateral pool shall be invested in obligations and assets that will mature no longer than 30 days from the date of purchase.

III. Up to 60% of the total value of the cash collateral pool shall be invested in obligations whose maturities are 31 - 90 days from the date of purchase.

IV. Up to 30% of the total value of the cash collateral pool may be invested in obligations whose maturities are 91 - 180 days from the date of purchase.

V. Up to 20% of the total value of the cash collateral pool may be invested in obligations whose maturities are 181 - 365 days from the date of purchase.

VI. Up to 20% of the total value of the cash collateral pool may be invested in floating rate instruments having maturities of 2 years.

B. The maximum reset for floating rate instruments is 90 days, all interest must be paid at least quarterly. In no case will a floating rate instrument (structured note) have its principal linked to a formula (i.e., fail to mature at par according to its stated terms). Inverse floaters are not permitted.

C. No more than 20% of the cash collateral pool will be invested in funding agreements. A maximum maturity of one (1) year will apply. The maximum reset is 90 days.

D. A per issuer limit of 5% of the cash collateral pool, will apply to the purchase of commercial paper obligations, asset backed securities, corporate or medium term notes, corporate floating rate instruments funding agreement and foreign and domestic bank instruments. No more than 15% of the cash collateral pool will be invested in A-2 and P-2 or split rated commercial paper.

E. Bank obligations will be purchased from the list of issuers approved by Munder Capital Management. Bank obligations may be purchased from an issuer not appearing on the listing provided the issuer meets Munder Capital Management's criteria.

F. All investments having a maturity of more than twelve (12) months must pay interest at least annually.

G. A maturity or investment concentration limitation does not apply to direct obligations issued and guaranteed as to principal and interest by the U.S government or its agencies. Except that under no circumstance will a maturity of an obligation extend more than two years from the date of purchase.

Comerica

ATTACHMENT E

Prohibited Transaction Exemption 81-6

In accordance with section 408(a) of the Act and section 4975(c)(2) of the Code, and based upon the entire record including the written comments submitted in response to the notice of proposed class exemption published on April 11, 1980, and to the notice of a reopening of the comment period published June 24, 1980, the Department makes the following determinations:

(a) The class exemption set forth herein is administratively feasible;

(b) it is in the interest of plans and of their participants and beneficiaries; and

(c) it is protective of the rights of participants and beneficiaries of plans.

Accordingly, the following exemption is hereby granted under the authority of section 408(a) of the Act and section 4975(c)(2) of the Code and in accordance with the procedures set forth in ERISA Procedure 75-1.

Accordingly, PTE 81-6 amended under the authority of section 408(a) of ERISA and section 4975(c)(2) of the Code and in accordance with ERISA Procedure 75-1 (40 FR 18471, April 28, 1975).

Effective January 23, 1981, the restrictions of section 406(a)(1)(A) through (D) of the Act and the taxes imposed by section 4975(a) and (b) of the Code by reason of section 4975(c)(1)(A) through (D) of the Code shall not apply to the lending of securities that are assets of an employee benefit plan to a broker-dealer registered under the Securities Exchange Act of 1934 (the 1934 Act) or exempted from registration under section 15(a)(1) of the 1934 Act as a dealer in exempted Government securities (as defined in section 3(a)(12) of the 1934 Act) or to a bank, if:

1. Neither the borrower nor an affiliate of the borrower has discretionary authority or control with respect to the investment of the plan assets involved in the transaction, or renders investment advice (within the meaning of 29 CFR 2510.3-21(c)) with respect to those assets;

2. The plan receives from the borrower (either by physical delivery or by book entry in a securities depository) by the close of the lending fiduciary's business on the day in which the securities lent are delivered to the borrower, collateral consisting of cash, securities issued or guaranteed by the United States Government or its agencies or instrumentalities, or irrevocable bank letters of credit issued by a person other than the borrower or an affiliate thereof, or any combination thereof, having, as of the close of business on the preceding business day, a market value equal to not less than 100 percent of the then market value of the securities lent;

3. Prior to the making of any such loan, the borrower shall have furnished the lending fiduciary with (1) the most recent available audited statement of the borrower's financial condition, (2) the most recent available unaudited statement of its financial condition (if more recent than such audited statement), and (3) a representation that, at the time the loan is negotiated, there has been no material adverse change in its financial condition since the date of the most recent financial statement furnished to the plan that has not been disclosed to the lending fiduciary. Such representation may be made by the borrower's agreeing that each such loan shall constitute a representation by the borrower that there has been no such material adverse change;

4. The loan is made pursuant to a written loan agreement, the terms of which are at least as favorable to the plan as an arm's-length transaction with an unrelated party would be. Such agreement may be in the form of a master agreement covering a series of securities lending transactions;

5. (a) The plan (1) receives a reasonable fee that is related to the value of the borrowed securities and the duration of the loan, or (2) has the opportunity to derive compensation through the investment of cash collateral. Where the plan has that opportunity, the plan may pay a loan rebate or similar fee to the borrower, if such fee is not greater than the plan would pay in a comparable transaction with an unrelated party;

(b) The plan receives the equivalent of all distributions made to holders of the borrowed securities during the term of the loan, including, but not limited to, cash dividends, interest payments, shares of stock as a result of stock splits and rights to purchase additional securities;

6. If the market value of the collateral at the close of trading on a business day is less than 100 percent of the market value of the borrowed securities at the close of trading on that day, the borrower shall deliver, by the close of business on the following business day, an additional amount of collateral (as described in paragraph 2) the market value of which, together with the market value of all previously delivered collateral, equals at least 100 percent of the market value of all the borrowed securities as of such preceding day.

Notwithstanding the foregoing, part of the collateral may be returned to the borrower if the market value of the collateral exceeds 100 percent of the market value of the borrowed securities, as long as the market value of the remaining collateral equals at least 100 percent of the market value of the borrowed securities;

7. The loan may be terminated by the plan at any time, whereupon the borrower shall deliver certificates for securities identical to the borrowed securities (or the equivalent thereof in the event of reorganization, recapitalization or merger of the issuer of the borrowed securities) to the plan within (1) the customary delivery period for such securities, (2) five

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H. Comerica or its tri-party custodian must take possession of all repurchase agreement collateral. The maximum repurchase agreement term is 90 days. Collateral must be marked to market daily by Comerica or its tri-party custodian. No more than 15% of the cash collateral pool will be invested in each type the repurchase agreements outlined in H., I., and J. under Permitted Investments. Repurchase agreements may be entered into with the following primary government dealers:

Barclays Capital Inc.
Bear Stearns & Co. Inc.
Credit Suisse First Boston
Dresdner Kleinwort Benson
Goldman, Sachs & Co.
Lehman Brothers Inc.
Merrill Lynch Government Securities Inc.
Morgan Stanley & Co.
Citigroup Global Markets Inc.

I. Comerica or its tri-party custodian must take possession of all Broker Master Note collateral. Collateral must be marked to market daily by Comerica or its tri-party custodian. A Broker Master Note may be entered into with the following primary government dealers:

Citigroup Global Markets Inc.
Goldman, Sachs & Co.
Merrill Lynch Government Securities Inc.

EXHIBIT I

Gentlemen:

This letter together with the attachments hereto constitute our agreement wherein you appoint Comerica Bank, as your agent to engage in securities lending activities, as provided herein on your behalf. We may lend securities from the accounts you have established or may establish in the future pursuant to your trust, custody, agency, or managing agency agreement with Comerica Bank. We will lend such securities only to the banks and security brokers approved by you as identified in Attachment A and as we may amend from time to time. You represent that none of the banks and security brokers identified in Attachment A nor any of their affiliates has discretionary authority or control with respect to the investment of employee benefit fund assets involved in a loan transaction or renders investment advice(within the meaning of 29CRF 2510.3 - 21(c)) with respect to those assets. We shall administer such loans, whether or not subject to the Employee Retirement Income Security Act of 1974 ("ERISA") in accordance with the terms of Department of Labor Prohibited Transaction Exemption 81-6, as amended originally dated effective January 23, 1981, which are incorporated by reference into and made a part of this agreement, and subject to the following terms and conditions:

1. We, or our agent, shall secure a written Loan Agreement from each bank and security broker to whom securities are loaned pursuant to this agreement. We or our agent shall use our best efforts to complete promptly, either by physical delivery or by book entry in a securities depository, the delivery of securities against same day delivery of collateral of at least equal value which will be held by us for your account. Such collateral (the "Collateral") shall consist of cash or securities issued or guaranteed by the United States Government or its agencies or instrumentalities ("Government Securities").

2. We, or our agent, shall invest the cash Collateral in various short-term instruments and investment vehicles. You agree that we can commingle cash Collateral in your account(s) with the cash Collateral in one or more accounts of other securities lending customers. We shall credit the account with income less expenses therefrom including rebate or similar fees where appropriate. When Collateral other than cash is received, the fee to the account shall be reasonable and shall be related to relevant market factors. You reserve the right to instruct us in writing to refrain from investing cash Collateral in specific securities or with the issuers thereof. You understand and agree that your cash Collateral account(s) will not acquire a fractional undivided interest in the securities held therein, but rather will acquire a pro rata proportionate interest in each and every security. Comerica agrees that it is a fiduciary as that term is defined in section 3 (21) (A) of ERISA to the extent it invests the cash collateral.

3. We will credit your account on payable date with interest, dividends, rights and other distributions paid on U.S. securities loaned to borrowers.

4. You agree that all voting rights shall be exercisable by the borrower of the loaned securities or its designee and authorize us to waive such rights on behalf of the account.

5. We or our agent receive copies of financial statements from borrowers.

6. If the aggregate market value of all securities loaned to a borrower pursuant to this agreement (determined on the basis of the last reported sales prices on the national securities exchange on which the securities are traded or, if not so traded, as reasonably determined by us or our agent) shall exceed, at any time as of the close of business on any business day (as hereinafter defined), the amount of the Current Collateral (as hereinafter defined), we shall promptly demand that the borrower increase the amount of the Collateral ("mark to market") by an amount sufficient to cause the aggregate amount of the Current Collateral to equal not less than 100% of the then market value of the securities as of the close of business on the business day as of which such excess was determined to exist. In such event, we shall demand that the borrower deliver to us or our agent for your account, no later than the close of business on the business day following the business day as of which such excess was determined to exist, additional Collateral in the appropriate amount. "Business day" shall mean a day on which the New York Stock Exchange, banks located in the city of New York and Comerica Bank, are open for business. "Current Collateral" shall mean the Collateral initially delivered by the borrower in an amount equal to at least 100% of the market value of the securities loaned to the borrower pursuant to this agreement, plus accrued rebate owed to the borrower, plus the aggregate of all additional amounts deposited by the borrower, if any, and less the aggregate of all amounts released to the borrower, if any.

7. You shall pay for services provided under this agreement at rates as set forth in Attachment B hereto, and as such rates may be amended from time to time, subject to your approval.

8. You acknowledge that **THE PROVISIONS OF THE SECURITIES INVESTOR PROTECTION ACT OF 1970 (SIPA) MAY NOT PROTECT THE LENDER WITH RESPECT TO THE SECURITIES LOAN TRANSACTIONS BETWEEN LENDER AND BORROWER AND THAT, THEREFORE, THE COLLATERAL DELIVERED BY BORROWER TO LENDER MAY CONSTITUTE THE ONLY SOURCE OF SATISFACTION OF BORROWER'S OBLIGATION IN THE EVENT BORROWER FAILS TO RETURN THE SECURITIES INSOFAR AS SIPA IS CONCERNED.**

9. This Agreement may be modified by mutual consent in writing and may be terminated at the option of either party upon three business days' prior written notice to the other party; provided, however, that upon our receipt of a written termination notice from you, we shall not make any new loans pursuant hereto and with respect to all outstanding loans we shall terminate such loans on an orderly basis. In any event, we shall terminate any outstanding loan upon your request.

10. Each party hereto represents to the other that it is authorized to enter into this Agreement and the persons executing this Agreement do legally bind each party to the terms hereof.

11. This agreement shall remain in effect during the term of the Agency Agreement between Comerica Bank and the Line Construction Benefit Fund. This Agreement may not be assigned without the prior written approval of each of the parties hereto.

12. This Agreement shall be governed by and construed in accordance with the Employee Retirement Income Security Act of 1974, as amended, if applicable to your account established hereunder or to other applicable laws or regulations, including but not limited to the laws of the States of New York and Illinois.

13. All notices required or permitted under this Agreement shall be delivered or mailed by first class mail, postage prepaid, or sent by facsimile transmission to the addresses or facsimile numbers indicated below, or to such other addresses or facsimile numbers as we furnish in writing to each other from time to time. Such notices may be given verbally as long as they are subsequently confirmed in writing.

Please indicate your acceptance of agreement to the terms and conditions set forth in this letter by signing the enclosed copy of this letter in the place provided below and returning it to us, whereupon this letter shall become a binding agreement between us.

Very truly yours,

COMERICA BANK

Institutional Trust Department
411 West Lafayette, 4th Floor
Detroit, Michigan 48226
M/C 3465
Facsimile Transmission 313-222-3224

By: [signature]
GARY A FAMILA
FIRST VICE PRESIDENT
Date: 09/19/06

Accepted and agreed to:

LINE CONSTRUCTION BENEFIT FUND

By: [signature] E A Paxton

Date: 09/14/06

ATTACHMENT A

COMERICA BANK
SECURITIES BORROWER LIST

~~ABN AMRO Inc.~~
Abbey National Securities Inc.
Banc of America Securities LLC
Barclays Capital Inc.
Bear Stearns & Co., Inc.
BNP Paribas Securities Corp
Citigroup Global Markets Inc.
Countrywide Securities Corp.
Credit Suisse First Boston LLC
Deutsche Bank Securities Inc.
Dresdner Kleinwort Wasserstein Securities LLC
Goldman Sachs & Co.
RBS Greenwich Capital Inc.
Harris Nesbitt Corp
HSBC Securities (USA) Inc.
ING Financial Markets LLC.
Jefferies and Company
J.P. Morgan Securities Inc.
Lehman Brothers, Inc.
Merrill Lynch, Pierce, Fenner & Smith Inc
Morgan Stanley & Co. Inc.
RBC Capital Markets Corp.
SG Americas Securities Inc.
UBS Securities LLC

Updated June 2006

ATTACHMENT B

FEE SCHEDULE - SECURITIES LENDING

All Loans - Comerica Bank will charge a monthly fee equal to 40% of the income received after all borrower rebates and finder fees are deducted.

ATTACHMENT C

Comerica Bank
411 West Lafayette
Detroit, Michigan 48226-3465

Gentlemen:

Re: SECURITIES LENDING AGREEMENT DATED September 19th, 2006

BETWEEN COMERICA BANK AND LINE CONSTRUCTION BENEFIT FUND

With respect to the referenced agreement, we hereby acknowledge that Comerica Bank does not indemnify against any loss which may result from investment risk.

By: E A Paster

Date: September 19, 2006

Indemnification Addendum

This Attachment is added to and forms a part of the letter agreement dated Sept 19, 2006 between Line Construction Benefit Fund ("Lender") and Comerica Bank ("Comerica").

Comerica agrees to indemnify Lender as follows:

(a) If any such borrower fails to return any securities loaned or any portion thereof for any reason (including, without limitation, the solvency or bankruptcy of a borrower) in accordance with the terms of the Loan Agreement, Comerica will indemnify Lender against loss resulting from the failure of such borrower to remit amounts equal to interest, dividends or other distributions on the securities loaned, by crediting Lender's account in cash, within a reasonable time, in an amount equal to the amount of interest, dividends or other distributions due but not received by Comerica.

(b) Comerica will indemnify Lender against loss resulting from a default on the part of any such borrower in making a timely return of the securities loaned or any portion thereof for any reason (including, without limitation, the solvency or bankruptcy of a borrower). Comerica's responsibility will be satisfied by crediting Lender's account within a reasonable time following the termination of a loan with either the securities in kind or, at the option of Comerica, an amount in cash equal to the market value of the securities as of the close of the business on the day the account of the Lender is so credited.

This indemnity does not cover loss resulting from a failure on the part of the borrower to return securities if such failure results from the inability of Comerica to return, because of a loss or decrease in the value of the cash collateral investment, the current collateral securing a loan.

COMERICA BANK

By [signature] GARY A. FAHIA FIRST VICE PRESIDENT

Date September 19 2006

Accepted and agreed to:

LINE CONSTRUCTION BENEFIT FUND

By E A Porter

Date September 19, 2006