

**JACKSONVILLE POLICE AND FIRE PENSION FUND  
BOARD OF TRUSTEES**

**In re: Monthly Written Report of  
Legal Counsel Paul Daragjati of  
Klausner, Kaufman, Jensen  
& Levinson**

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Update on Existing Matters

There are no matters previously assigned to legal counsel to report on.

New Matters

Included as an agenda item is the Jacksonville Police and Fire Pension Fund Board of Trustees' Response to the Forensic Investigation Report to Jacksonville City Council by Benchmark Financial Services. The report was drafted at the direction of the immediate past Chairman of the Board of Trustees.

Securities Litigation

Jacksonville is among the court appointed lead plaintiffs in the following cases. Each case is prosecuted on a contingency basis and the fund has no obligation for fees or costs, which are paid from any potential class recovery. Time spent by Fund staff is directly reimbursed from the class recovery. KKJL has been active counsel in these cases along with the lead securities counsel and will receive payment based on KKJL's contributions to the litigation from any class-wide recovery.

*In re NII Holdings, Inc. Securities Litigation*  
No. 14-cv-227-LMB-JFA (E.D. Va.)

Update: these is nothing new to report on this matter.

History: The Jacksonville P&F holds stock in a corporation that provides wireless services in South America. The company is alleged to have had a substantial failure to replace outmoded communications equipment but allegedly misreported those losses to shareholders causing Jacksonville to suffer a \$1.4 million loss in the stock during the 2010-2014 class period. Jacksonville filed suit to recover those losses, along with Denmark's largest pension fund and two large Taft Hartley Plans (private sector trade union funds), who collectively had \$15million in losses. Discovery took place and the Jacksonville P&F Executive Administrator was deposed in New York City. The parties

have reached a mediated settlement and declarations have been submitted to the Court for final reimbursement of fees and costs, and issuance of a final order.

*Lloyd v. CVB Financial Corp., et al*  
No. 10-cv-06256-CAS-PJW (C.D. Ca)

Update: On September 9, 2016, Jacksonville PF moved for class certification, filing the motion and supporting documents.

History: This is a case brought in 2011 in federal court in California to recover losses incurred when CVB, a bank holding company, allegedly unreported real estate loan failures and allegedly inflated collateral to avoid loss of share value. In 2013, the court dismissed the claim and the decision was made to appeal to the US Court of Appeals for the 9th Circuit, which partially reversed the District Court and allowed the case to proceed to discovery. Originally, the Fund was not going to pursue the case because the loss was \$165,000 and it was believed that larger pension funds would pursue the matter. As the filing deadline approached, it became clear that no one else was pursuing the claim and Jacksonville would have had no opportunity to receive any recovery if it did not file.

*In re: Tower Group International, Ltd., Securities Litigation*  
No.: 13-cv-05852-AT (S.D. NY)

Update: Nothing to report at this time.

History: This is an action against a Bermuda based insurance holding company that as a result of a merger had substantial reduction in its reserves causing the stock price to fall from \$21 per share to \$4.39 per share. Jacksonville sued along with the Oklahoma Firefighter Pension Fund and the Kansas City Pension Fund who collectively had \$1.1million in losses. The case was mediated to a resolution with a recovery for the class of \$22.5 million. Unfortunately, the aggregate losses were much larger but the holding company in which all the class members held stock was effectively insolvent. The recovery was paid by the officer and director insurance policies. Claims against the accounting firm for the company remain open. No class members objected and a final order is expected at any time.

*Birmingham Fireman's and Policeman's Supplemental Pension System v. Plains All-American Pipeline, L.P.*  
No.: 15-cv-02404 (S.D. Tex.)

Update: Nothing new to report.

History: Plains is a firm that operates oil pipeline and energy infrastructure, which sustained a large oil spill in California in 2015. In its public filings pursuant to the Securities Act, it is alleged that the company mislead investors regarding their oil

pipeline monitoring and safety measure failures leading to a dramatic drop in share price after the issues were publicly revealed. Several funds filed suit against the company, including Jacksonville, however Jacksonville was not near the largest losses in this litigation, so it withdrew its claim for class status. During discovery it was revealed that the lead plaintiff, IAM National Pension Fund, did not purchase stock in Plains' secondary offerings, but Jacksonville did. Jacksonville moved for status as lead plaintiff in these secondary offerings, which was granted. Discovery is continuing.

*Peter Makhlouf v. Tailored Brands, Inc. et al.*

No.: 16-cv-838

Update: all briefing for lead plaintiff is complete and awaiting decision by the US Court in Houston, TX.

History: Tailored Brands (f/k/a Men's Wearhouse) purchased a rival retailer, Jos. A. Banks (JOS), after the rival attempted to take over Tailored Brands. The purchase price premium was 56% over JOS' share price. The deal was sold to shareholders as "earning accretive" after one year, but the allegations are that JOS' business model (3 for 1 sales) was detrimental to the business. The acquisition led to substantial earnings for the CEO of Tailored Brands, but losses for Tailored Brands, Inc. After announcing the cessation of 3 for 1 sales, JOS' earnings deteriorated and the stock price fell 43% over the next year. All the while, Tailored Brands filed misleading statements in regards to the acquisition and the discontinuance of the sales strategy. Jacksonville PF has over \$1 million in losses and has moved for lead plaintiff with the Oklahoma Police Pension and Retirement System. The lead Plaintiff motion is pending in federal court in Houston. The other potential moving lead is a British pension fund.