

# NEW ORLEANS FIRE FIGHTER'S PENSION AND RELIEF FUND Investment Board Meeting

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Martin Gaal  
Board President

Thomas F. Meagher, III  
Secretary-Treasurer

SUBJECT:

Board of Trustees Investment Board Meeting  
Fire Fighter's Pension & Relief Fund

TIME, DATE AND PLACE:

10:00 am Aug 12, 2020  
2401 Westbend Parkway  
Suite 3001  
New Orleans, Louisiana 70114

This meeting was held via zoom.

Board President Martin Gaal called the meeting to order. The following members of the Board of Trustees were present: Gaal, Meagher, Krsak, Roy, McConnell, Tervalon and Norm White..

With a quorum being present, the Board President declared the meeting duly convened to conduct business at 10:05 a.m. The Secretary Treasurer opened the meeting with the Pledge of Allegiance and a moment of silence for fallen firefighters.

Also present,  
Jon Breth, & Co. Consulting  
Paul Mitchell  
Louis Robein, Board Attorney

## **COMMUNICATIONS:**

None noted

## **REVIEW AND ACCEPT MINUTES**

May 2020 Investment Board Minutes require approval.

There was no September, October, November and December 2020 Investment Board meeting.

**MOTION:** Moved by Meagher and seconded by Gaal to approve the May Investment Board minutes.

Motion passed.

**NO OBJECTIONS**

## **REGULAR BUSINESS:**

### **Fund performance**

Jon provided the Board with a market update. He noted that in the second quarter, the market continued its recovery. Performances of all major indices were up substantially. Jon discussed in detail the performance of all stock market sectors, small cap, mid cap, and large cap stocks and that performance relative to the Fund's portfolio. Growth stocks lead the way in the recovery (vs value stocks). The Fund's portfolio is not sector bias, but was able to perform well as major large cap stocks did well. The US domestic market saw out performance in the tech, healthcare and consumer discretionary sectors. Recovery in the international markets was also positive, up 6%, but not as robust as domestic stocks or emerging markets, with emerging markets up as well in the second quarter.

Jon noted the Bond market performed well as the Fed was very aggressive in adding liquidity to the bond market through the purchase of treasuries and bonds including corporate bonds and high yield bonds. Jon continued his discussion of the performance in the bond markets.

Market value and performance of Fund liquid assets relative to their benchmark was discussed in specific detail. Discussion on the possibility of moving to active management followed possibly small-mid cap or large cap and an update our investment policy and targeted asset allocations before the end of the year.

Other comments regarding the Fund's seasoned investments follow:

**Whalehaven** is still in liquidation. The push is on since 2011 to liquidate this fund. This is a hedge fund/private equity investment started in 2007. There have been no positive results in liquidating the Fund. Jon has proposed to write down this asset as recovery is deemed unlikely as well as consider getting Board legal counsel to prepare a letter demanding recovery.

**Endgame:** Based upon discussion with the Company's CEO proceeds from a customer may be available for distribution. The total value of the investment is estimated at \$2.5 million. The Fund has less than a 20% stake in the entity. A write down was made.

**Fire Flix update:** Jon noted that Vertical entertainment has acquired the Culling and Tell Tale Heart out of bankruptcy. The National Lampoon movie, Dirty Movie II, is not in bankruptcy. There is no update on this movie other than that Amazon Prime video in the UK is showing the movie during 2019. No new action.

### **Fire Lake Development**

Jon noted that the recent sale of portions non golf property and cancellation of the outstanding debt on the property has resulted in a \$3,000,000 valuation of the remaining parcel of non-golf course property, and \$2,000,000 valuation of the golf course which is equal to the assessed tax value of the property.

**Greensprings**

Jon noted that the investment is headed to its last stages as planned. He expects that the Fund will be totally liquidated during 2020. Performance of the Fund has been outstanding.

**Fire Water**

The Fund received a dividend payment during 2019, the first of its kind. Meagher and Mitchell will meet with management before the summer session begins. This Biloxi Water Park has refinanced its debt. Profitability should be improved in the next few years.

**Fire Game**

This investment consists of a piece of property in Biloxi, Ms. on Caillavet Street, appraised at \$300,000. The initial investment involved the acquisition of a gaming license and construction of a new casino. The casino project failed.

**Wilton Private Equity**

This fund is nearing completion and should be liquidated by year end.

**Murphree Venture Partners:**

The management at Murphree is moving to liquidate the Fund.

**Louisiana Fund I:** We are still trying to liquidate or sell this Fund. New offers will be sought after financials are released. Two biotech holdings are being marketed to create liquidity. Management has secured a two year extension of this fund. Management hopes that their two major investments attract an investor in the coming year.

**ADJURNMENT:**

**MOTION:** Moved by Meagher and seconded by Gaal to adjourn the meeting.

Motion passed.

**NO OBJECTIONS**

**APPROVED By:**  **Date:** 2/19/2021