

FINANCIAL NOTES: June 30, 2009

NOTE 1 - Litigation

- A. ICERS is currently involved in various lawsuits and other claims arising in the ordinary course of its operations. ICERS' management and legal counsel estimate that the ultimate outcome of such litigation will not have a material effect on ICERS' financial statements.
- B. The Board of Retirement is involved in several investment related lawsuits. The two current suits are:
  - a. Jarden Corporation
  - b. JP Morgan Chase Bank Corporation

NOTE 2 - Computer Technology

As of 1-1-2008, ICERS has used the authority under section 31580.3 of the California Gov't Code to hire Linea, a computer technology consulting firm and James Evans & Associates, a computer system development company. As of 6-30-09 ICERS has spent \$971,228.20 on items outlined in this government code section.