

MINUTES OF THE RETIREMENT BOARD
Thursday, June 29, 2017

A meeting of the Retirement Board was held on Thursday, June 29, 2017 at 8:30 a.m., in the Administration Building, 9th Floor Committee Room, located at 1 South Main Street, Mount Clemens, Michigan. The following members were present:

Present:

Mark Deldin, Gary Cutler, Carol Grant, Matthew Murphy, Larry Rocca, Bryan Santo, Bob Smith, George Brumbaugh

Excused:

Also Present:

Stephen Smigiel, Stephanie Dobson, Eric Herppich, John Schapka, Joe Biondo, Larry Lee, Aaron Castle, Amy Cole, Erik Burger, Brian Brice, Burton Carlson, Don Brown

1. Call to Order

There being a quorum of the Board present, the meeting was called to order at 8:30 a.m. by Chair Deldin.

2. Adoption of Agenda

A motion was made by Trustee Grant, supported by Trustee Murphy to approve the agenda as presented. The motion carried.

3. Approval of Minutes – June 8, 2017

A motion was made by Trustee Grant, supported by Vice-Chair Cutler to approve the minutes of June 8, 2017 as presented. The motion carried.

4. Approval of Invoices

A motion was made by Trustee Murphy, supported by Trustee Smith to approve the invoices as presented. The motion carried.

5. Public Participation

Commissioner Don Brown spoke for a moment on behalf of the Intermediate Trust Board which also utilizes Morgan Stanley Graystone as its Investment Consultant. The Intermediate Trust Board has approximately \$312 million that they are managing. He is looking forward to getting some answers on the dismissal of Mr. Holycross, the Board's long-time pension manager. He would like to know if something illegal happened or if it was some sort of personal, internal dispute that has now become the Board's problem. In his mind, Mr.

Holycross' dismissal has caused the Board undue disruption by losing a fund manager that was key to this system for a long time. He stated that the relationship with Mr. Holycross matters to him and matters to this fund. He is very upset that they have been forced to "jump ship" and work with someone who doesn't know the Board or have the experience and track record that Mr. Holycross had. He does not like that someone else's problem has now become the Board's problem. Commissioner Brown is very anxious to hear Morgan Stanley's explanation.

6. Retirement Administrator Report

Ms. Dobson provided the Activity Report with the numbers as of the end of May. She also distributed a bio sheet for Mr. Timothy Bowen at Conduent. He will be replacing Mr. Langer as the Board's actuary. Mr. Langer is no longer with Conduent and Mr. Bowen will likely be the one coming in to present the 2016 Valuation to the Board once it is complete.

Ms. Dobson also advised the Board that the Medical Director RFP information from 2014 was included in their packets. She summarized the beginning of the relationship with MMRO and how they came to be the Board's Medical Director. When she became the Interim Retirement Administrator in February 2015, her first project was the implementation of the procedures for bringing MMRO on board. The first disability retirement was processed shortly thereafter and the Board was very pleased with the thoroughness of the report that was received.

In late September 2016, Ms. Dobson was presented with a new pricing sheet from MMRO and they asked for a review of their fees. At that time, Ms. Dobson was in the midst of bringing the new Actuary on board and was not able to present the proposed increase until January 2017. At that time, Ms. Dobson was directed to work with MMRO on streamlining the policies and procedures for the disability retirement application process. That work was completed in May and they will be processing their first application with the new forms and procedures very soon.

a. MMRO Fee Discussion

Mr. Doug Minke from MMRO joined the meeting and gave a bit of information on the company and he said with the documentation and updated procedures that have recently been put in place, he thinks the Board will be much better off. These changes will result in even more thorough clinical reviews. He stated that when they approached Ms. Dobson about the proposed fee increases in September, they realized that when they began working with the Board they had undershot what their clinical scope of review was going to be with regard to the claims submitted to the system. This was due to the fact that members were completing a "disability application" and on that form they were listing (in their own words) any and all conditions they believed to be disabling. This can often cut across a variety of medical specialties and researching every single condition was resulting in much higher costs for clinical review than was initially anticipated. The work that they were doing ended up being much broader than when they responded to the RFP in 2014.

His team at MMRO worked with Ms. Dobson and her team to develop some new procedures and forms to be utilized that would cut down on the clinical expense tied to the reviews. He

stated that they enjoy working with Ms. Dobson and providing their service to the Board and opened the floor up for discussion.

Vice-Chair Cutler inquired why if Mr. Minke's company has been doing this type of work for years, how they could have quoted such a low price in their RFP knowing the extent of the work that was going to be involved. Mr. Minke stated that his company really did not uncover the extent of the work that would be involved in clinical reviews for this Board until they really started processing applications. They first worked on becoming more efficient internally to see if they could make the process better on their end prior to coming to the Board with their fee increase request, but it simply ended up being that the scope of the work needed was much more than they originally anticipated.

Trustee Brumbaugh asked Mr. Minke when they submitted their RFP if they did not receive copies of the documents that were being used by Human Resources. Mr. Minke was not a part of MMRO during the initial bid process, but he would guess that was something that should have happened. Trustee Brumbaugh questioned why MMRO is still asking to increase fees if Ms. Dobson has gone through the process of making the changes MMRO recommended. Trustee Brumbaugh stated that this almost seems like a "bait and switch" since MMRO came in with an exceptionally low bid and is now trying to raise their fees. He does not feel that is good business practice. Mr. Minke replied that this was absolutely not a bait and switch and he said they made a good faith offer to a partner (the Board) who rejected it and that is why they are here having this discussion today. He had expected that the Board might provide a counteroffer or that it would be discussed today. Mr. Minke also stated that MMRO is open to providing revised pricing if that is what the Board would prefer.

Trustee Smith asked if this Board is MMRO's first large client that has had an issue like this. He expressed surprise that they did not seem to have a better idea of what fees they should be charging based on the needs of the Board and the processes that were in place at the time MMRO began working with them. Mr. Minke responded that they have other large clients and simply did not anticipate the large volume of medical information that would be supplied by disability applicants here through the initial process. He also remarked that the revised pricing that had been supplied is actually still less than what they would charge a brand new client today. He agreed that in hindsight the initial pricing was far below what it should have been. Trustee Smith asked Mr. Minke to confirm that the revised pricing that was supplied was almost double what they have been paying. Mr. Minke confirmed that in some instances it is double and that is why he is here today to have a discussion with the Board now that a better "Member Application" and "Physician's Statement" are in place and the process has been streamlined.

Chair Deldin stated that as fiduciaries the Board members take their responsibility in reviewing service provider agreements very seriously. He said the RFPs are put together and companies are asked to submit their rates with their proposal. The Board did not barter with MMRO on the fees and they were not chosen because they were the lowest bidder. They were chosen because it was felt they would be better than the company they previously had providing this service. Chair Deldin takes offense to the notion that MMRO would expect a counteroffer from the Board on a fee increase. He assumes that when MMRO sent the

updated pricing sheet to Ms. Dobson, that those were the best prices they could offer at that time (especially given that Mr. Minke stated those prices were way under what they would charge a brand new client today).

Mr. Minke apologized and stated that perhaps “counteroffer” was not the word he should have used. He should have said that now that the changes are in place, MMRO would like to provide a revised pricing scenario. He did not intend to offend Chair Deldin or anyone else on the Board. He would like an opportunity to provide the Board with revised pricing in the next week or so. Chair Deldin stated that he did not understand why MMRO would even be interested in sending revised pricing given that Mr. Minke stated they are already charging the Board way under the market rate. He is unclear why MMRO would even want the Board’s business at this point. Mr. Minke responded that MMRO very much likes working with the Board and he hopes that MMRO has brought value to the processes and procedures and the thoroughness of the clinical review. He said they would like to keep the business because they value their relationship with the Board. They would like to provide revised pricing at this point because what they submitted to Ms. Dobson previously no longer holds since there have been so many improvements made to the process to reduce the clinical burden.

b. Arbitration Appeal Decision Update

Mr. Herppich provided a summary of the case that resulted in the arbitration appeal decision. This case involved two part-time employees and after a negotiated date (January 2002) they became full-time employees. The question was whether or not their membership drove their eligibility for a certain level of benefits within the retirement plan. A grievance was filed on behalf of those employees. One of the employees did not work the requisite number of hours (1,000 in a year), but the other did work the requisite number of hours and that employee was sent a letter giving them the opportunity to pay for their time that qualified them to be in the retirement plan. That employee declined that offer, so Human Resources and Labor Relations (HRLR) took the position that they were not eligible for those benefits based on their part-time hire date. The case went to arbitration and the arbitrator ruled that the County relied on its policy and not on its Ordinance since there wasn’t language in the Ordinance pertaining to those issues (they were covered by ancillary policies that were approved by the Board). The arbitrator ruled in favor of the union that those benefits were driven by their hire date, not by their membership date which caused a benefit change. The County appealed the arbitrator’s ruling to Circuit Court and the appeal essentially involved determining whether or not the arbitrator reached beyond his authority. It is a fairly limited argument and a difficult one to make. Judge Druzinski ruled that the arbitrator was within his authority to interpret the contract language.

The key piece that Mr. Herppich wants the Board to take away from this case and the arbitrator’s ruling is that in looking at the language in the labor contracts it is said that the union and the employer have agreed to what the Ordinance says (including the ability to change the Ordinance periodically). When looking at what the Ordinance says and what the policies say, he thinks that is going to be a problem further down the road. He would recommend to the Board that the Ordinance be reviewed on a more regular basis and it be allowed to be more of a “living document” than simply being reviewed/updated every 12-13

years. Historically, updates to the Ordinance have only been done once a decade and he recommends at least an annual update of the Ordinance and that changes be made in the Ordinance itself instead of relying on ancillary policies that cause problems like those in this case.

Mr. Herppich also recognized that there are some outstanding questions on eligibility and that they had been waiting for this case to be resolved before they could make some recommendations. In the next meeting or two, Ms. Dobson and Mr. Michaud will present the Board with some recommendations now that a decision has been made in the arbitration case.

Mr. Castle added that these items are still being reviewed on a case-by-case basis, but they are also working on cleaning up the Ordinance so there can be some clarification moving forward. Until that time, these cases will need to be reviewed individually. Mr. Herppich added that when an appeal is made on an arbitration ruling, there are very few reasons why a judge can vacate an arbitration award. One of the main reasons is that the arbitrator violated a law and an Ordinance is a law enacted by the Board's authority. The more things that can be articulated in the Ordinance, the better off the County will be.

c. Annual Signature Verification

Ms. Dobson reported that the annual signature verification will be commencing again very soon. The letters (close to 2,700) are being prepared by the Print Shop and will hopefully be out in the mail next week. She also advised the Board that for the 2016 signature verification, there are still three members who have not responded. Her staff is still reaching out to those individuals to the best of their ability. Their pension payments (and subsequently their health care benefits) were suspended and in the event they end up complying with the signature verification, they will be paid retroactively to the time of the suspension.

7. Legal Report – Spring 2017 Case Update

Mr. Castle provided the Spring 2017 Case Update. This is something that is provided on an annual basis and provides a look back over the prior 12 months of all pension and retiree health care related cases that have come down in the state of Michigan. He will not review each case individually, but is happy to answer any questions the Board members may have. He did note, not surprisingly, retiree health care continues to be a highly litigated area.

Trustee Grant asked if there is anything new in Lansing right now that the Board should be aware of. Mr. Castle responded that Lansing seems to be largely focused on teachers right now, so retiree health care has been put on the back burner for the time being. He does not see the issue going away, however, but at this point nothing new has been introduced.

8. Franklin Templeton update presentation

Mr. Michael Wasz joined the meeting to provide the Board with an update on the Franklin Templeton portfolio. He reviewed performance since inception and their overall outlook for

the portfolio. He discussed the portfolio's characteristics including the fact that it has no interest rate sensitivity and the yield is just over 7.5%. Mr. Wasz also examined geographic allocation and currency allocation.

A motion was made by Trustee Murphy, supported by Trustee Santo to receive and file the Franklin Templeton update presentation. The motion carried.

9. Graystone Consulting – Private Real Estate Education

Ms. Cole began by introducing Mr. Burton Carlson who is also a member of the Graystone Southeast Michigan team. Mr. Burger advised the Board that as of May 31st, the portfolio's market value was \$970.8 million and for the quarter that is roughly a 1.7% return. The Board's Investment Policy Statement allows 0-10% in real estate and right now they are at about 8%. Over the next 12 months they expect to get around \$8-10 million in distributions from the current real estate managers. Only two are currently calling capital (Alidade IV and Townsend TREA II). There is room in the portfolio for about 2% more or roughly \$20 million in real estate.

Ms. Cole directed the Board to the bound presentations that were distributed to the Board with the meeting packets. There is information provided regarding this particular asset class and opportunities that are available. She wants to focus on why the Board might want to continue an allocation in real estate. Private real estate provides an opportunity for diversification within the portfolio. Ms. Cole provided a brief overview of the real estate market and discussed four major property types and two types of markets. It is a broad asset class with lots of choices, but they will be focused exclusively on the private real estate side.

Mr. Carlson provided the Board with information related to three different options that are being recommended by Graystone. They have a long list of different private real estate options that have passed through their due diligence process, but these three are different niches for the Board to consider. They are the American Core Realty Fund, Metropolitan Real Estate Partners and Valstone Partners. Mr. Carlson provided some background information on American Core Realty Fund and Metropolitan Real Estate Partners. This included assets under management, the make-up of the leadership teams, the structure of their investments and fee schedules. Mr. Brice provided similar information on the third option, Valstone Partners. He recommended that the Board take the time to interview these three candidates and consider how they would each complement the Board's existing portfolio.

A motion was made by Trustee Murphy, supported by Trustee Grant to receive and file the Private Real Estate Education presentation. The motion carried.

10. 2017 Fall MAPERS Conference

A preliminary copy of the 2017 Fall conference agenda was provided to the Board members. The dates for the conference are September 16-19, 2017.

A motion was made by Trustee Grant, supported by Trustee Rocca to authorize attendance of the 2017 Fall MAPERS Conference by Board members and staff. The motion carried.

Ms. Schave will send out a follow-up email to the Board regarding registration deadlines.

11. Unfinished Business

a. Investment Consultant RFP

This item will be carried over to the next meeting agenda.

12. New Business

Chair Deldin referred back to the conversation that had been with Mr. Minke from MMRO earlier in the meeting. He stated again that as a member of the Board, he does not feel they should make a counteroffer. If MMRO wants to come back to the Board with revised pricing that can be considered. He believes the service they are getting from MMRO is much improved over the vendor they had been utilizing before and that was the driving force in looking for a new company.

Ms. Dobson asked for clarification on how the Board wants her to proceed with MMRO at this point.

A motion was made by Trustee Murphy, supported by Trustee Rocca to have Ms. Dobson communicate with MMRO to find out what their new proposed rates would be given the adjustments that have been made to the disability retirement application process. The motion carried.

Trustee Brumbaugh asked Chair Deldin if Commissioner Brown could be allowed to ask the representatives from Graystone some questions about the dismissal of Mr. Holycross since he was not in attendance at the last meeting. He indicated that he also has a few follow-up questions. Chair Deldin indicated that Trustee Brumbaugh could go ahead with his questions, but did not want to break protocol since Commissioner Brown is not actually a member of the Retirement Board and is at the meeting as a member of the public.

Trustee Brumbaugh inquired about several individuals listed on the Southeast Michigan Graystone Consulting organizational chart that had been distributed to the Board at the last meeting. He asked Ms. Cole if she and Mr. Holycross had been equal partners in the Holycross Group. She confirmed that they were partners in the Holycross Group for roughly the last year. Trustee Brumbaugh asked Mr. Carlson which group he is a member of. Mr. Carlson responded that he is an equity partner of the Messner-Krakowiak Group. Trustee Brumbaugh asked for confirmation the Mr. Messner is the head of the Messner-Krakowiak Group and Mr. Carlson advised that Mr. Messner brought that group together. Trustee Brumbaugh then asked who makes the final decisions within the Brice Group, Mr. Brian Brice or his brother, Mr. Tim Brice. Mr. Brice responded that the group operates with a management committee and an investment committee to reach decisions, but ultimate responsibility for those

decisions lies with Tim and Brian. Trustee Brumbaugh went on to ask about every other individual on the organizational chart including the support staff. The Graystone staff present answered each inquiry.

Trustee Brumbaugh asked who the main contact person is now for this Board. Ms. Cole responded that she will continue to be the main contact, but that Mr. Brice can also be a source of information. Mr. Brice added that based on the comments he heard earlier in the meeting, he would hope that clients he had for a long time would feel the same way about him as this Board (and Commissioner Brown on behalf of the Intermediate Trust Board) feel about Mr. Holycross. He acknowledged that no one likes change, but fortunately Ms. Cole and Mr. Burger are still available and there is a strong team available behind them to help. He realizes that there has been disruption and that their team is at-will. The Board can tell any or all of them not to come back tomorrow if they choose. Mr. Brice said that they are committed to working with the Board as long as they are invited to do so. They are going to give the Board their very best and if that means introducing new people with certain expertise, that may happen from time to time. He understands that the Board would likely rather have Mr. Holycross back as their point person, but he wants it to be clear that he is here to help. He hopes that Graystone will be a part of the Board's future, but he understands that they have choices.

Chair Deldin asked for the Board's consensus to permit Commissioner Brown to ask any follow-up questions he may have as Chair of the Intermediate Trust Board. Commissioner Brown asked who made the decision to dismiss Mr. Holycross. Ms. Cole responded that the decision had been made by management (including Mr. Mooyoung and others at Morgan Stanley). Commissioner Brown asked if there was anything illegal that was done. Ms. Cole indicated there was not. Commissioner Brown surmised then that it was an internal disagreement that led to Mr. Holycross' dismissal. Ms. Cole responded that it was a policy and procedure conversation between Mr. Holycross and Morgan Stanley. She did not find out Mr. Holycross was being dismissed until the day it happened and confirmed that at no time were there any questions about the assets, there was no SEC investigation and she was not involved in any way. Mr. Brice added that Mr. Mooyoung was present at the last Retirement Board meeting and they will make sure they open that line of communication to Commissioner Brown and any others. Commissioner Brown asked Chair Deldin if this had already been addressed at a prior meeting. Chair Deldin indicated that it had been discussed with the representatives of Morgan Stanley Graystone (including Mr. Mooyoung) at the last meeting. Commissioner Brown then stated that he had already had a discussion with management who sent out the notification regarding Mr. Holycross' termination.

Commissioner Brown expressed his opinion that Graystone is taking a serious risk with the money that the Boards have entrusted with them (over \$1 billion) over some internal disagreement they happened to have and he does not understand how Ms. Cole is still with the firm and Mr. Holycross is not if they were so tied to one another. Ms. Cole stated that she feels much the same as Commissioner Brown in that she has also lost her partner. Commissioner Brown replied that she had been left with a full book of business, though. She has a \$1 billion client and Mr. Holycross does not. He said that gives the appearance that

there were internal disagreements and internal politics pushed Mr. Holycross out. Ms. Cole said that was absolutely not the case.

Commissioner Brown stated that the Retirement System and the Intermediate Trust Board have been left in the lurch because someone who has been, based on their returns, very successful for a long period of time is gone and now they are being given people to work with that have no track record. He said that will be a factor as they move forward with the RFP process. Ms. Cole expressed that the day Mr. Holycross was dismissed was not an easy day for her. She stressed that there was no disagreement between herself and Mr. Holycross. Commissioner Brown said that it must have been someone else then. He thanked Chair Deldin for giving him time to speak and explained that he was not aware that a meeting with Morgan Stanley to discuss this had already taken place.

Trustee Brumbaugh asked if he could have time to ask two more questions. He said that he understood Mr. Holycross had had about 35 municipal clients and he wondered if Morgan Stanley had been able to touch base with all of those clients at this point. Ms. Cole said that they have, but not all have been in person. Trustee Brumbaugh asked if any of those clients have changed consultants. Ms. Cole replied that they do not have anyone who has decided to change, but they have expectations that there will be RFIs or RFPs by a few of them. Trustee Grant asked if St. Clair Shores was on that list. Ms. Cole said that she did not have any formal notification from them. Trustee Grant also asked for confirmation that the St. Clair Shores Police & Fire are clients of the Brice Group. Mr. Brice responded affirmatively.

Chair Deldin asked the Board members to circle back to the discussion as it relates to the Private Real Estate education provided by Graystone earlier in the meeting. He said that it had been suggested to him by another member that they bring the three companies that were recommended in for presentations. Those three companies are American Core Realty Fund, Metropolitan Real Estate Partners and Valstone Partners. He opened the floor up for comments and questions. Trustee Murphy asked if they should consider breaking up the presentations across a couple of meetings. Ms. Cole stated that she believed the Board could allow each firm 15-20 minutes for a presentation and questions and that would be plenty of time. Ms. Schave will poll the Board members and work with Ms. Cole to determine which meeting date will work best for these presentations.

Mr. Castle brought up an issue regarding members of the Retirement System that have special situations where they fall under essentially two sets of rules or two sets of tiers within the Retirement Ordinance as it has been amended over time. There is one particular individual who was given an estimate with a split calculation that wants to retire and feels he should have a single calculation. Ms. Dobson needs direction from the Board on how to process this individual's retirement since she was last authorized by the Board to provide estimates with the split calculation only (not a single). The member is requesting to receive what was given to two particular individuals by the Board in December. Those individuals came before the Board at that time and were granted single calculations.

Chair Deldin questioned whether the arbitration decision that was just handed down impacted this situation at all. Mr. Castle indicated that it does not because that decision

involved a question regarding part-time employment and membership dates and this individual's situation involves a break in service where the benefits are different in each term of employment.

Trustee Rocca asked Mr. Castle what his recommendation would be. Mr. Castle stated that he understands that the hybrid calculation is to be used provided there is no diminishment in benefits. If an individual returns to employment at a lower multiplier, the higher multiplier will be used for the first period of employment and the lower for the second period of employment (resulting in a hybrid calculation). If the individual returns to employment at a higher multiplier, that number would be used for the entire period of employment. That is his recommendation until the Ordinance can be cleaned up with the bargaining units.

Trustee Brumbaugh stated that the real issue that affects people is the Final Average Compensation (FAC) calculation. He asked for confirmation that there would only be one FAC calculation and that would be based on their last four or five years of employment (depending on labor contract). Trustee Murphy also inquired about whether there are two separate FACs being calculated or just one. Ms. Dobson stated that her understanding was that when there was a break in service, there would be a FAC calculated for the first term of employment and a FAC calculated for the second term of employment. Under a continuous term of employment, there would be one FAC calculation.

Trustee Brumbaugh stated that in December, the Board made the appropriate decision in the cases of the two individuals who came before the Board to utilize one FAC calculation. He thinks that is the right thing to do. Trustee Rocca asked Trustee Brumbaugh if he agrees with Mr. Castle's recommendation. Trustee Brumbaugh responded that he does as long as there is only one FAC calculation used.

Ms. Dobson gave the Board a bit of a preview of what she and Mr. Herppich's recommendations will be going forward on situations like this. She believes the compromise that they will probably bring to the Board as a recommendation for a returned employee will be the four year reinstatement as a member and if someone were to leave the County and come back within a four year period, the calculation would be made as Trustee Brumbaugh is recommending.

Chair Deldin stated that he would support continuing what was done at their December meeting using a single FAC calculation as well. Mr. Castle stated that although he was not at the December meeting, that it is his recommendation to maintain consistency with that decision. Chair Deldin said that if it is necessary to modify the Ordinance to fit the Board's consistency in recent months, then that is what they should do.

Vice-Chair Cutler believes there are a lot of members of the Retirement System who are in the same situation as the member Ms. Dobson and Mr. Castle are referring to. They are delaying retirement because of the split calculation and he has had conversations with many of them as they waited for the results of the arbitration hearing to come back. Split time is a very large issue and he believes he's had at least six or seven employees contact him with

questions and concerns related to it. Vice-Chair Cutler feels that they really should try to formally resolve this and be consistent with what they did in December.

A motion was made by Chair Deldin, supported by Vice-Chair Cutler that until the Ordinance is modified, any estimates or calculations for permanent retirement or DROP that involve a separation in service should be calculated with a single FAC. The motion carried.

Trustee Grant asked if there was any more information available regarding Mr. Larry Langer leaving Conduent. Mr. Castle advised he could provide a few more details. He spoke with Mr. Langer personally and learned that he has voluntarily moved on to a smaller firm in the Atlanta, Georgia area. He will still be based out of Chicago and does have a one year non-compete clause, so that is likely why none of the Board members have heard from him directly. Trustee Murphy asked if there is a time scheduled for the new person from Conduent to come in and meet the Board. Ms. Dobson replied that she does not have that, but she is guessing that he will be the individual who presents the Board with the 2016 Valuation (which is nearing completion).

13. Adjournment

There being no further business before the Board, a motion was made by Trustee Rocca, supported by Trustee Murphy to adjourn the meeting at 10:47 a.m. The motion carried.