

FINANCIAL NOTES: June 30, 2008

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 an investment related lawsuit. The extent of ICERS exposure varies with each asset. The Board of Retirement has hired two companies to handle the litigation in this matter. It is as follows:
 - Jarden Corp.

NOTE 2 - As of May 2008, the Board of Retirement established a corporation known as ICERS Corp. ICERS Corp. then purchased a building at 1221 State St., El Centro, CA 92243 to house the retirement system's administrative staff and as an investment.

NOTE 3- Computer Technology

As of 1-1-2008, ICERS has taken advantage of section 31580.3 Gov't Code and hired Linea Solutions for computer technology consulting. As of 6-30-08 ICERS spent \$96,996.14 on items as outlined in this Gov't Code Section.