

INVESTMENT CONSULTING SERVICES AGREEMENT
Between
THE SHELBY COUNTY TENNESSEE RETIREMENT SYSTEM
and
CONSULTING SERVICES GROUP, LLC

THIS CONSULTING AGREEMENT (the "Agreement") is made this 17th day of ~~September~~ ^{November}, 2007, by and between the Shelby County Retirement TN Retirement System (the "Plan") and Consulting Services Group, LLC (the "Consultant").

WHEREAS, the Board of Trustees, the named fiduciary of the Plan, wishes to ensure that all investment decisions made are prudent and that all assets of the Plan are held for the exclusive purpose of providing benefits to the System's participants and beneficiaries and defraying reasonable administrative expenses;

WHEREAS, the Consultant is a registered investment adviser under the Investment Advisers Act of 1940;

WHEREAS, the Board of Trustees issued a Request for Proposal 07-003-51("RFP") on March 08, 2007 and the Consultant provided written responses to that RFP on April 20, 2007 (hereinafter incorporated into this Agreement and are collectively referred to as Exhibit A) and was subsequently interviewed by the Investment Committee;

WHEREAS, based on the Consultant's responses to the RFP and conduct during the interview, the Board of Trustees wishes to retain the Consultant to provide investment performance measurement and advisory services to the Plan; and

WHEREAS, the Consultant agrees to provide such investment performance measurement and advisory services to the Plan.

NOW THEREFORE, in consideration of the recitals and mutual agreements herein contained, IT IS AGREED:

1. Consulting. The Plan hereby retains the Consultant to provide investment consulting and advisory services, and the Consultant hereby agrees to provide such services to the Plan on the terms and conditions set forth in this Agreement.
 - (a) Duties. The Consultant shall provide to the Board of Trustees the full range of services required to assist in its job of supervising the Plan's investments as described in the RFP. The Consultant shall be available on a prompt and ongoing basis to respond by telephone to questions by the Plan's representatives. The Consultant will maintain complete written records of all asset allocation studies and each step of all investment manager searches that it prepares for the Plan and will provide a copy of all such records to the Plan's staff upon the completion of each such project.
 - (b) Consulting Compensation. As consideration for all consulting services described in Section IV.A of the RFP, the Plan shall pay the Consultant an annual cash fee not to exceed \$110,000.00 (the "Annual Fee") comprised of \$45,000.00 related to general investment consulting and advice and \$65,000.00 related to performance measurement and evaluation. The Annual Fee shall include any and all out-of-pocket expenses, such as travel-related costs and overnight mail charges. In addition to the Annual Fee, there are separate search fees, as indicated in this section 1, that are separate and apart from the Annual Fee. Written approval by the Board of Trustees to the Consultant will be given before any searches are conducted.

The Annual Fee will be billed to the Plan on a pro-rata basis, at the end of each calendar quarter in arrears. The all inclusive fee for search services, shall be paid within forty five (45) days following successful completion of such search, in accordance with the following schedule:

Search Services	Fixed Fee for each Search
Domestic Equity, Domestic Fixed Income, Domestic REITs, Domestic Private Real Estate	\$12,500 per traditional search \$25,000 per private real estate search
International Equity, International Fixed Income, International Real Estate	\$12,500 per traditional search \$25,000 per international private real estate search
Private Equity & Other Alternatives	\$25,000 per search

(c) For services related to hedge funds and hedge fund-of-funds ("Hedge Fund Assets") (the "Hedge Fund Services"), Consultant agrees to develop an investment strategy pertaining to the identification, interviewing, selecting, hiring, and on-going monitoring of various combinations of Hedge Fund Assets for approval by the Plan. This strategy will provide for proper diversification among managers, strategies, and disciplines. Manager searches will be conducted by Consultant to recommend appropriate investments and managers to the Plan for implementation of the approved investment strategy. For the Hedge Fund Services, Consultant shall be paid an additional fee determined by multiplying the account value of all Hedge Fund Assets held by the Plan by twenty-five basis points per annum on the first \$100,000,000.00 of Hedge Fund Assets and twenty basis points per annum on the value of Hedge Fund Assets above \$100,000,000.00.

(d) For services requested by the Plan that are not listed in (a), (b) or (c), the Consultant reserves the right to propose specific fees on a per project basis, and the Consultant agrees that no services for which additional fees are incurred shall be rendered without prior written authorization by the Board of Trustees or its designee.

The fees described here and in Section V of the RFP shall be guaranteed through the full execution of this agreement through June 30, 2008 with one (1) year renewal periods.

2. Disclosure. The Consultant shall promptly disclose to the Board of Trustees the existence of any relationship between the Consultant and any investment managers or broker/dealers that creates or may create a conflict of interest that may affect the independent professional judgment of the Consultant in carrying out its duties under this Agreement. The Board of Trustees and the Plan acknowledge that Consultant's related broker-dealer, Trading Services Group, Inc. ("TSG") has in place a selling agreement with Ironwood Capital Management for the placement of certain hedge funds managed by Ironwood (collectively, "Ironwood"). The Plan has invested in Ironwood and as a result TSG receives 17.24% of Ironwood's 1.45% management fee (the "Recapture Amount") charged to the Plan for its investment in Ironwood. Consultant offsets the Annual Fee dollar for dollar by the full Recapture Amount.

3. Term and Termination. This Agreement shall be effective _____ (the "Effective Date"). It may be terminated by the Plan at any time upon 30 days' advance written notice to the Consultant. The Consultant may terminate the Agreement at any time upon 120 days' written notice to the Plan. If the Agreement is terminated under this paragraph 3, the Plan shall be obligated to make payments for general consulting services as set forth in paragraph 1(b) of this Agreement, prorated for the period of time that services were provided, plus payments for any manager searches or special services rendered in accordance with paragraph 1(c) of this Agreement, to the extent such manager searches or special services have been performed.

4. Warranties and Representations.

(a) The Consultant represents and warrants:

- (i) It is lawfully empowered to enter this Agreement and perform or provide the services which, pursuant to this Agreement, it has agreed to perform or provide.
- (ii) The person executing this Agreement on behalf of the Consultant is authorized to do so.
- (iii) The Consultant is registered in good standing as an investment adviser under the Investment Advisers Act of 1940. In compliance with Rule 204-3(b) promulgated under the Investment Advisers Act, the Consultant has delivered to the Board of Trustees a copy of Part II of the Form ADV, covering the Consultant, as filed with the Securities and Exchange Commission ("SEC") and as currently in effect. Each year, during which this Agreement remains in effect, the Consultant shall provide an updated copy of Part II of Form ADV as filed with the SEC and as then in effect.
- (iv) During the term of this Agreement, it shall comply with all existing, new or amended statutes and regulations of the United States, of the state of Tennessee, and of any other government or governmental authority having jurisdiction over its activities, to the extent such statutes and regulations are applicable to its performance under this Agreement.
- (v) The personnel of the Consultant who will be responsible for carrying out the terms of this Agreement are individuals experienced in performing the services contemplated by this Agreement. Any employee of the Consultant who, in the opinion of the Board of Trustees, is incompetent, or whose conduct becomes detrimental to the work, shall immediately be removed from association with the Services under this Agreement.
- (vi) The Consultant has, and will have, no ownership or material affiliation with any Investment Manager retained by the Plan.
- (vii) The Consultant's engagement will operate exclusively on a fee for service basis with respect to the Plan, and the Consultant (or its affiliates or employees) shall not accept any fees or compensation from any other party or source (whether direct or indirect) in connection with or relating to its services hereunder, including (without limitation) from any Investment Manager that may be considered or retained by the Plan, except as set forth in Section 2 herein.
- (viii) In addition to the insurance requirements listed in the RFP there currently exists in full force and effect an insurance policy protecting the Consultant (and its officers, directors and employees) against liability or loss for a breach of fiduciary responsibility with respect to the Consultant's services rendered on behalf of its clients. The coverage limitations of such policy equal or exceed \$5,000,000. Such an insurance policy shall be maintained at all times while this Agreement is in effect. The Board of Trustees will be named as additional insured.

Consultant shall provide the Board of Trustees with a current copy of the Certificate of Insurance at the time of contracting and shall maintain said insurance during the entire Contract period as well as provide renewal copies on each anniversary date. The certificate holder is to read: Board of Trustees c/o David Pontius, Shelby County Retirement System, 160 N. Main, Suite 950 Memphis, TN 38103.

- (ix) During all phases of the work and Services to be provided hereunder, Consultant agrees to permit members of the Board of Trustees to enter Consultant's offices for the purpose of inspections, reviews and audits during normal working hours. Reviews may also be accomplished at meetings that are arranged at mutually agreeable times and places. The Consultant will maintain all books, documents, papers, accounting records, and other evidence pertaining to the Fee paid under this Agreement and make such materials available at their offices at all reasonable times during the Term of this Agreement and for three (3) years from the date of payment under this Agreement for inspection by the

members of the Board of Trustees .Copies of said records shall be furnished to the members of the Board of Trustees upon request.

- (x) a. Consultant shall indemnify, defend, save and hold harmless the Board of Trustees, and its elected officials, officers, employees, agents, assigns, and instrumentalities from and against any and all claims, liability, losses or damages—including but not limited to Title VII and 42 USC 1983 prohibited acts—arising out of or resulting from any conduct, whether actions or omissions; whether intentional, unintentional, or negligent; whether legal or illegal; or otherwise that occur in connection with or in breach of this Agreement or in the performance of the Services hereunder, whether performed by the Consultant its subcontractors, agents, employees or assigns. This indemnification shall survive the termination or conclusion of this Agreement.
- b. Consultant expressly understands and agrees that any insurance protection required by this Agreement or otherwise provided by the Consultant shall in no way limit the responsibility to indemnify, defend, save and hold harmless the Board of Trustees as herein provided.
- c. The Board of Trustees has no obligation to provide legal counsel or defense to Consultant or its subcontractors in the event that a suit, claim or action of any character is brought by any person not a party to this agreement against Consultant as a result of or relating to performance of the Services under this Agreement.
- d. Except as expressly provided herein, the Board of Trustees has no obligation for the payment of any judgment or the settlement of any claims against Consultant as a result of or relating to performance of the Services under this Agreement.
- e. Consultant shall immediately notify the Board of Trustees of any claim or suit made or filed against Consultant or its subcontractors regarding any matter resulting from or relating to Consultant's performance of the Services under this Agreement and will cooperate, assist and consult with the Board of Trustees in the defense or investigation thereof.

(b) The Board of Trustees represents and warrants:

- (i) The Board of Trustees promptly will provide and will instruct the System's service providers to provide to the Consultant the information, resources, cooperation and other assistance reasonably necessary to enable the Consultant to perform its services hereunder.
- (ii) The Board of Trustees legally is authorized to enter into this Agreement on behalf of the Plan.
- (iii) The individual executing this Agreement on behalf of the Plan is authorized to do so.
- (iv) The Board of Trustees is the named fiduciary of the Plan.

5. Independent Contractor. The Consultant's status under this Agreement shall be that of an independent contractor. The Consultant agrees that it will make no representations whatsoever with respect to its affiliations with the Plan that are inconsistent with its status as an independent contractor retained for the purposes set forth in this Agreement.

6. Fiduciary.

- (a) While the Plan is not subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA), the Consultant acknowledges that whenever pursuant to this Agreement it is

performing a discretionary function or providing investment advice, the Consultant is a fiduciary with respect to the Plan as that term is defined in section 3(21) of ERISA.

- (b) The Board of Trustees acknowledges that the Consultant is not responsible for:
- (i) matters with respect to which this Agreement has not imposed a duty upon the Consultant,
 - (ii) actions taken by the Board of Trustees without the Consultant's knowledge or without regard to the Consultant's advice, or
 - (iii) matters which ceased to exist before the Effective Date.
7. RFP Incorporation. The RFP and the Consultant's responses to the questions therein are an integral part of this Agreement; the Consultant acknowledges that the Consultant shall be bound by those responses.
8. Confidential Information. It may be necessary for the Plan to disclose confidential information to the Consultant to perform its obligations under this Agreement. The Consultant agrees with respect to such confidential information not to disclose to third parties or use such information except in connection with the performance of services pursuant to this Agreement.
9. Amendment. This Agreement may only be amended by an agreement in writing signed by both parties.
10. No Assignment. Neither party shall assign this Agreement or the respective rights and obligations, in whole or in part, without the express prior written consent of the other party, which consent will not be unreasonably withheld. Absent such consent, any assignment shall be null and void.
11. Notices. Any notice given hereunder shall be deemed given and sufficient if in writing and hand delivered and/or mailed by registered or certified mail, in the case of the Plan to:

David Pontius
Manager of Pension Investments
SCRS
160 N. Main St., Suite 950
Memphis, TN 38103

with copy to:

Shelby County Government
Contracts Administration
160 N. Main, Ste. 550
Memphis, TN 38103

and in the case of the Consultant to:

Robert Longfield
Senior Consultant
Consulting Services Group, LLC
6075 Poplar Avenue, Suite 700
Memphis, TN 38119

with a copy to:

Edward R. Balsmann
General Counsel
Consulting Services Group, LLC
6075 Poplar Avenue, Suite 700
Memphis, TN 38119

12. Waiver. The failure of the Plan or the Consultant to insist, in any one or more instances, upon performance of any of the terms or conditions of this Agreement, shall not be construed as a waiver or relinquishment of any rights granted hereunder or the future performance of any such term, covenant or condition.
13. Principal Representative of Consultant. The Consultant's principal representatives in performing the services hereunder shall be Robert Longfield and Dustin Finley. The Consultant shall make available additional representatives in order to respond to requests by the System's representatives, when the principal representatives are unavailable to do so on a timely basis.
14. Governing Law. This Agreement shall be governed by and subject to the laws of Tennessee. For all purposes relating to choice of laws, this Agreement shall be deemed to have been entered into in the state of Tennessee and performed in the state of Tennessee.
15. Entire Agreement. This Agreement is the entire Agreement between the parties and may be modified only as provided in paragraph 9.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date(s) set forth below.

{Signature page follows}

Shelby County Tennessee Retirement System

By: _____
Mayor A C Wharton, Chairman

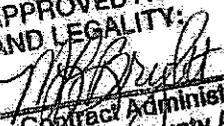
Date: 11/17/09

Consulting Services Group, LLC

By: _____
Edward R. Balsmann, General Counsel

Date: 11/9/2009

APPROVED AS TO FORM
AND LEGALITY:



Contract Administration/
Assistant County Attorney