



City of Marietta Motion Signature

205 Lawrence Street
Post Office Box 609
Marietta, Georgia 30061

20081024

Motion approving a contract with Consulting Services Group, LLC for services to the City/BLW Defined Benefit Pension Plan as recommended by the City/BLW Pension Board.

Date: 9/10/2008

William B. Dunaway, Mayor

Stephanie Guy, City Clerk

CONTRACT/AGREEMENT No. 3576
CITY OF MARIETTA, GA.
RECORDS



CLIENT INVESTMENT ADVISORY SERVICES AGREEMENT

CITY OF MARIETTA | BLW DEFINED BENEFIT PENSION PLANS

6075 Poplar Avenue, Suite 700
Memphis, Tennessee 38119
(901) 761-8080

CONSULTING SERVICES GROUP, LLC
INVESTMENT ADVISORY SERVICES AGREEMENT

By this Investment Advisory Services Agreement effective as of 9/1, 2008 (the "Agreement") by and between CONSULTING SERVICES GROUP, LLC, a Tennessee limited liability company (the "CSG"), and CITY OF MARIETTA | BLW DEFINED BENEFIT PENSION PLANS (the "Client"), the Client retains CSG to provide investment management and consulting services to Client on the basis of terms as set forth herein. Client hereby acknowledges this Agreement supersedes all previous agreements, written or oral, between CSG and Client.

Section 1. Investment Advisory Services. CSG will provide the following consulting services with respect to Client's account (the "Account"):

- A. The services of Dustin Finley, Jon Breth or an appointed CSG representative to assist Client in preparing policy guidelines, objectives, and goals (the "Investment Policy Statement") and an asset allocation policy and the selection of underlying money managers (each an "Underlying Manager", collectively the "Underlying Managers") to carry out the Investment Policy Statement.
- B. If required by Client and upon the implementation of the spending and asset allocation policies, Dustin Finley, Jonathan Breth or a representative of CSG shall make himself or herself available to attend the Client's quarterly Investment Committee meetings. Client shall provide CSG with reasonable notice of the scheduling of such Investment Committee meetings and whether attendance by Dustin Finley, Jonathan Breth or a representative of CSG is requested. Expenses incurred by CSG in carrying out the services in this Section 1.B. shall be the responsibility of CSG.
- C. Quarterly performance evaluations (a "QPE") on the Client's investable assets in a concise and easy to understand format. The QPE shall include a comparison of the investment performance of the Account to that of relevant market indices and, where appropriate, peer group performance. The QPE also shall include a review of the adherence of Client's stated investment guidelines. Additionally, a Monthly Executive Summary detailing performance versus benchmarks along with a breakdown of changes in portfolio value will be provided.
- D. Perform an asset allocation study and over time recommend appropriate actions to improve the efficiency of Client's Account by either increasing the expected return for a stated amount of risk or by achieving the same return with less risk or a combination of the two.
- E. Should a change in an Underlying Manager selection result from the services described in Sections 1.C. and/or 1.D., CSG further agrees to conduct manager searches to identify the leading candidates for managing Client's investable assets in each identified sector of the Account.
- F. Other services as follows:

The initial Account assets shall be disclosed to CSG in a separate document. The investment policy statement (the "IPS") including Client's financial circumstances and investment objectives and any special instructions or limits that Client wishes CSG to follow in managing the Account are contained in a separate document. Client agrees to notify CSG promptly of any significant change in the information provided by the Client in the IPS or any other significant change in Client's financial circumstances or investment objectives that might affect the manner in which the Account should be managed. Client also agrees to provide CSG with such additional information as CSG may request from time to time to assist it in managing the Account. CSG's authority under this Agreement will remain in effect until changed or terminated by Client in writing.

Client understands that under this Agreement CSG will not engage in any investment execution or advisory services other than those indicated in this Section 1.

The recommendations to be provided by CSG under this Agreement are advisory in nature, and Client expressly agrees that CSG shall not be held liable in any manner with reference to the investment performance of CSG's recommendations, provided those recommendations are duly provided by CSG in good faith with reasonable care, and further provided CSG is in no way in violation of Federal or state laws, regulations or rulings. Client understands that past performance of an investment vehicle does not guarantee future returns.

Client understands and acknowledges that CSG is not responsible for the investment decisions made by Underlying Managers or Client. CSG shall not be responsible for ensuring that any cash balances are invested in an interest bearing account. Purchases and sales may be made by the Client's Underlying Managers on behalf of the Client in securities of any kind, including but not limited to, corporate common or preferred stocks, options, warrants, rights or government bonds or notes, or other permissible investment securities as described in Client's Investment Policy Statement and the Underlying Managers' investment strategy description. Notwithstanding, the securities laws impose liabilities under certain circumstances and therefore nothing contained in this Agreement with respect to liabilities should be construed as limiting a client's rights which he/she/it may have under applicable state or federal laws.

Section 2. Custodial Arrangements. Custody of Account assets will be maintained with the independent custodian selected by Client and disclosed to CSG (the "Custodian"). CSG will not have custody of any assets in the Account. Client will be solely responsible for paying all fees or charges of the Custodian. Client authorizes each Underlying Manager to provide CSG copies of all periodic statements and other reports for the Account that Custodian sends to Client. Client acknowledges that Custodian will provide to Client at least quarterly a statement showing all transactions and balances occurring in the Account during the period covered by the account statement. Client acknowledges that CSG does not have custody of the Account.

Section 3. Advisory Fees. Client will pay CSG a fee for its investment advisory services provided under this Agreement. The fee is set forth on Schedule A, as amended from time to time. The advisory fee is payable quarterly and is billed in arrears. Client understands that Account assets invested in shares of mutual funds or other investment companies ("Funds") will be included in calculating the value of the Account for purposes of computing CSG's fees and the same assets will also be subject to additional advisory and other fees and expenses, as set forth in the prospectuses of those funds, paid by the funds but ultimately borne by the investor.

Advisory Fees will be billed directly to Client (and not deducted from Client's Account), and Client agrees to pay all Advisory Fees within thirty (30) days of Client's receipt of an invoice from CSG.

Section 4. Execution of Transactions. Client acknowledges that the acceptance of this Agreement and the notification of its existence to the Client's Underlying Managers will create an environment where these Underlying Managers are encouraged, but not required, to execute their transactions through CSG's brokerage affiliate, Trading Services Group, Inc. Client acknowledges that each Underlying Manager continues to have the authority and responsibility to execute transactions in a manner that is in the best interest of the Client.

Section 5. Valuation. The Account shall be valued as reported by the Custodian on the last business day of the applicable quarter. Any security/fund whose value is not reported by the Custodian will be valued in a manner determined in good faith by CSG to reflect fair market value.

Section 6. Confidentiality. Except as otherwise agreed in writing or as required or allowed by law, CSG will keep confidential all information concerning Client's financial affairs, or investments. Client does agree to allow CSG to utilize Client's name in representative client lists.

Section 7. Other Investment Accounts. Client understands that CSG serves as investment adviser for other clients and will continue to do so. Client also understands that CSG, its personnel and affiliates ("Affiliated Persons") may give advice or take action in performing their duties to other clients, or for their own accounts, that differ from advice given to or action taken for Client. CSG is not obligated to recommend for Client any security or other investment that CSG or its Affiliated Persons may buy, sell or recommend for any other client or for their own accounts. This Agreement does not limit or restrict in any way CSG or any of its Affiliated Persons from buying, selling or trading in any securities or other investments for their own accounts. CSG or its Affiliated Persons may provide services for, or solicit business from various companies, including issuers of securities that CSG may recommend or purchase or sell for client accounts. In providing these services, CSG or its Affiliated Persons may obtain material, nonpublic or other confidential information that, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, CSG and its Affiliated Persons cannot improperly disclose or use this information for their personal benefit or for the benefit of any person, including clients of CSG. If CSG or any Affiliated Person obtains nonpublic or other confidential information about any issuer, CSG will have no obligation to disclose the information to Client or use it for Client's benefit.

Section 8. Risk Acknowledgment. CSG does not guarantee the future performance of the Account or any specific level of performance, the success of any investment decision or strategy that CSG may use, or the success of CSG's overall strategy related to the Account. Client understands that investment proposals made for Client's Account by CSG are subject to various market, currency, economic, political and business risks, and that those investment proposals will not always be profitable. CSG will advise upon only the securities, cash and other investments held in Client's Account and in making investment proposals for the Account, CSG will not consider any other securities, cash or other investments owned by Client. Except as may otherwise be provided by law, CSG will not be liable to Client for (i) any loss that Client may suffer by reason of any investment proposal made or other action taken or omitted in good faith by CSG; (ii) any loss arising from CSG's adherence to Client's instructions; or (iii) any act or failure to act by the Custodian, any broker or dealer, or by any other third party. The federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing in this Agreement will waive or limit any rights that Client may have under those laws.

Section 9. Other Legal Actions / Tax Advice. The Client agrees that CSG will not advise or act for

Client in any legal proceedings, including bankruptcies or class actions, involving securities held or previously held by the Account or the issuers of these securities ("Legal Proceedings"). Additionally, Client acknowledges that CSG does not provide tax advice.

Section 10. Proxy Voting. The Client agrees that CSG will not vote any proxies relating to the Account and that all such proxies shall be voted by Client or the applicable Underlying Manager.

Section 11. Termination. This Agreement will continue in effect until terminated by either party upon thirty (30) days prior written notice to the other or in such other timeframe that is mutually agreeable to the parties. Termination of this Agreement will not affect (i) the validity of any action previously taken by CSG under this Agreement; (ii) liabilities or obligations of the parties from transactions initiated before termination of this Agreement; or (iii) Client's obligation to pay advisory fees (pro rated through the date of termination). Upon the termination of this Agreement, CSG will have no obligation to recommend or take any action with regard to the securities, cash or other investments in the Account.

Section 12. Client Authority. The person signing this Agreement for the Client represents that he or she has been authorized to do so by appropriate corporate action. If this Agreement is entered into by a trustee or other fiduciary, the trustee or fiduciary represents that CSG's investment management strategies, allocation procedures, and investment management services are authorized under the applicable plan, trust, or law and that the person signing this Agreement has the authority to negotiate and enter into this Agreement. Client will inform CSG of any event that might affect this authority or the propriety of this Agreement.

Section 13. Binding Agreement. This Agreement will bind and be for the benefit of the parties to the Agreement and their successors and permitted assigns, except that this Agreement may not be assigned (within the meaning of the Investment Advisers Act) by either party without the prior consent of the other party.

Section 14. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Georgia without giving effect to any conflict or choice of law provisions of that State, provided that nothing in this Agreement will be construed in any manner inconsistent with the Investment Advisers Act, any rule or order of the Securities and Exchange Commission under the Investment Advisers Act.

Section 15. Notices. All notices and reports after the date of this Agreement, and any other communications required hereunder, shall be in writing and shall be deemed to have been duly given (i) if delivered in person or by courier, on the date it is delivered; (ii) if sent by certified or registered mail (airmail if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted; and (iii) if sent by facsimile, or email, on generation of confirmation, to the following respective addresses until a different address is specified in writing by one party to the other party:

To CSG:

Consulting Services Group, LLC
Attn: General Counsel
6075 Poplar Avenue, Suite 700
Memphis, TN 38119
Telephone: (901) 761-8080
Facsimile: (901) 682-4090
E-mail: ed.balsmann@csgllc.com

To Client:

City of Marietta | BLW Defined Benefit Pension Plans
Attn: Fran Diedrich
Human Resources / Risk Management Director
205 Lawrence Street
P.O. Box 609
Marietta, GA 30061-0609
Telephone: (770) 794-5567
Facsimile: (770) 794-5565
E-mail: fdiedrich@mariettaga.gov


Section 16. Miscellaneous. If any provision of this Agreement is or should become inconsistent with any law or rule of any governmental or regulatory body having jurisdiction over the subject matter of this Agreement, the provision will be deemed to be rescinded or modified in accordance with any such law or rule. In all other respects, this Agreement will continue and remain in full force and effect. No term or provision of this Agreement may be waived or changed except in writing signed by the party against whom such waiver or change is sought to be enforced. CSG's failure to insist at any time upon strict compliance with this Agreement or with any of the terms of the Agreement or any continued course of such conduct on its part will not constitute or be considered a waiver by CSG of any of its rights or privileges. This Agreement contains the entire understanding between Client and CSG concerning the subject matter of this Agreement.

Section 17. Disclosure. Client acknowledges receipt of CSG's Brochure (Form ADV Part II) and Privacy Policy, current as of the date of this Agreement, not less than forty-eight (48) hours prior to the date of execution of this Agreement. Additionally, CSG shall provide on a quarterly basis a copy of its then current Form ADV Part II to the City of Marietta | BLW Defined Benefit Pension Plans.

- SIGNATURE PAGE FOLLOWS -

Client and CSG have executed this Agreement on this 30 day of September 2008.

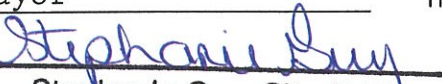
CITY OF MARIETTA | BLW DEFINED BENEFIT PENSION PLANS CSG

By: 
William B. Dunaway

By: 

Title: Mayor

Title: Chief Executive Officer

Attest: 
Stephanie Guy, City Clerk

SCHEDULE A
FEE SCHEDULE

Annual Fee:

10 basis points assessed against the value of the Account
on a quarterly basis subject to a \$70,000.00 annual
minimum fee
