

District Attorneys' Retirement Systems  
Special Board of Trustees Meeting  
November 3, 2022

The special meeting of the Board of Trustees of the Louisiana District Attorneys' Retirement System was held on Thursday, November 3, 2022, at 9:30 a.m. at the DARS office in Baton Rouge, LA.

Present: Anthony Falterman, Brad Burget, Don Burkett, Houston Gascon III, Scott Perrilloux, Andy Shealy, Reed Walters, Rep. John Illg, Sen. Kirk Talbot, and Todd Nesom via telephone.

Also Present: Kristi Spinosa, Sharon Hill, Gwen Hicks, Alana Perrin, Sandy Fliderman, Arthur Weissman, and Loren Lampert.

Absent: none

Roll call was conducted and there was a quorum.

Tony Falterman asked the group to review the agenda regarding the following two statements concerning conflicts disclosure:

- I have reviewed the agenda, and I have no conflicts of interest to disclose.
- If a conflict arises during this meeting, I will disclose it and take appropriate action to resolve it.

Tony Falterman stated that he cannot participate in any Rastegar discussions because he has investments with them. No other conflicts were reported.

Tony Falterman read a personal statement detailing his almost 24 years of service on the DARS Board. Sixteen of those years were as the Chairman.

Andy Shealy led a discussion on agenda item number three discovered by our auditors detailing two Confirmation, Reaffirmation, and Membership Interest Redemption Agreements totaling \$1 million executed on June 29, 2022, between Rastegar Multi Yield, LLC, Rastegar Holding LLC, and DARS signed by Tony Falterman and Ari Rastegar. The DARS Board met on June 26, 2022, and the minutes did not reflect an approval of the agreements. The minutes did denote "Ari Rastegar addressed the group stating that one of their apartment complexes just sold and they are returning \$1M of our investment this week, ahead of schedule by one year, with a 42.7% return."

The Confirmation, Reaffirmation, and Membership Interest Redemption Agreements state that the Board approved the agreements; however, there is no documentation in meeting minutes where the agreements were approved by the Board.

The Confirmation, Reaffirmation, and Membership Interest Redemption Agreements reference section 4.7 of the respective Operating Agreements and indicate that DARS initiated the redemption. There is no documentation to support that DARS initiated the redemption in the minutes.

Per the Confirmation, Reaffirmation, and Membership Interest Redemption Agreements DARS is to be paid \$1,000 per Unit plus any accrued and unpaid coupon amounts through the date of redemption. No accrued and unpaid coupon amounts through the date of redemption has been received by DARS.



The DARS audit for FY22 will cite this issue as a management override of controls finding.

Tony Falterman stated that he spoke with Aaron Vann prior to the June meeting saying Ari Rastegar wanted to return the \$1M. Mr. Falterman asked Aaron Vann if it included accrued interest and Mr. Vann stated as far as he knew it did.

Sandy Fliderman and Arthur Weissman with Industry FinTech, Inc. (IFT), were present in the meeting. The company serves as Rastegar's third party administrator. In that role, IFT processed the payment to DARS. Kristi Spinosa asked them if they knew why this was a redemption and not an accrued interest payment. Neither knew why it was a redemption. When asked, they said that the agreements were drafted by Rastegar attorneys.

Discussion was had on ways to resolve classification and treatment of the \$1M issue and also to address the audit finding.

A motion was made and seconded that the agreement signed on June 29, 2022, by Ari Rastegar and Tony Falterman, is declared null and void and not ratified by the Board since the Board never granted authority to execute the agreement. The motion carried.

A motion was made and seconded to keep the \$1M and reclassify it as a credit against accrued interest owed by Rastegar instead of a redemption. Although Sandy Fliderman and Arthur Weissman cannot speak for Ari Rastegar, they stated that they thought he would be agreeable to this and would speak to him about it as soon as possible. The motion carried.

Kristi Spinosa will submit a management response to the auditor at the appropriate time.

The Board agreed that we need to clarify redemption and other requests on Rastegar moving forward, at a Board meeting so all Trustees know. We need to review advance documents outlining procedures, what is being paid, what is accrued, and all details in writing.

The question was asked of all Trustees if anyone is doing business with any of DARS investors. Only Tony Falterman said that he has investments with Rastegar.

A motion was made and seconded to draft a resolution for the next Board meeting to the effect that no Trustee will be allowed to invest directly with anyone DARS does business with including but not limited to Vann Equity Management and Rastegar. Kristi Spinosa will work to develop draft language. The motion carried.

When asked, Tony Falterman said that he would divest his investments with Rastegar if necessary.

Documents were distributed to attendees concerning several official documents, including articles of incorporation and an SEC filing for Rastegar Opportunity REIT, Inc. An online image of the Rastegar Board of Directors and the REIT documents seem to indicate that "Anthony Falterman" is on the board of Rastegar Property, LLC, and the board of Rastegar Opportunity REIT, LLC. When asked, Mr. Falterman stated that he is not on Rastegar Property's Board. Mr. Falterman further stated that Ari Rastegar asked him to submit a bio to test the waters to see if brokers were interested in a real estate investment trust. Sandy Fliderman stated that the Rastegar Opportunity REIT never took off. It never had investors, no investments, and never went to market. Mr. Falterman stated that he never signed any SEC documents.

Mr. Falterman was asked about more official documents about the REIT and he stated that he has never signed anything.

Todd Nesom made a motion that Tony Falterman voluntarily step down as chairman or the Board would remove him. The motion was seconded; however, Mr. Nesom was not attending the meeting in person but by telephone and therefore could not make the motion. No one else made the motion.

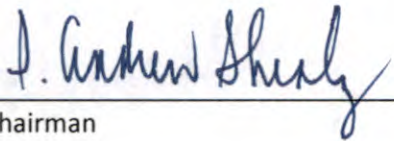
Discussion was had on adding another authorized signer of documents to overcome the conflict issue between the Chairman and Rastegar. A motion was made and seconded to appoint Andy Shealy as vice-chairman until the Board can adopt new policy and procedures at the next meeting and vote on new officers for the 2023 calendar year.

The Board agreed that we need to schedule a site visit with VEM as soon as possible, preferably before the next meeting. A motion was made and seconded to have Kristi Spinosa and other available Trustees visit VEM. The motion carried.

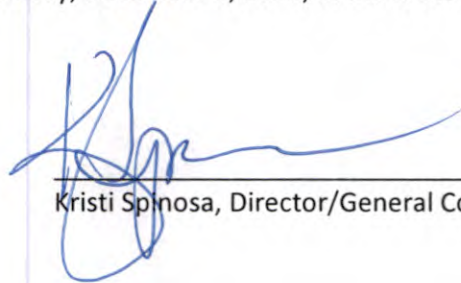
Ms. Spinosa asked for clarification on her duties on investment actions as she has been spending an increasing amount of time on investment-related issues.

The Board asked Aaron Vann to discuss consulting and management of investments in more detail at the next meeting.

The next meeting of the Board of Trustees will be at 9:30 a.m. on Thursday, December 8, 2022, at the DARS office in Baton Rouge, LA.



Chairman



Kristi Spinosa, Director/General Counsel