

NMI Settlement Fund
Schedule of CNMI Government contribution payments
Fiscal Year 2015, per Settlement Agreement

Due Date	Cumulative Amount Due	Description	Date Remitted	Amount Remitted	Quarterly Balance Due	Annual Balance Due
9/30/2015		FY2015 Annual Payment				27,000,000.00
12/31/2014	4,050,000.00	End of 1st Quarter Payment @ 15%			4,050,000.00	
			10/20/2014	500,000.00	3,550,000.00	26,500,000.00
			10/28/2014	500,000.00	3,050,000.00	26,000,000.00
			11/6/2014	1,000,000.00	2,050,000.00	25,000,000.00
			12/2/2014	1,000,000.00	1,050,000.00	24,000,000.00
			12/5/2014	500,000.00	550,000.00	23,500,000.00
			12/15/2014	550,000.00	-	22,950,000.00
					-	22,950,000.00
Totals:				4,050,000.00		
3/31/2015	13,500,000.00	End of 2nd Quarter Payment @50%			9,450,000.00	
			1/6/2015	500,000.00	8,950,000.00	22,450,000.00
			1/28/2015	500,000.00	8,450,000.00	21,950,000.00
			2/3/2015	500,000.00	7,950,000.00	21,450,000.00
			2/4/2015	500,000.00	7,450,000.00	20,950,000.00
			2/20/2015	500,000.00	6,950,000.00	20,450,000.00
			2/24/2015	1,000,000.00	5,950,000.00	19,450,000.00
			3/6/2015	750,000.00	5,200,000.00	18,700,000.00
			3/13/2015	500,000.00	4,700,000.00	18,200,000.00
					4,700,000.00	18,200,000.00
					4,700,000.00	18,200,000.00
					4,700,000.00	18,200,000.00
Totals:				4,750,000.00		
6/30/2015	18,900,000.00	End of 3rd Quarter Payments @ 70%			10,100,000.00	
					10,100,000.00	18,200,000.00
					10,100,000.00	18,200,000.00
					10,100,000.00	18,200,000.00
					10,100,000.00	18,200,000.00
					10,100,000.00	18,200,000.00
					10,100,000.00	18,200,000.00
					10,100,000.00	18,200,000.00
					10,100,000.00	18,200,000.00
					10,100,000.00	18,200,000.00
Totals:				0.00		

[illegible]



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Benigno R. Fitial
Governor

Timothy P. Villagomez
Lieutenant Governor

JUN 24 2008

Dr. Carmen Fernandez
President
Northern Marianas College
Saipan, MP 96950

Dear Dr. Fernandez:

This will confirm that the CNMI Central Government will be responsible for amounts outstanding to the NMI Retirement Fund by the Northern Marianas College accumulated since the Fund increased the employer rate of contribution from 24% to 36.77% during financial year 2005. It is the intention of this Government to address this accumulated liability for the CNMI Government as a whole after 2005 rather than attempt to address such by piece-meal by agency or instrumentality of the Government.

The cost of the liability including fiscal years 2006, 2007 and through May of 2008 for Northern Marianas College is estimated to be approximately \$3,400,000.00 according to a May 23, 2008 letter from the Retirement Fund administrator.

Further, Public Law No. 16-2 reduces the employer rate of contribution for the CNMI Government and its agencies and instrumentalities from 36.77% to 11% beginning with FY 2008 with the difference accruing as a liability of the CNMI Central Government.

This letter should be sufficient for the College to address the audit findings of the College relative to amounts outstanding to the CNMI Retirement Fund for FY 2006 and 2007; and Public Law No. 16-2 addresses the same issue for FY 2008 and subsequent financial years.

Should you have any questions or concerns regarding this letter, please feel free to contact my office.

Sincerely,

A handwritten signature in dark ink, appearing to read "Benigno R. Fitial", is written over the printed name.
BENIGNO R. FITIAL

cc: NMC Board of Regents
Secretary, Department of Finance
Administrator, NMI Retirement Fund

RECEIVED
DATE/BY 7/09/08

A handwritten signature in dark ink, possibly reading "Payroll", is written below the "RECEIVED" stamp.

EXHIBIT

A



NMI SETTLEMENT FUND

POST OFFICE BOX 501247, SAIPAN, MP 96950

February 27, 2015

**VIA ELECTRONIC MAIL
AND HAND DELIVERY**

Mark A. Scoggins, Esq.
Law Office of F. Matthew Smith, LLC
2nd Floor, MIC Building, Chalan Monsignor Guerrero
San Jose Village
P.O. Box 501127
Saipan, MP 96950

**RE: DEMAND FOR PAYMENT OF DELINQUENT EMPLOYER
CONTRIBUTION FROM NORTHERN MARIANAS COLLEGE**

Dear Mr. Scoggins:

I had the opportunity to speak with Governor Eloy Inos and his counsel, Ms. Teresita Sablan, about the NMI Government's position on the 30% employer contribution ("ERC") requirement as it applies to the Northern Marianas College ("NMC") under the Settlement Agreement.

Governor Inos confirmed that the 30% ERC requirement applies to NMC as with all other NMI Government agencies. Governor Inos further informed us the agreement to cover 10% of NMC's employer contribution was for a limited duration and not intended to apply prospectively. Therefore, NMC is required to pay 30% ERC for its employees.

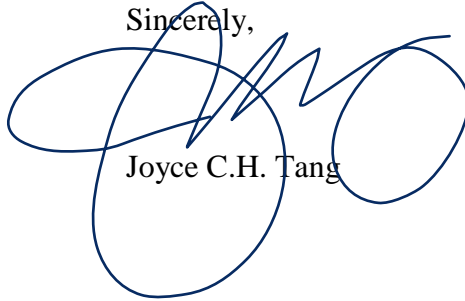
The amount due and owing to the Settlement Fund is \$57,399.54 (covers the pay period ending September 21, 2013 through pay period ending January 24, 2015). In addition, a 25% penalty applies to all delinquent accounts, totaling \$14,349.89. Demand is hereby made that NMC pay the delinquent employer contribution and the penalty for a total sum of \$71,749.43.

NMC shall have until March 15, 2015 to pay the outstanding amounts due in full. If the outstanding amounts are not pay in full by March 15, 2015, the Settlement Fund will have no choice but to seek an order from the Court requiring compliance and payment. I hope this will not be necessary.

Mark Scoggins, Esq.
February 27, 2015
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Please feel free to contact me if you have further questions or comments.

Sincerely,

A handwritten signature in blue ink, consisting of a large, stylized 'J' followed by a series of loops and a final flourish.

Joyce C.H. Tang

cc: Governor Eloy S. Inos
Teresita Sablan, Esq.

LAW OFFICE OF
F. MATTHEW SMITH, LLC
2ND FLOOR, MIC BUILDING, CHALAN MONSIGNOR GUERRERO
SAN JOSE VILLAGE

670-234-7455, PHONE
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ATTORNEY.MATT.SMITH@GMAIL.COM
P.O. BOX 501127, SAIPAN, MP 96950

March 3, 2015

Joyce C.H. Tang, Esq.
NMI Settlement Fund
P.O. Box 501247
Saipan MP 96950

Re: Settlement Fund Demand for Payment to Northern Marianas College

Dear Ms. Tang:

We are in receipt of your letter dated February 27, 2015, and the matter has been discussed with President Hart and the NMC Board of Regents.

NMC's position on this issue will not change. NMC will continue to rely on the plain language of the Settlement Agreement, and will not increase its contribution. The plain language of the agreement being clear, further litigation on this issue would be unwarranted.

Respectfully,



MARK A. SCOGGINS
Attorney at Law

NMI SETTLEMENT FUND

Transaction Ledger-Judicial Building Loan

<u>Particulars</u>	<u>Date</u>	<u>#Days</u>	<u>\$ 1,456,147.00</u> <u>Interest</u>	<u>\$ 1,070,313.28</u> <u>Principal</u>	<u>\$ 2,356,019.17</u> <u>Payment</u>	<u>Balance</u>
Balance as of	08/15/11					5,926,222.82
	09/15/11	31	39,549.31			5,885,216.40
	10/15/11	30	38,008.69			5,885,216.39
	11/15/11	31	39,275.65			5,885,216.39
	12/15/11	30	38,008.69			5,885,216.39
	01/15/12	31	39,275.65			5,885,216.39
	02/15/12	31	39,275.65			5,885,216.39
Regular loan payment	03/22/12	36	45,610.43	33,676.00	302,544.40	5,851,540.39
Regular loan payment	04/11/12	20	25,194.13	114,390.42	148,402.50	5,737,149.97
Regular loan payment	06/01/12	51	62,989.13	29,811.69	92,800.82	5,707,338.27
	06/15/12	14	17,201.28			5,707,338.27
	07/15/12	30	36,859.89			5,707,338.27
	08/15/12	31	38,088.56			5,707,338.27
	09/15/12	31	38,088.56			5,707,338.27
	10/15/12	30	36,859.89			5,707,338.27
	11/15/12	31	38,088.56			5,707,338.27
	12/15/12	30	36,859.89			5,707,338.27
Regular loan payment	01/31/13	47	57,747.17	670,948.31	970,742.41	5,036,389.96
Regular loan payment	02/15/13	15	16,263.34	13,236.66	29,463.72	5,023,153.31
Regular loan payment	02/28/13	13	14,057.85	24,560.05	38,613.08	4,998,593.26
Regular loan payment	04/02/13	33	35,510.84	8,639.16	44,150.66	4,989,954.10
Regular loan payment	04/15/13	13	13,964.94	7,552.61	21,517.55	4,982,401.49
Regular loan payment	05/07/13	22	23,597.21	4,820.82	28,418.03	4,977,580.67
	06/15/13	39	41,790.94			4,977,580.67
	07/15/13	30	32,146.88			4,977,580.67
	08/15/13	31	33,218.44			4,977,580.67
	09/15/13	31	33,218.44		61,671.00	4,977,580.67
	10/15/13	30	32,146.88			4,977,580.67
	11/15/13	31	33,218.44			4,977,580.67
	12/15/13	30	32,146.88		142,712.00	4,977,580.67
	01/15/14	31	33,218.44			4,977,580.67
Regular loan payment	02/07/14	23	24,645.94	30,831.98	133,652.00	4,946,748.69
	03/15/14	36	38,337.30			4,946,748.69
Regular loan payment	04/15/14	31	33,012.68	29,630.42	92,461.00	4,917,118.27
	05/15/14	30	31,756.39			4,917,118.27
Regular loan payment	05/30/14	15	15,878.19	77,838.78	128,649.00	4,839,279.49
	07/15/14	46	47,922.31			4,839,279.49
	08/15/14	31	32,295.47			4,839,279.49
Regular loan payment	09/02/14	18	18,752.21	24,376.38	120,221.00	4,814,903.11
	09/15/14	13	13,475.04			4,814,903.11
	10/15/14	30	31,096.25			4,814,903.11
	11/15/14	31	32,132.79			4,814,903.11
	12/15/14	30	31,096.25			4,814,903.11
	01/15/15	31	32,132.79			4,814,903.11
	02/15/15	31	32,132.79			4,814,903.11
	03/01/15	14	14,511.58			4,814,903.11
TOTAL			1,456,147.00	1,070,313.28	2,356,019.17	

Principal Balance Due as of March 1, 2015	\$4,814,903.11
Interest up to March 1, 2015	186,577.50
Pay-off Loan Balance as of March 1, 2015	\$5,001,480.60



NMI Settlement Fund
Investment Performance Analysis

December 31, 2014

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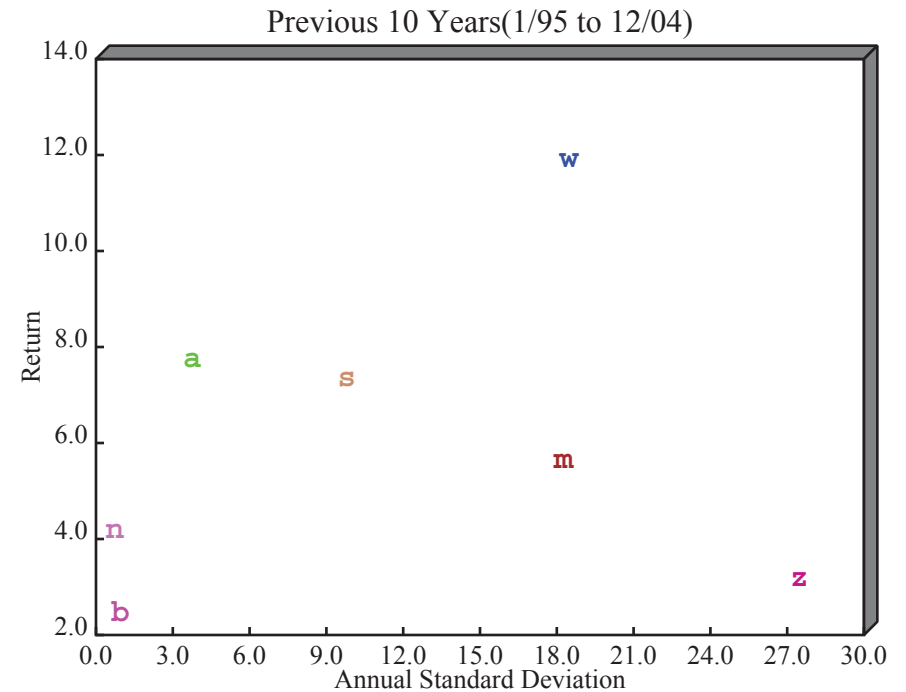
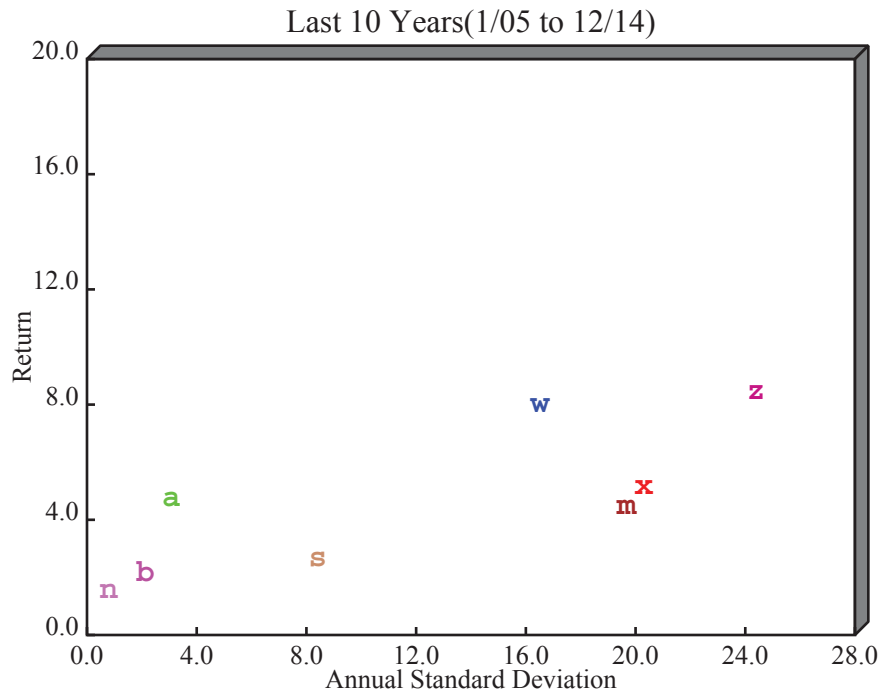
NMI Settlement Fund *4th Quarter 2014*

I.	MARKET ENVIRONMENT	
II.	TOTAL FUND	
	Grand Total Fund	Tab 1
III.	U.S. FIXED INCOME	
	BlackRock Inter. Gov. Credit	Tab 2
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	Hotchkis & Wiley High Yield Fund	Tab 4
	Dodge & Cox Income Fund	Tab 5
IV.	GLOBAL EQUITY COMPOSITE	
	BlackRock ACWI Superfund B	Tab 6
V.	POLICY BENCHMARKS	



Market Environment Overview of Major Asset Classes As of 12/31/14

Indices	Legend	Returns							10 Year Std Dev
		Qtr	Ytd	1Yr	3Yrs	5Yrs	10Yrs	20Yrs	
U.S. Equity (Wilshire 5000)	w	5.26	12.71	12.71	20.29	15.54	7.99	9.93	16.71
U.S. Bonds (Barclays Aggregate)	a	1.79	5.97	5.97	2.66	4.45	4.71	6.20	3.26
Non U.S. Equity (ACWI X US Net)	x	-3.87	-3.87	-3.87	8.99	4.43	5.13	--	20.50
Developed Equity (EAFE Net)	m	-3.57	-4.90	-4.90	11.06	5.33	4.43	5.02	19.86
Emerging Equity (Emg Mkts Net)	z	-4.50	-2.19	-2.19	4.04	1.78	8.43	5.77	24.58
Int'l Bonds (Citigroup Non-US Gov't Bond)	s	-2.91	-2.68	-2.68	-1.94	0.85	2.64	4.96	8.60
Treasury Bills (91 Day)	n	0.00	0.04	0.04	0.07	0.09	1.54	2.84	0.99
Consumer Price Index	b	-1.35	0.76	0.76	1.33	1.69	2.12	2.28	2.33





Market Environment
U.S. Common Stocks
As of 12/31/14

	Returns						
	Qtr	Ytd	1Yr	3Yrs	5Yrs	10Yrs	20Yrs
Indices							
Standard & Poor's 500	4.93	13.69	13.69	20.41	15.45	7.67	9.85
Wilshire 5000	5.26	12.71	12.71	20.29	15.54	7.99	9.93
Wilshire 4500	6.72	7.97	7.97	20.80	16.77	9.26	10.59
Wilshire US Large Cap	4.98	13.46	13.46	20.22	15.38	7.87	9.92
Wilshire US Small Cap	7.71	6.80	6.80	20.81	17.04	9.51	11.26
Wilshire Real Est. Secs	15.03	31.53	31.53	16.46	17.23	8.15	11.57
Styles							
Wilshire US Large Growth	5.15	13.96	13.96	21.60	15.49	8.59	9.54
Wilshire US Large Value	4.84	13.00	13.00	19.02	15.31	7.09	10.03
Wilshire US Small Growth	6.70	4.23	4.23	20.47	17.65	10.09	9.73
Wilshire US Small Value	8.60	9.09	9.09	21.05	16.31	8.88	12.32
Sectors (Wilshire 5000)							
Consumer Discretionary	8.79	9.25	9.25	24.98	21.34	8.90	--
Consumer Staples	8.48	15.71	15.71	17.81	16.24	10.76	--
Energy	-12.43	-8.72	-8.72	6.22	9.01	9.71	--
Financials	7.78	14.70	14.70	24.42	13.63	1.61	--
Health Care	8.26	24.23	24.23	27.93	19.72	10.84	--
Industrials	7.14	9.01	9.01	21.59	17.66	8.39	--
Information Technology	5.37	18.48	18.48	20.65	14.73	8.99	--
Materials	0.65	5.75	5.75	14.70	11.58	8.24	--
Telecommunication Services	-4.17	1.57	1.57	11.91	11.72	6.95	--
Utilities	13.12	27.01	27.01	14.36	13.95	9.84	--

Index Definitions

Wilshire 5000: All publicly traded U.S. corporations

Wilshire 4500: All Wilshire 5000 companies excluding large S&P500 companies

Wilshire US Large Cap: Largest 750 publicly traded companies

Wilshire US Small Cap: Companies ranking between 750 and 2500 by market capitalization

Style Definitions (Wilshire Style Indices)

Large Co: Largest 750 companies in the Wilshire 5000

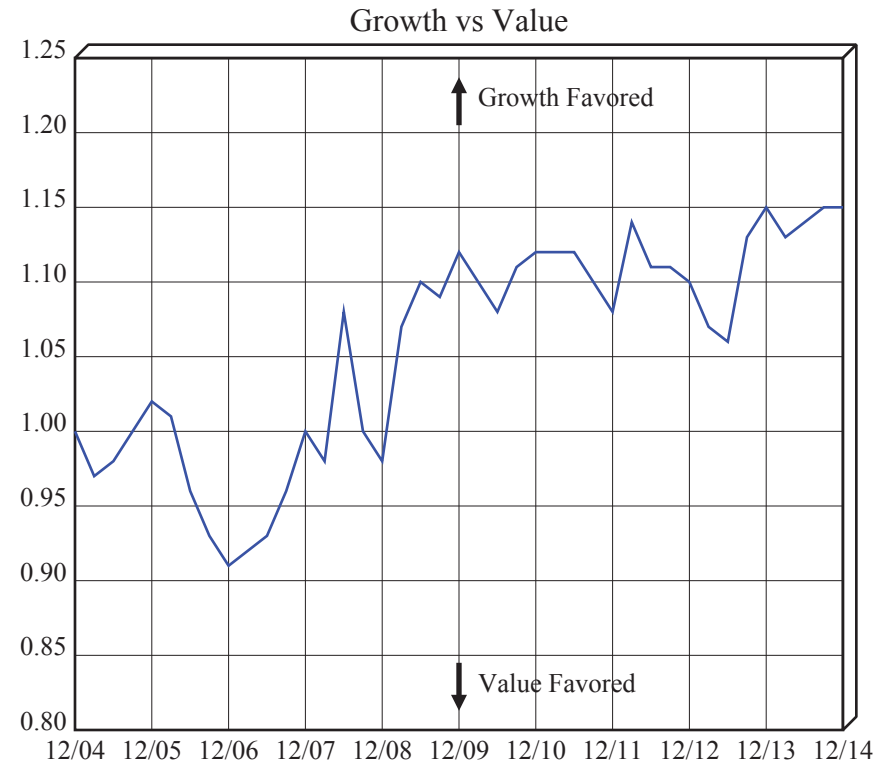
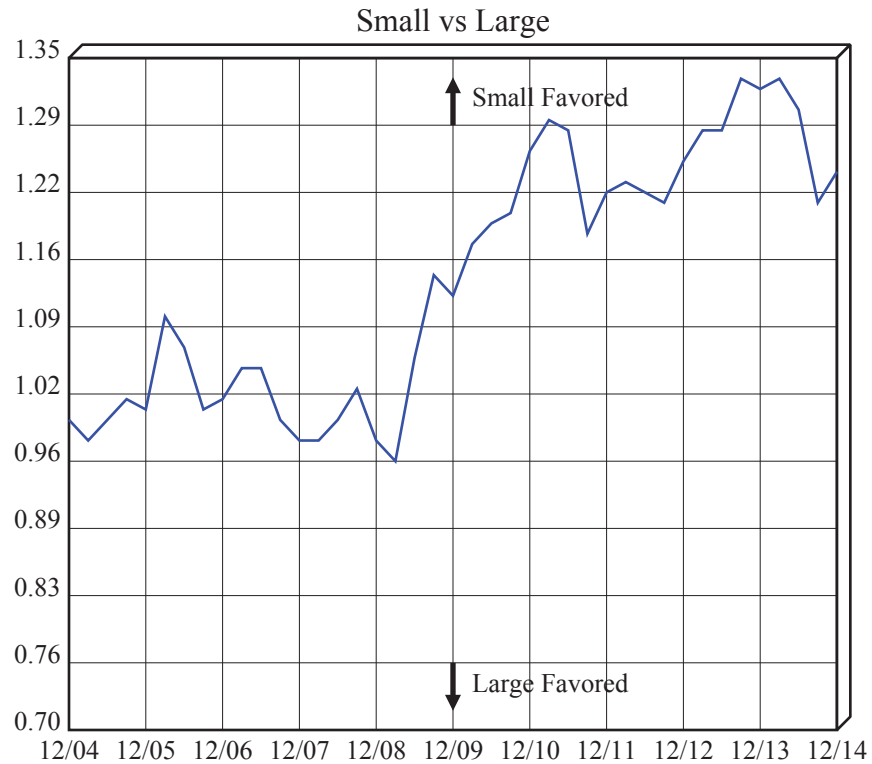
Small Co: Next 1750 companies in the Wilshire 5000

Value: Relatively low P/E and P/B ratios

Growth: Relatively high P/E and P/B ratios



Market Environment U.S. Common Stocks Relative Return As of 12/31/14

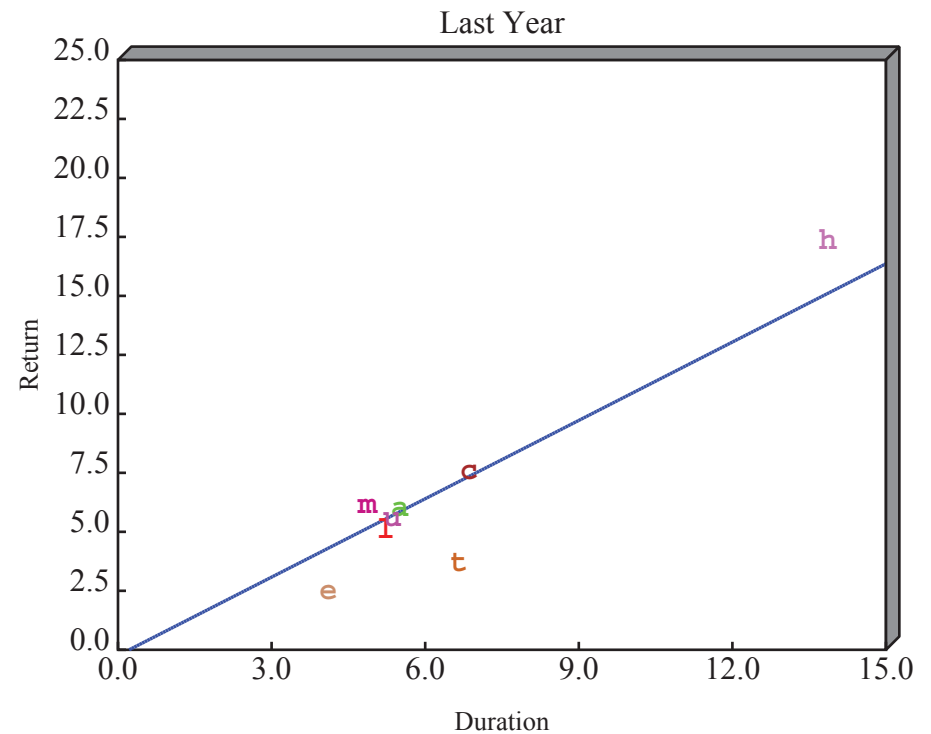
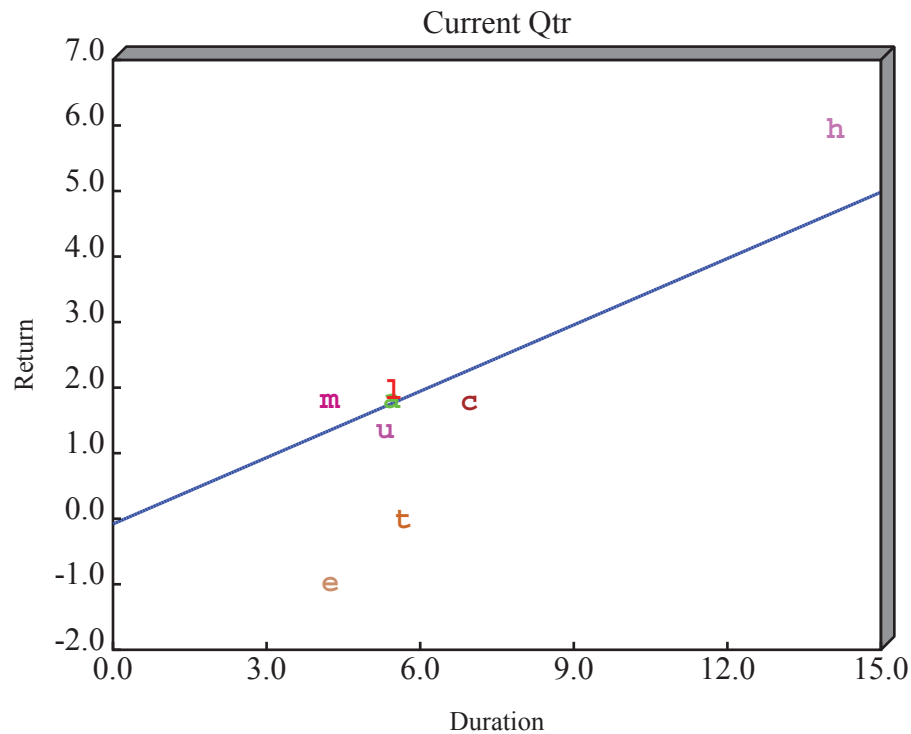


Based on Wilshire Style Indices



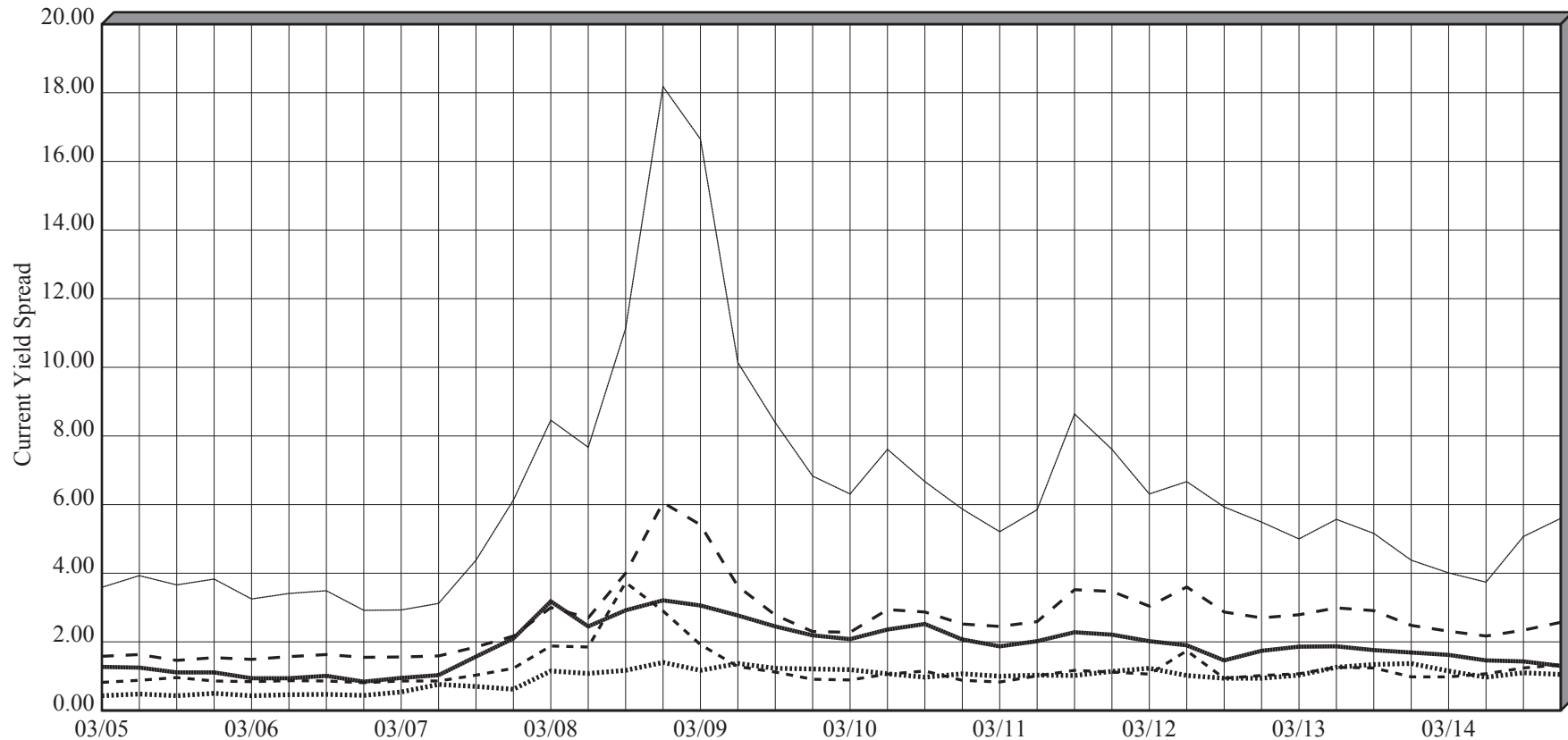
Market Environment U.S. Fixed Income Indices As of 12/31/14

Indices	Legend	Returns							Characteristics (Current Qtr)		
		Qtr	Ytd	1Yr	3Yrs	5Yrs	10Yrs	20Yrs	Eff Maturity	Eff Duration	Yld to Mat
Barclays Aggregate	a	1.79	5.97	5.97	2.66	4.45	4.71	6.20	7.69	5.55	2.25
Barclays Treasury	l	1.93	5.05	5.05	1.38	3.91	4.38	5.90	6.82	5.58	1.43
Barclays Credit (Corporate)	c	1.76	7.53	7.53	4.84	6.25	5.46	6.92	10.60	7.07	3.03
Barclays Mortgage	m	1.79	6.08	6.08	2.37	3.73	4.75	6.14	6.45	4.34	2.60
Barclays High Yield	e	-1.00	2.45	2.45	8.43	9.03	7.74	7.92	6.46	4.34	6.90
Citigroup High Grade	h	5.91	17.28	17.28	6.45	9.85	7.24	8.43	26.57	14.21	3.88
Barclays Universal	u	1.34	5.56	5.56	3.20	4.81	4.91	6.38	7.56	5.42	2.76
Barclays US TIPS	t	-0.03	3.64	3.64	0.44	4.11	4.37	--	8.41	5.76	1.98





Market Environment
U.S. Fixed Income Markets
Historical Spread Comparison to Treasuries As of 12/31/14



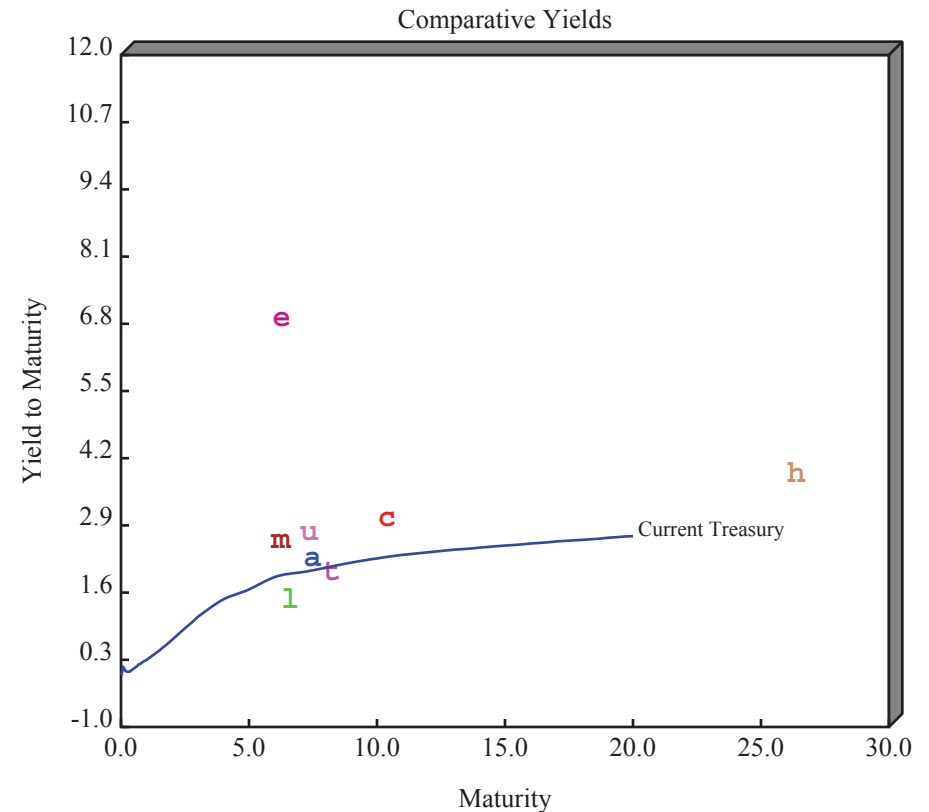
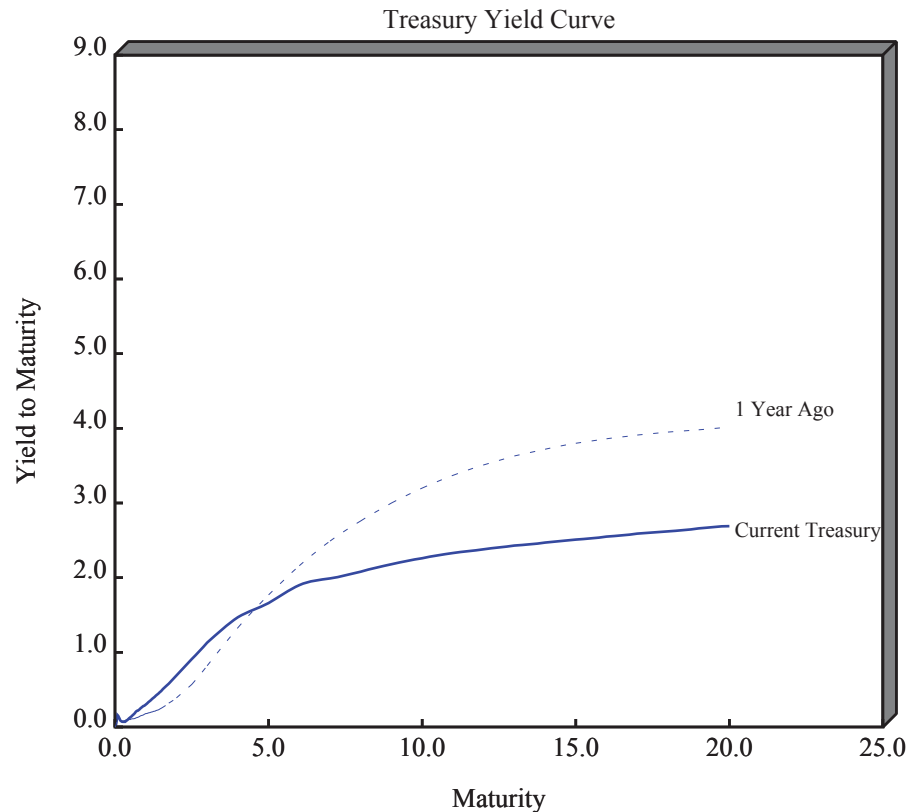
Description	Legend	Current Qtr Spread	Median Spread (10 Years)
Barclays Mortgage	————	1.30	1.86
Barclays Long Agencies	1.05	1.03
Barclays AAA Long Corp	----	1.33	1.04
Barclays BAA Long Corp	- - - -	2.57	2.55
Barclays High Yield	————	5.60	5.58



Market Environment

U.S. Fixed Income Markets

Yield Spread To Treasuries As of 12/31/14



Description	Legend	Eff Maturity	Yield to Mat
Barclays Aggregate	a	7.69	2.25
Barclays Treasury	l	6.82	1.43
Barclays Credit	c	10.60	3.03
Barclays Mortgage	m	6.45	2.60
Barclays High Yield	e	6.46	6.90
Citigroup High Grade	h	26.57	3.88
Barclays Universal	u	7.56	2.76
Barclays U.S. TIPS	t	8.41	1.98



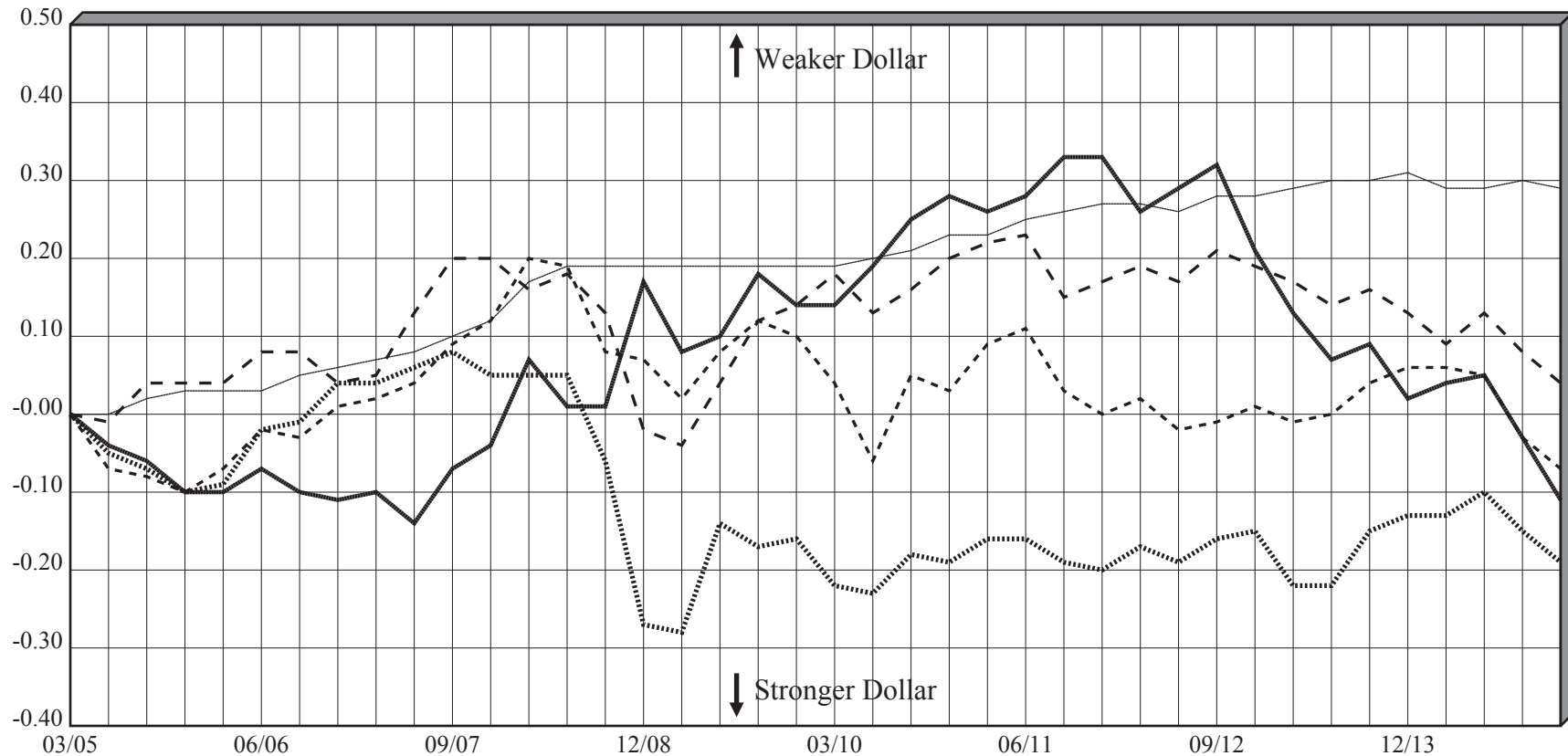
Market Environment
International Markets
 As of 12/31/14

	Returns							10 Year Std Dev
	Qtr	Ytd	1Yr	3Yrs	5Yrs	10Yrs	20Yrs	
Equity(in U.S. dollars)								
U.S. (S & P 500)	4.93	13.69	13.69	20.41	15.45	7.67	9.85	16.26
Non U.S. (ACWI X U.S.) Net	-3.87	-3.87	-3.87	8.99	4.43	5.13	--	20.50
Developed (EAFE) Net	-3.57	-4.90	-4.90	11.06	5.33	4.43	5.02	19.86
Emerging (Emg Mkts) Net	-4.50	-2.19	-2.19	4.04	1.78	8.43	5.77	24.58
Europe	-4.35	-6.18	-6.18	11.86	5.28	4.60	7.53	21.71
Pacific	-2.08	-2.70	-2.70	9.60	5.65	4.18	1.73	17.92
France	-6.06	-9.92	-9.92	11.34	1.93	3.25	6.89	23.41
Germany	-0.39	-10.36	-10.36	15.52	6.49	6.49	7.02	24.99
Japan	-2.42	-4.02	-4.02	9.70	5.48	2.29	-0.05	17.21
United Kingdom	-4.24	-5.39	-5.39	9.58	6.87	4.60	7.18	20.45
Equity(in local currency)								
Non U.S. (ACWI X US) Net	1.17	7.06	7.06	14.92	7.69	6.48	--	16.20
Developed (EAFE) Net	1.92	6.73	6.73	17.52	8.54	5.73	5.31	16.34
Emerging (Emg Mkts) Net	0.67	6.98	6.98	9.20	5.67	10.34	--	18.89
Europe	0.09	5.41	5.41	14.69	8.02	6.11	7.64	16.25
Pacific	5.52	8.89	8.89	23.05	9.82	5.18	2.21	18.87
France	-1.73	3.62	3.62	15.29	6.43	4.94	7.22	17.97
Germany	3.92	2.74	2.74	19.17	10.82	8.04	7.50	20.11
Japan	6.66	9.78	9.78	27.46	11.13	3.99	0.91	22.20
United Kingdom	-0.18	1.06	1.06	10.22	8.19	7.08	7.34	14.46
% Change in Exchange Rates								
Euro vs Dollar	-4.21	-12.18	-12.18	-2.32	-3.35	-1.16	--	9.78
Yen vs Dollar	-8.51	-12.34	-12.34	-13.75	-4.93	-1.56	-0.91	11.66
Pound vs Dollar	-3.82	-5.86	-5.86	0.11	-0.70	-2.06	-0.02	10.50
International Fixed Income								
Citigroup Non-US Gov't Bond	-2.91	-2.68	-2.68	-1.94	0.85	2.64	4.96	8.60
Citigroup World Bond	-1.49	-0.48	-0.48	-0.97	1.67	3.08	5.32	7.19
Citigroup Non-US Hedged	3.02	9.77	9.77	5.51	4.61	4.70	6.52	3.12
Barclays Global Aggregate	-1.04	0.59	0.59	0.73	2.65	3.60	5.66	5.75

Market Environment

U.S. Dollar Cost of Foreign Currencies

As of 12/31/14



Description	Legend
Japanese Yen	————
U.K. Pound
Euro	-----
Canadian Dollar	- - - -
Chinese Yuan	-----

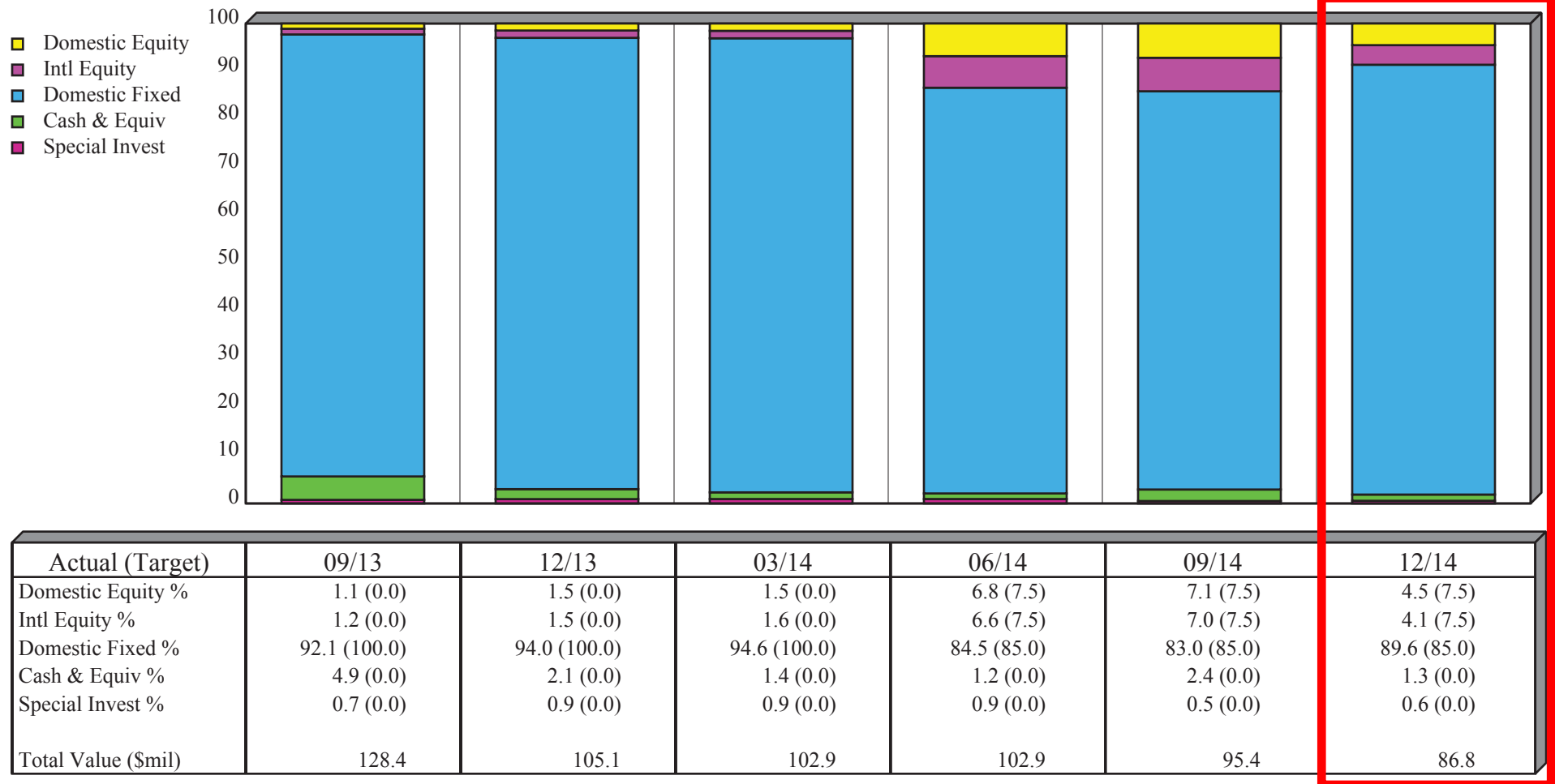


NMI Settlement Fund
Asset Allocation
Total Fund
Quarter Ended 12/31/14

Manager Name	Equity		Bonds		Cash		Intl Equity		Intl Bonds		Real Estate		Special Invest		Other		As Allocated To Manager	
	\$(000)	%	\$(000)	%	\$(000)	%	\$(000)	%	\$(000)	%	\$(000)	%	\$(000)	%	\$(000)	%	\$(000)	%
BlackRock Interm. Govt/Credit Idx B		0.0	7,969	9.2		0.0		0.0		0.0		0.0		0.0		0.0	7,969	9.2
Hotchkis & Wiley High Yield Fund		0.0	19,578	22.6	0	0.0		0.0		0.0		0.0		0.0		0.0	19,578	22.6
PIMCO Total Return Fund		0.0	48	0.1		0.0		0.0		0.0		0.0		0.0		0.0	48	0.1
Dodge & Cox Income Fund		0.0	50,151	57.8		0.0		0.0		0.0		0.0		0.0		0.0	50,151	57.8
Managed Fixed	0	0.0	77,746	89.6	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	77,746	89.6
Mutual Fund Cash		0.0		0.0	1,128	1.3		0.0		0.0		0.0		0.0		0.0	1,128	1.3
Managed Short Term	0	0.0	0	0.0	1,128	1.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1,128	1.3
JP Morgan Multi-Manager Strategies		0.0		0.0		0.0		0.0		0.0		0.0	488	0.6		0.0	488	0.6
Special Investments	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	488	0.6	0	0.0	488	0.6
BlackRock ACWI Superfund B	3,916	4.5		0.0		0.0	3,540	4.1		0.0		0.0		0.0		0.0	7,456	8.6
Managed Equity	3,916	4.5	0	0.0	0	0.0	3,540	4.1	0	0.0	0	0.0	0	0.0	0	0.0	7,456	8.6
As Invested by Managers	3,916	4.5	77,746	89.6	1,128	1.3	3,540	4.1	0	0	0	0	488	0.6	0	0	86,818	100.0
As Allocated to Managers	3,844	4.4	77,746	89.6	1,128	1.3	3,612	4.2	0	0	0	0	488	0.6	0	0	86,818	100.0
Total Fund Policy Targets	6,511	7.5	73,796	85.0	0		6,511	7.5	0		0		0		0		86,818	100.0



NMI Settlement Fund
 Asset Allocation - as Invested by Managers
 Total Fund
 Quarters Ended 12/31/14



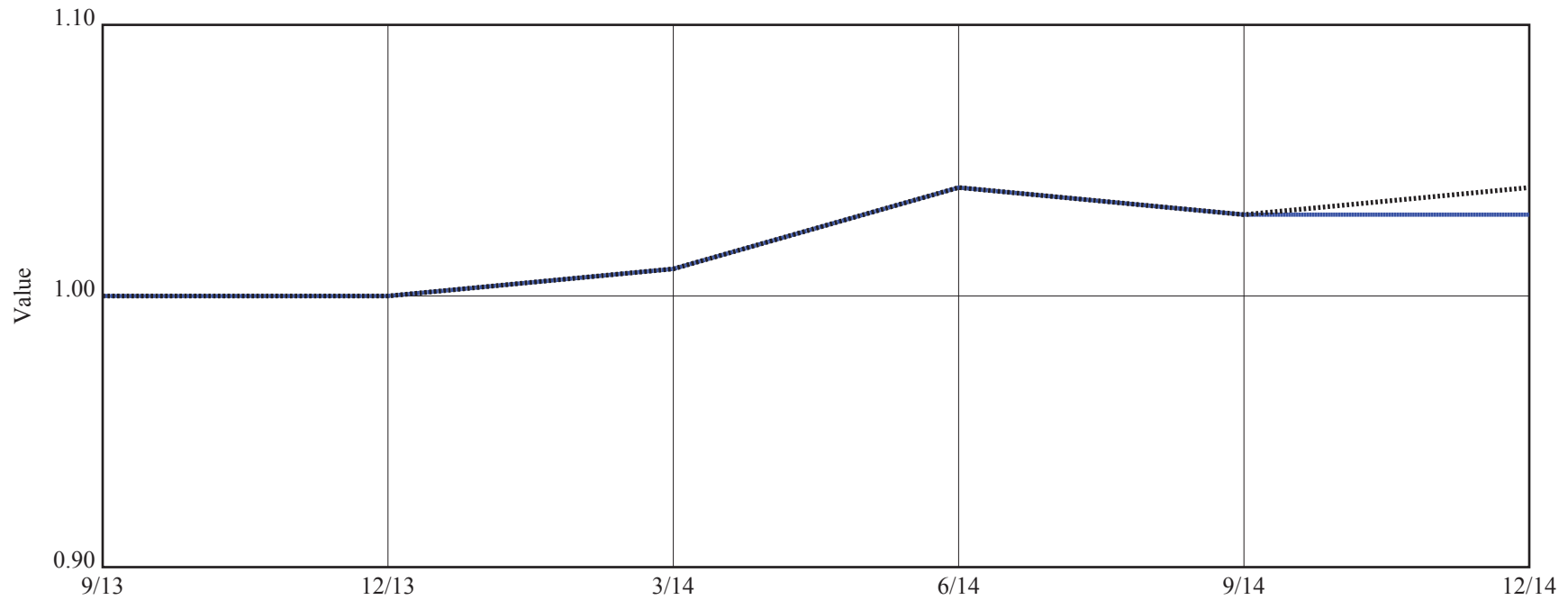


NMI Settlement Fund
Sources of Fund Growth
Total Fund
Quarter Ended 12/31/14

Manager Name	Beginning Value \$(000)	Net Contrib \$(000)	Distrib & Adm Fees \$(000)	Invest Fees \$(000)	Invest Gain/Loss \$(000)	Ending Value \$(000)	Time Wtd Return (%)
BR Interm. Govt/Credit Idx B	7,895	0	0	0	73	7,969	0.93
Hotchkis & Wiley HY Fund	19,938	0	0	0	-360	19,578	-1.80
PIMCO Total Return Fund	51,271	-51,649	0	0	425	48	1.31
Dodge & Cox Income Fund	0	50,149	0	0	3	50,151	NA
Managed Fixed	79,105	-1,500	0	0	141	77,746	
Mutual Fund Cash	1,127	7,514	7,514	0	0	1,128	0.01
Managed Short Term	1,127	7,514	7,514	0	0	1,128	
JPM Multi-Manager Strategies	488	0	0	0	0	488	0.00
Special Investments	488	0	0	0	0	488	
BlackRock ACWI Superfund B	13,468	-6,000	0	0	-12	7,456	0.34
Managed Equity	13,468	-6,000	0	0	-12	7,456	
Total Fund	95,353	14	7,514	0	129	86,818	0.11



NMI Settlement Fund
Growth of One Dollar
Total Fund
Quarter Ended 12/31/14



	Legend	Return		\$ Value
		1 Year & 1 Quarter	Inception 9/30/13	
Total	—	2.13	2.13	1.03
Policy Index	3.39	3.39	1.04



NMI Settlement Fund
Fund Return Table
Quarter Ended 12/31/14

Manager	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	Since 12/31/04	Inception Date	Inception Return
BlackRock ACWI Superfund B	0.34	-1.90	3.11	4.30				9/30/13	9.50
MSCI ACWI (N)	0.41	-1.90	3.04	4.16				9/30/13	9.31
BlackRock Interm. Govt/Credit Idx B	0.93	0.92	2.22	3.32				9/30/13	2.63
Barclays Gov/Credit Inter. Index	0.89	0.86	2.10	3.13				9/30/13	2.48
Hotchkis & Wiley High Yield Fund	-1.80	-3.93						6/30/14	-3.93
ML US High Yld. BB/B Const.	-0.36	-1.94						6/30/14	-1.94
JP Morgan Multi-Manager Strategies	0.00	-34.46	-34.46	-34.46				9/30/13	-28.68
Mutual Fund Cash	0.01	0.02	0.05	0.06				9/30/13	-0.24
PIMCO Total Return Fund	1.31	0.94	3.34	4.68				9/30/13	3.70
Barclays Aggregate	1.79	1.96	4.05	5.97				9/30/13	4.63
Total Fund	0.11	-1.16	1.29	2.55				9/30/13	2.13
Policy Index	0.98	0.38	2.81	4.53				9/30/13	3.39
Indices								Since	
MSCI ACWI (N)	0.41	-1.90	3.04	4.16	14.10	9.17	6.09	9/30/13	9.31
Barclays MBS Fixed Rate Index	1.80	1.99	4.47	6.15	2.39	3.78	4.78	9/30/13	4.52
Barclays Aggregate	1.79	1.96	4.05	5.97	2.66	4.45	4.71	9/30/13	4.63
Barclays Gov/Credit Inter. Index	0.89	0.86	2.10	3.13	2.03	3.54	4.09	9/30/13	2.48

Total Fund
Quarter Ended 12/31/14

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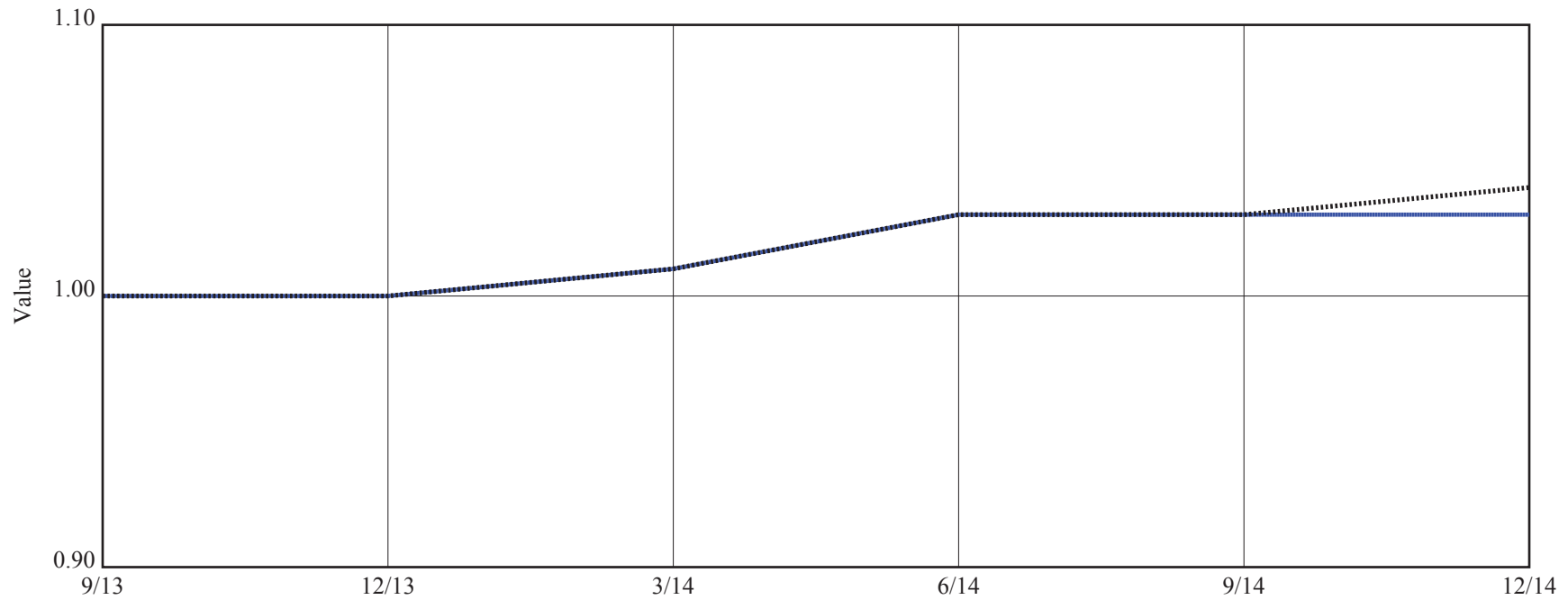


NMI Settlement Fund
Fund Return Table
Quarter Ended 12/31/14

Manager	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	Since 12/31/04	Inception Date	Inception Return
BlackRock Interm. Govt/Credit Idx B	0.93	0.92	2.22	3.32				9/30/13	2.63
Barclays Gov/Credit Inter. Index	0.89	0.86	2.10	3.13				9/30/13	2.48
PIMCO Total Return Fund	1.31	0.94	3.34	4.68				9/30/13	3.70
Barclays Aggregate	1.79	1.96	4.05	5.97				9/30/13	4.63
Hotchkis & Wiley High Yield Fund	-1.80	-3.93						6/30/14	-3.93
ML US High Yld. BB/B Const.	-0.36	-1.94						6/30/14	-1.94
Fixed Income Composite	0.03	-0.76	1.39	2.68				9/30/13	2.09
Policy Index	1.07	0.78	2.75	4.48				9/30/13	3.35
Indices								Since	
Barclays Aggregate	1.79	1.96	4.05	5.97	2.66	4.45	4.71	9/30/13	4.63
Barclays U.S. TIPS	-0.03	-2.07	1.66	3.64	0.44	4.11	4.37	9/30/13	1.25
Barclays MBS Fixed Rate Index	1.80	1.99	4.47	6.15	2.39	3.78	4.78	9/30/13	4.52
Barclays Int Govt/Credit Index	0.89	0.86	2.10	3.13	2.03	3.54	4.10	9/30/13	2.48



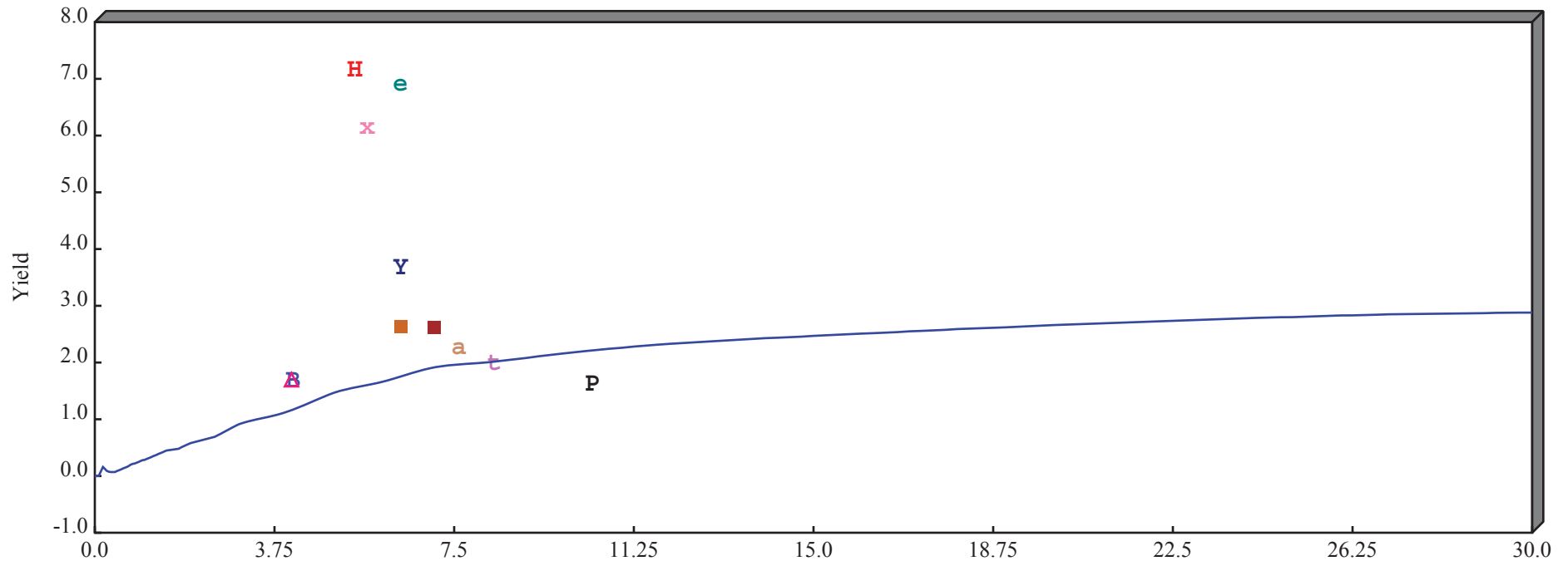
NMI Settlement Fund
Growth of One Dollar
Fixed Income Composite
Quarter Ended 12/31/14



	Legend	Return		\$ Value
		1 Year & 1 Quarter	Inception 9/30/13	
Total	—	2.09	2.09	1.03
Policy Index	3.35	3.35	1.04



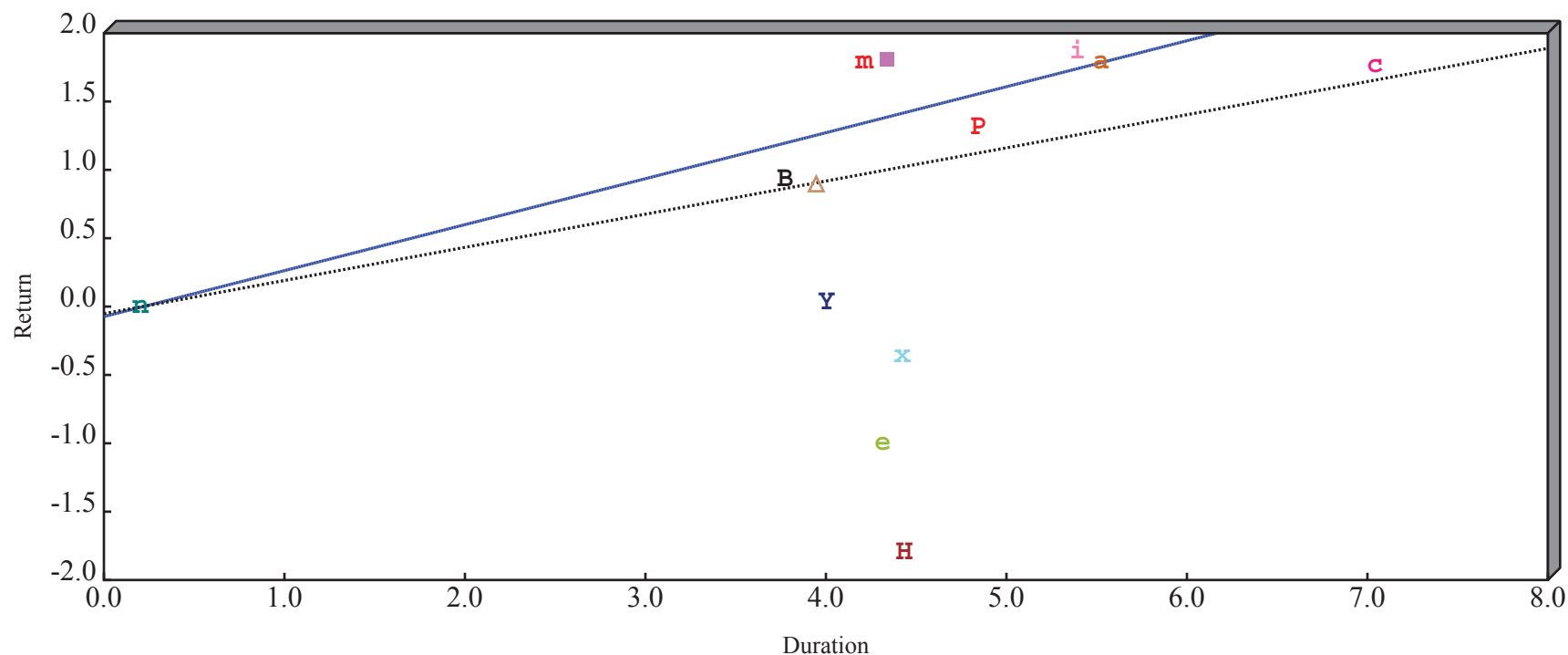
NMI Settlement Fund Fund Treasury Yield Curve Quarter Ended 12/31/14



Description	Legend	Yrs to Mat	Yield	Description	Legend	Yrs to Mat	Yield	Treasury	
BR Interm Govt/Credit Idx B	B	4.23	1.67	Barclays Int Govt/Credit Idx	Δ	4.22	1.68	Yrs to Mat	Yield
PIMCO Total Return Fund	P	10.47	1.60					1.00	0.28
Hotchkis & Wiley HY Fund	H	5.52	7.14					5.00	1.47
Dodge & Cox Income Fund	■	7.20	2.60					10.00	2.18
Fixed Income Composite	Y	6.47	3.65					15.00	2.47
Barclays Aggregate	a	7.69	2.25					20.00	2.66
Barclays U.S. TIPS	t	8.41	1.98					25.00	2.80
Barclays High Yield	e	6.46	6.90						
Barclays MBS Fixed Rate	■	6.50	2.61						
ML US HY BB/B Const.	x	5.78	6.13						



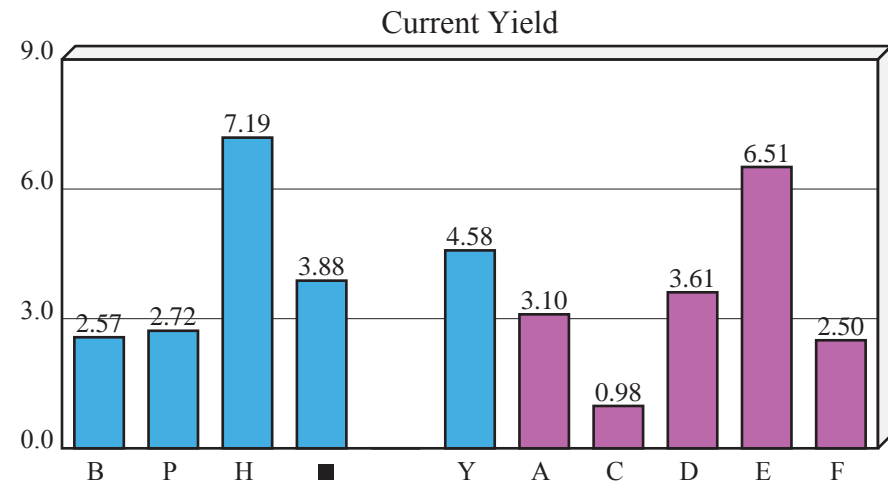
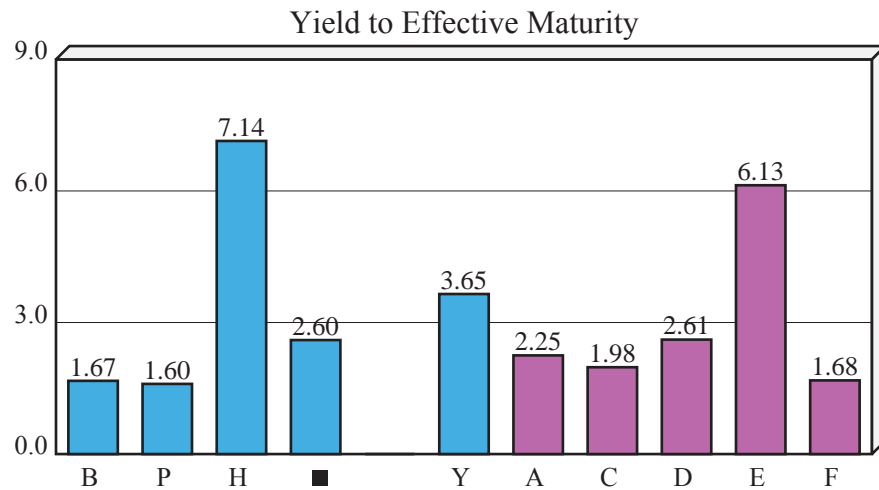
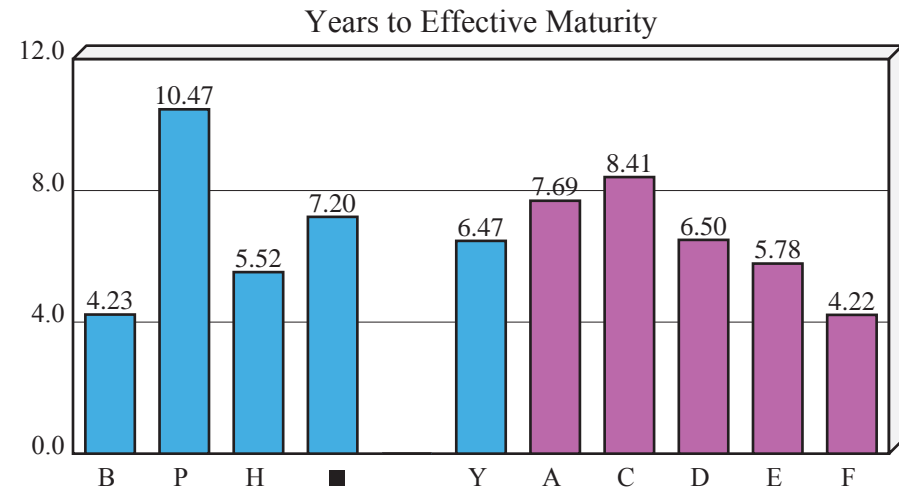
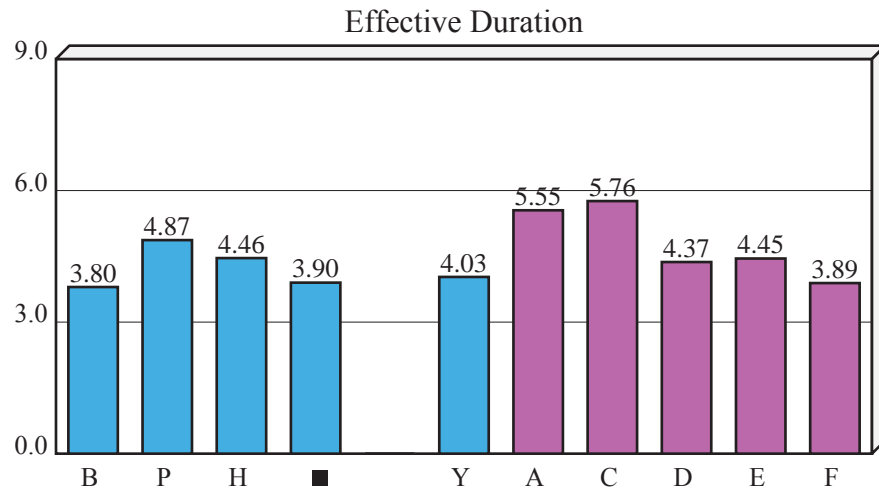
NMI Settlement Fund
Fund Return Versus Duration
Fixed Income Composite
Quarter Ended 12/31/14



Description	Legend	Duration	Total Return	Description	Legend	Duration	Total Return
BR Govt/Credit Idx B	B	3.80	0.93	Barclays Mortgage	m	4.34	1.79
PIMCO Total Return Fund	P	4.87	1.31	ML US High Yld. BB/B Const.	x	4.45	-0.36
Hotchkis & Wiley HY Fund	H	4.46	-1.80	Barclays High Yield	e	4.34	-1.00
Fixed Income Composite	Y	4.03	0.03				
Barclays Int Govt/Credit Index	Δ	3.89	0.89				
Barclays MBS Fixed Rate Index	■	4.37	1.80				
91-Day Treasury Bill	n	0.23	0.00				
Barclays Aggregate	a	5.55	1.79				
Barclays Government	i	5.42	1.86				
Barclays Credit	c	7.07	1.76				



NMI Settlement Fund Fund Fixed Income Characteristics Quarter Ended 12/31/14



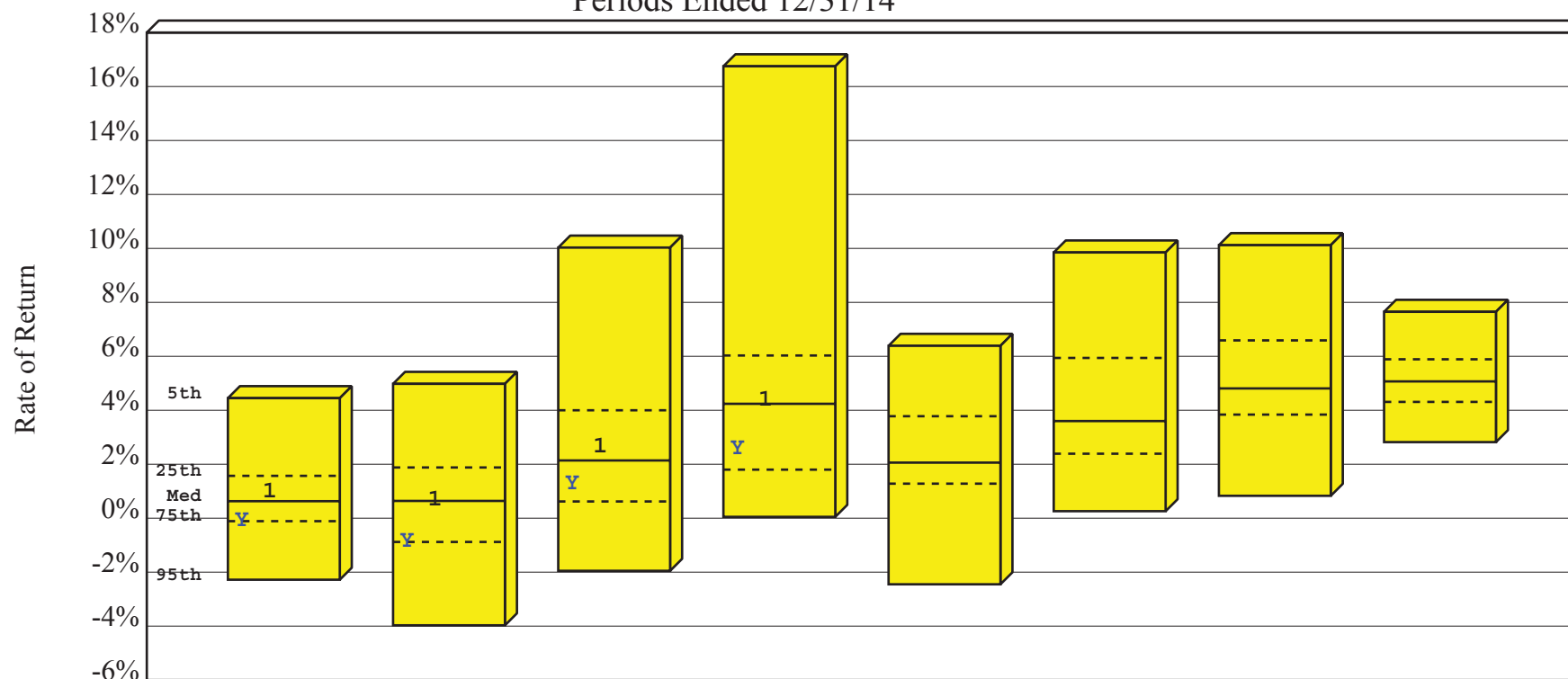
B BlackRock Interm. Govt/Credit
P PIMCO Total Return Fund
H Hotchkis & Wiley High Yield Fu
■ Dodge & Cox Income Fund
Y Fixed Income Composite

A Barclays Aggregate
C Barclays U.S. TIPS
D Barclays MBS Fixed Rate Index
E ML US High Yld. BB/B Const.
F Barclays Int Govt/Credit Index

Manager	\$ (MIL)	# Bond	Effective Maturity				QLTY	Sectors							
			<1	1-10	10-20	>20		FIN	FOR	GA	IND	MISC	MTGE	TRAN	UTL
BR Interm. Govt/Credit Idx B	8.0	3,121	2.9	96.9	0.1	0.1	AA	13	6	63	15	0	0	0	3
PIMCO Total Return Fund	0.0	5,501	16.0	54.0	14.0	16.0	AA	14	18	43	0	0	25	0	0
Hotchkis & Wiley HY Fund	19.6	146	2.0	98.0	0.0	0.0	B	11	1	0	79	1	0	2	7
Dodge & Cox Income Fund	50.2	884	5.1	78.7	6.3	9.9	A	21	0	18	23	3	34	0	1
Fixed Income Composite	77.7	9,641	4.1	85.4	4.1	6.4	BBB	18	1	18	36	2	22	1	3
Barclays Aggregate	17,608,810.0	9,079	0.0	85.8	3.3	10.9	AA	8	3	42	14	0	31	0	2
Barclays U.S. TIPS	943,615.0	35	0.0	74.4	17.2	8.5	AAA	0	0	100	0	0	0	0	0
Barclays MBS Fixed Rate Index	5,007,181.0	300	0.0	100.0	0.0	0.0	AAA	0	0	0	0	0	100	0	0
Barclays Int Govt/Credit Index	9,584,016.0	4,854	0.0	100.0	0.0	0.0	AA	11	4	66	17	0	0	0	2



NMI Settlement Fund
Performance Comparison
Wilcop Total Returns of Fixed Income Portfolios
Periods Ended 12/31/14

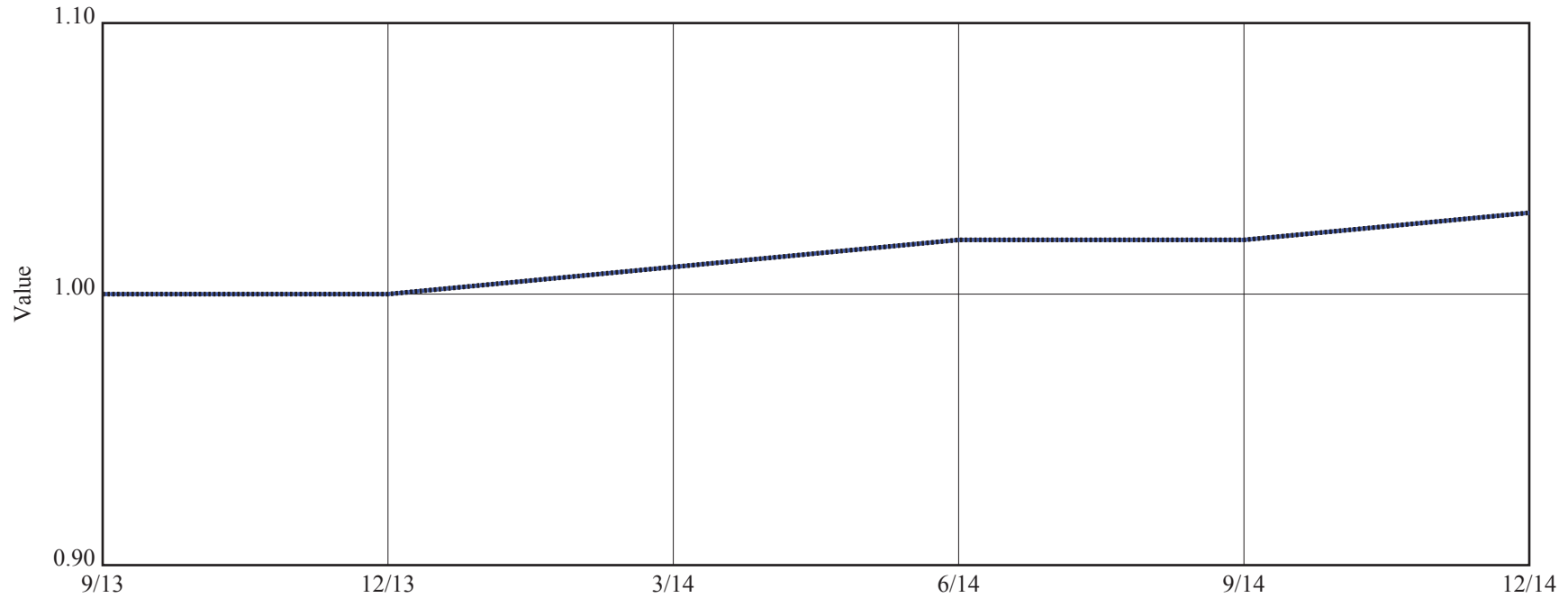


Manager returns are Net of Fees

	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
Y Fixed Income Composite	0.03 (69)	-0.76 (74)	1.39 (62)	2.68 (67)				
1 Policy Index	1.07 (39)	0.78 (47)	2.75 (44)	4.48 (47)				
Median	0.63	0.64	2.14	4.24	2.06	3.60	4.81	5.07
Number of Funds	1244	1211	1184	1132	942	821	586	258



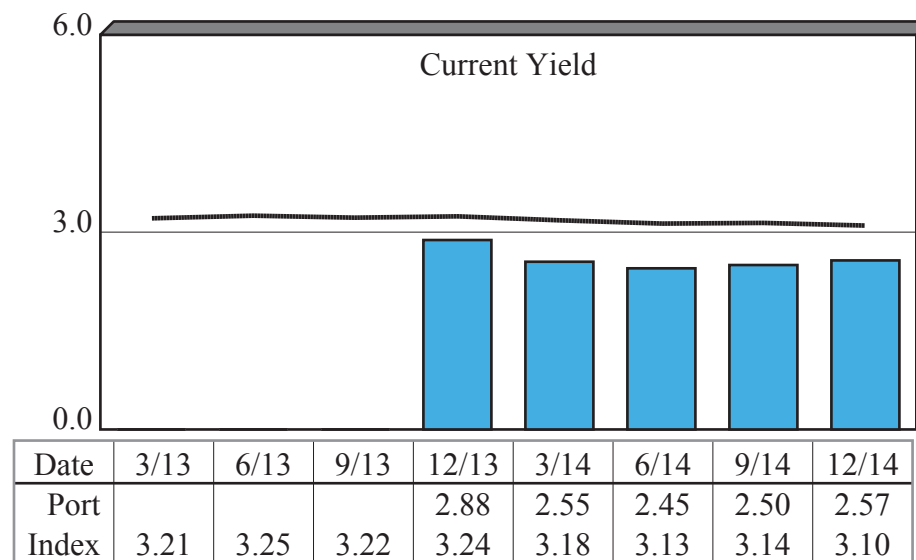
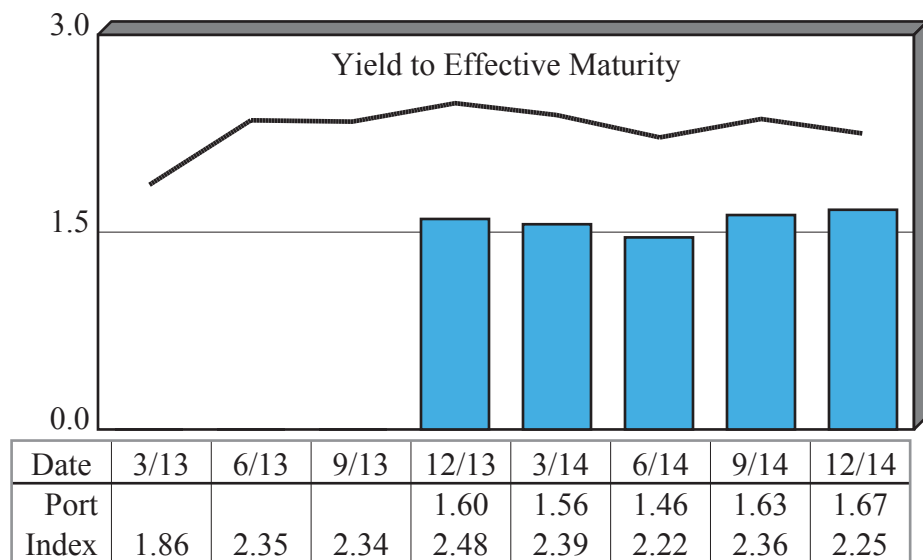
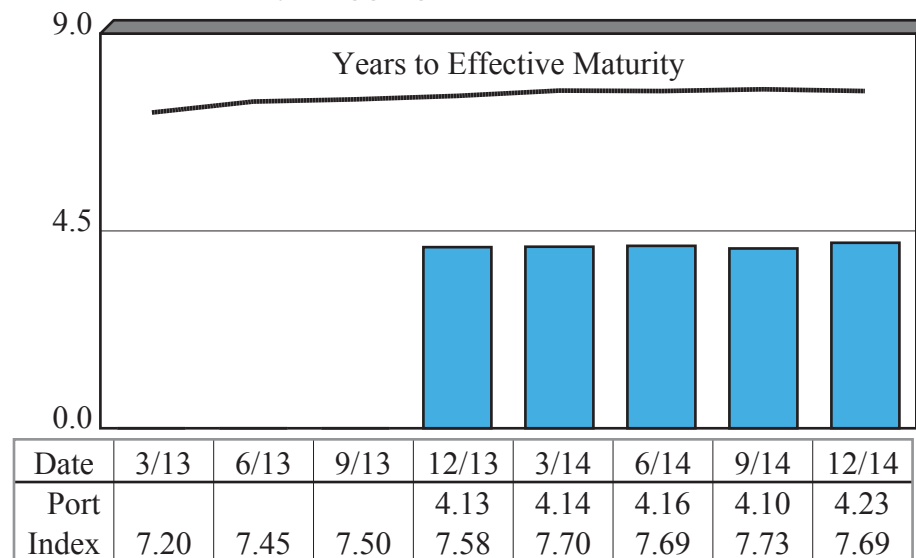
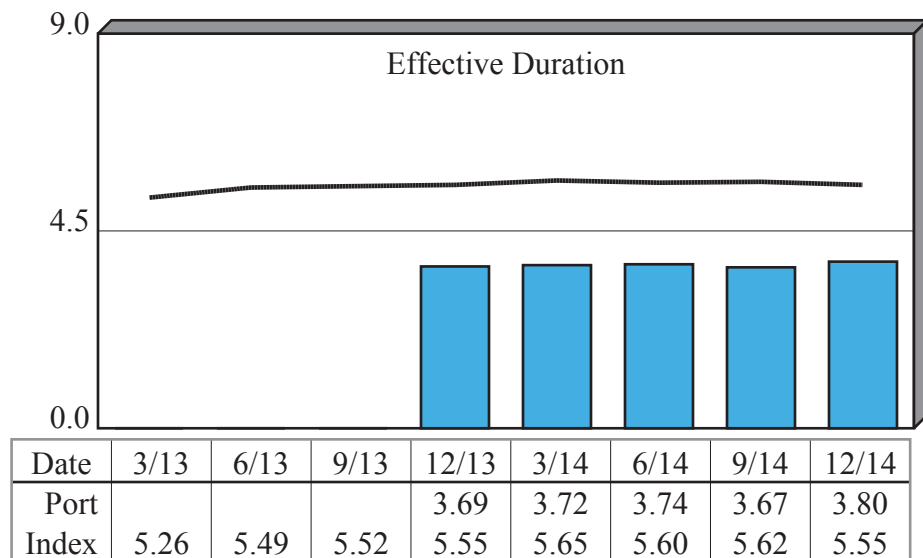
NMI Settlement Fund
Growth of One Dollar
BlackRock Interm. Govt/Credit Idx B
Quarter Ended 12/31/14



	Legend	Return		\$ Value
		1 Year & 1 Quarter	Inception 9/30/13	
Total	—	2.63	2.63	1.03
Barclays Gov/Credit Inter. Index	2.48	2.48	1.03



NMI Settlement Fund
Fixed Income Portfolio Characteristics
BlackRock Interm. Govt/Credit Idx B vs. Barclays Aggregate



■ Portfolio — Index



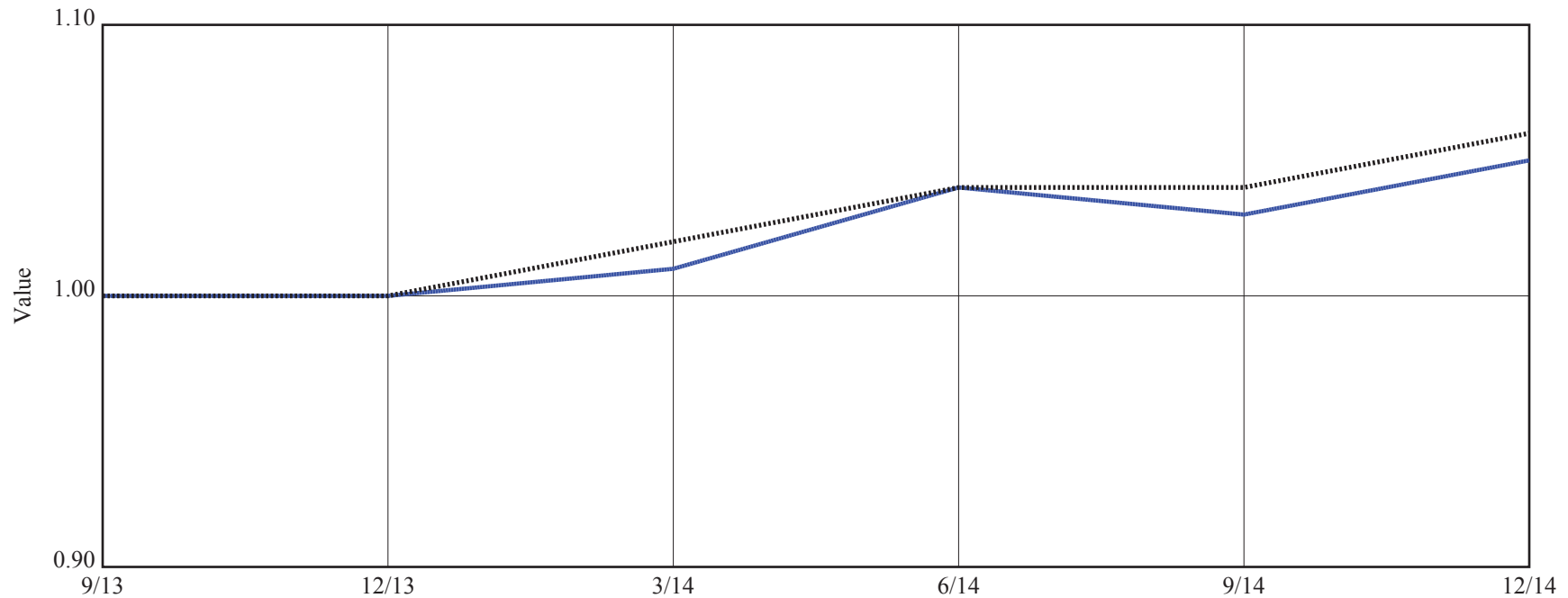
NMI Settlement Fund
Fixed Income Percent Invested by Sectors
BlackRock Interm. Govt/Credit Idx B
Quarter Ended 12/31/14

Name	Moody's Quality Ratings								Total
	Aaa	Aa	A	Baa	Ba	B	Other	NR	
Government	61.56	0.15	0.35	0.04	---	---	---	0.40	62.50
Treasury	56.34	---	---	---	---	---	---	---	56.34
Agency	5.21	0.15	0.35	0.04	---	---	---	0.40	6.15
Corporate	3.87	4.71	12.29	15.59	0.19	---	---	0.28	36.93
Industrial	0.28	2.17	5.71	7.04	0.10	---	---	0.02	15.32
Utility	---	0.22	0.84	1.94	---	---	---	---	3.00
Finance	0.58	0.91	5.30	5.94	0.07	---	---	0.03	12.83
Yankee	3.01	1.41	0.44	0.66	0.02	---	---	0.23	5.77
Transportation	---	0.06	0.14	0.24	0.00	---	---	---	0.44
Mortgage	---	---	---	---	---	---	---	---	---
GNMA	---	---	---	---	---	---	---	---	---
FHLMC	---	---	---	---	---	---	---	---	---
FNMA	---	---	---	---	---	---	---	---	---
Other Mortgage	---	---	---	---	---	---	---	---	---
Municipals	---	0.06	0.04	---	---	---	---	---	0.10
Cash	---	---	0.02	0.00	---	---	---	---	0.02
Other	---	---	---	---	---	---	---	---	---
Total	65.42	4.98	12.83	15.88	0.19	---	---	0.69	100.00

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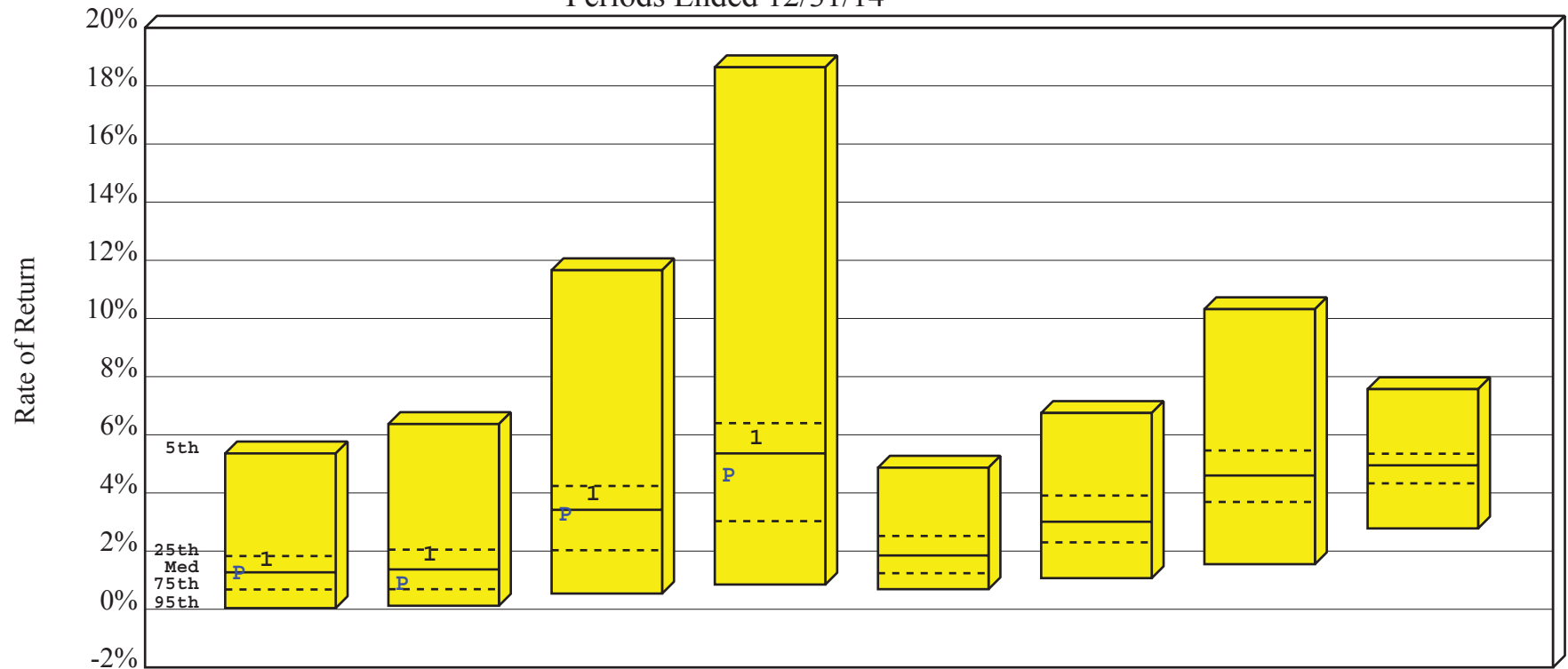
NMI Settlement Fund
Growth of One Dollar
PIMCO Total Return Fund
Quarter Ended 12/31/14



	Legend	Return		\$ Value
		1 Year & 1 Quarter	Inception 9/30/13	
Total	—	3.70	3.70	1.05
Barclays Aggregate	4.63	4.63	1.06



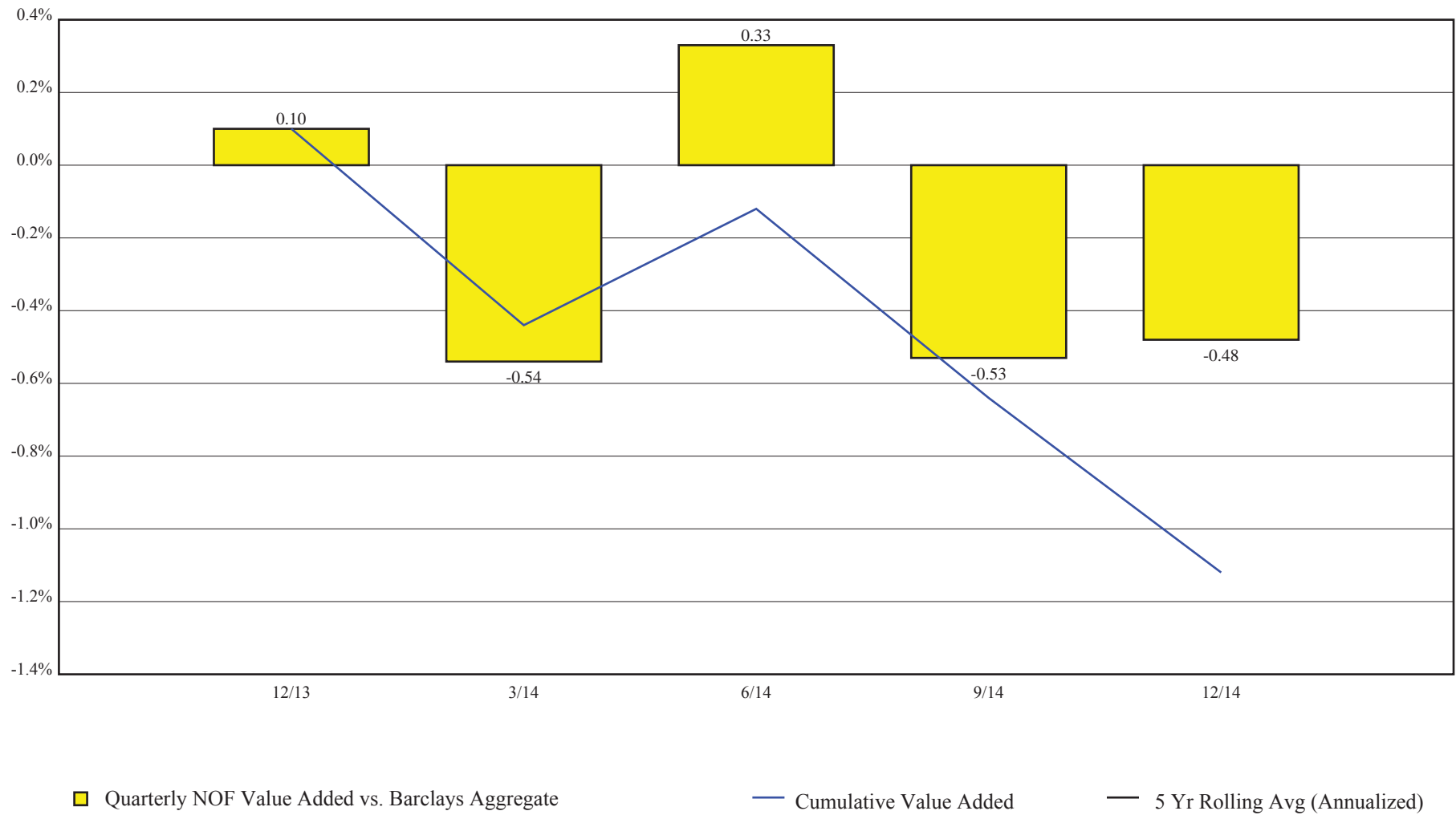
NMI Settlement Fund
Performance Comparison
Compass Active Core Fixed Income Portfolios
Periods Ended 12/31/14



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
P PIMCO Total Return Fund	1.31 (48)	0.94 (64)	3.34 (51)	4.68 (53)				
1 Barclays Aggregate	1.79 (29)	1.96 (31)	4.05 (34)	5.97 (39)				
Median	1.27	1.37	3.42	5.36	1.85	3.01	4.60	4.95
Number of Funds	399	395	394	392	382	375	362	317

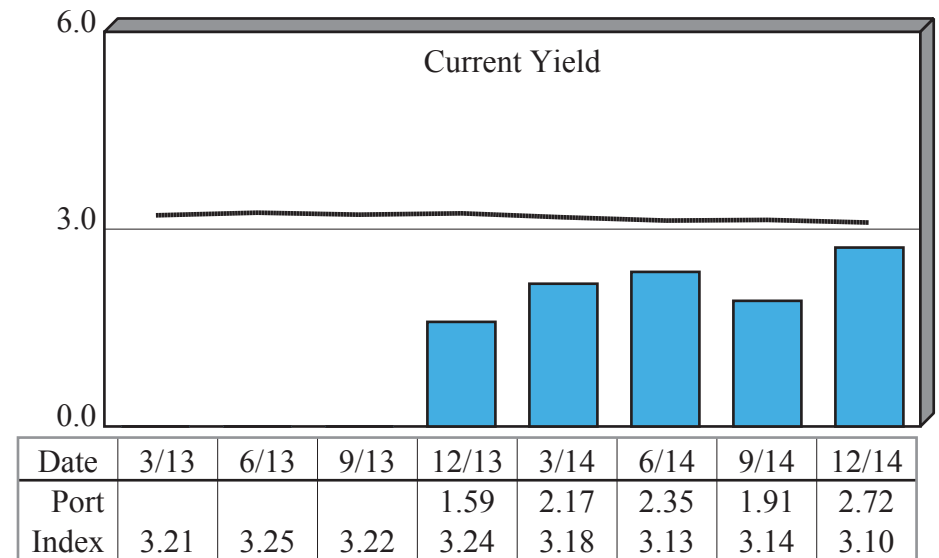
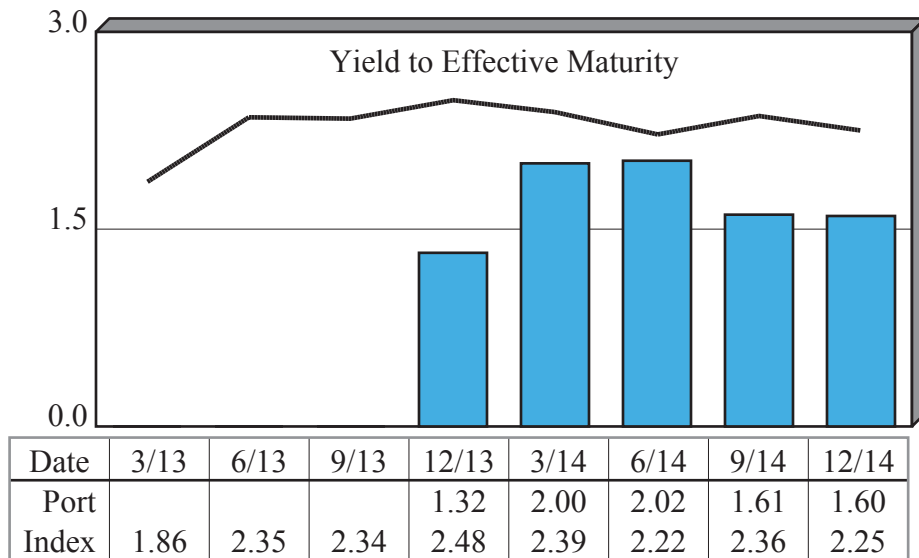
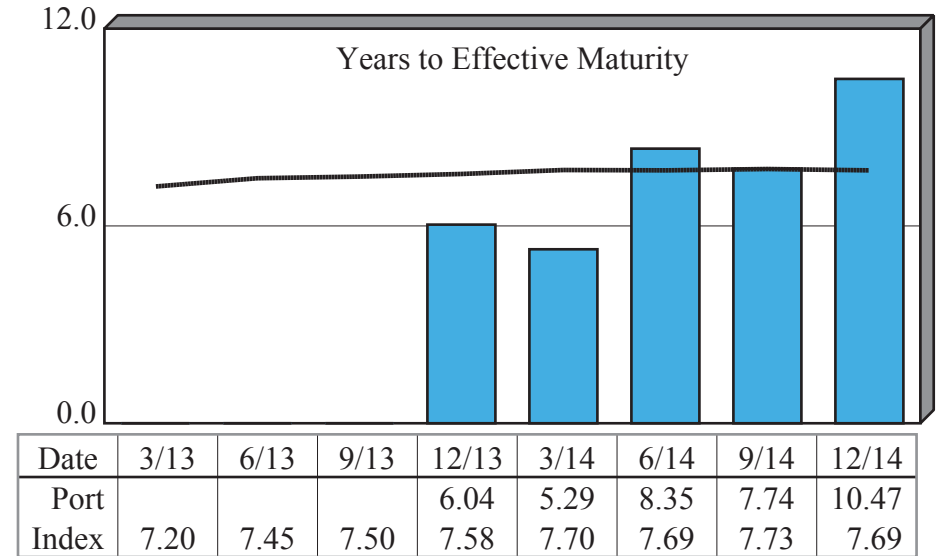
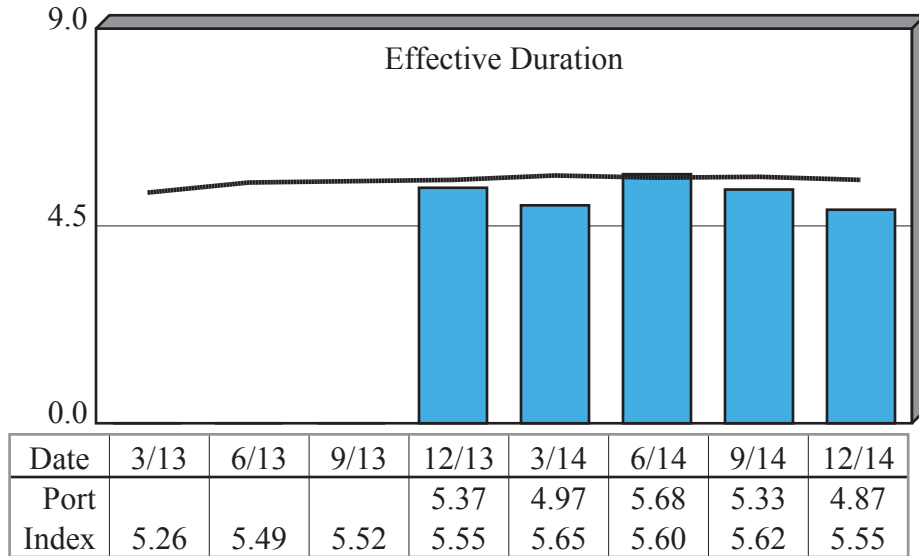


NMI Settlement Fund
Value Added Analysis
PIMCO Total Return Fund
Quarter Ended 12/31/14





NMI Settlement Fund
Fixed Income Portfolio Characteristics
PIMCO Total Return Fund vs. Barclays Aggregate



■ Portfolio — Index

Quarter	\$ (MIL)	# Bond	Maturity				QLTY	Sectors							
			<1	1-10	10-20	>20		FIN	FOR	GA	IND	MISC	MTGE	TRAN	UTL
12/31/13	49.6	5,224	0.0	95.0	9.0	-4.0	AA	10	12	45	0	-2	35	0	0
03/31/14	50.3	5,388	0.0	94.0	9.0	-3.0	AA	10	16	41	0	10	23	0	0
06/30/14	51.5	5,964	0.0	89.0	10.0	1.0	A	12	25	47	0	-6	22	0	0
09/30/14	51.3	5,933	1.0	83.0	12.0	4.0	A	13	21	38	0	8	20	0	0
12/31/14	0.0	5,501	16.0	54.0	14.0	16.0	AA	14	18	43	0	0	25	0	0
Barclays Aggregate	17,608,810.0	9,079	0.0	85.8	3.3	10.9	AA	8	3	42	14	0	31	0	2

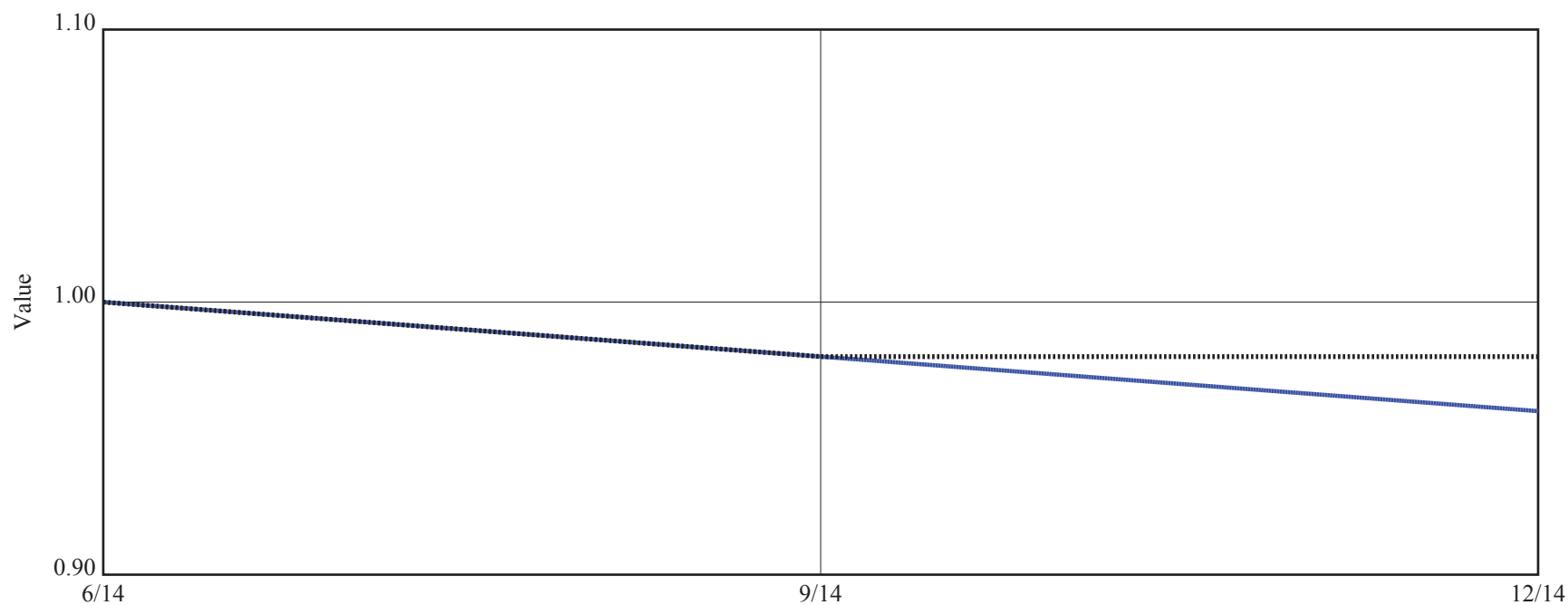


NMI Settlement Fund
Fixed Income Return Analysis
PIMCO Total Return Fund
Quarter Ended 12/31/14

Quarter	Barclays Aggregate	Total Return	Net Management Effect			
			Interest Rate Anticipation	Sector/Issue	Trading	Total
12/13	-0.14	-0.04	NA	NA	NA	0.10
03/14	1.84	1.30	-0.06	-1.78	1.30	-0.54
06/14	2.04	2.37	-0.25	-1.80	2.37	0.33
09/14	0.17	-0.36	0.00	-0.17	-0.36	-0.53
12/14	1.79	1.31	-0.09	-1.70	1.31	-0.48
2014	5.97	4.68	-0.39	-5.35	4.68	-1.28
From Inception	4.63	3.70				-0.93
From 12/13	5.97	4.68	-0.39	-5.35	4.46	-1.28



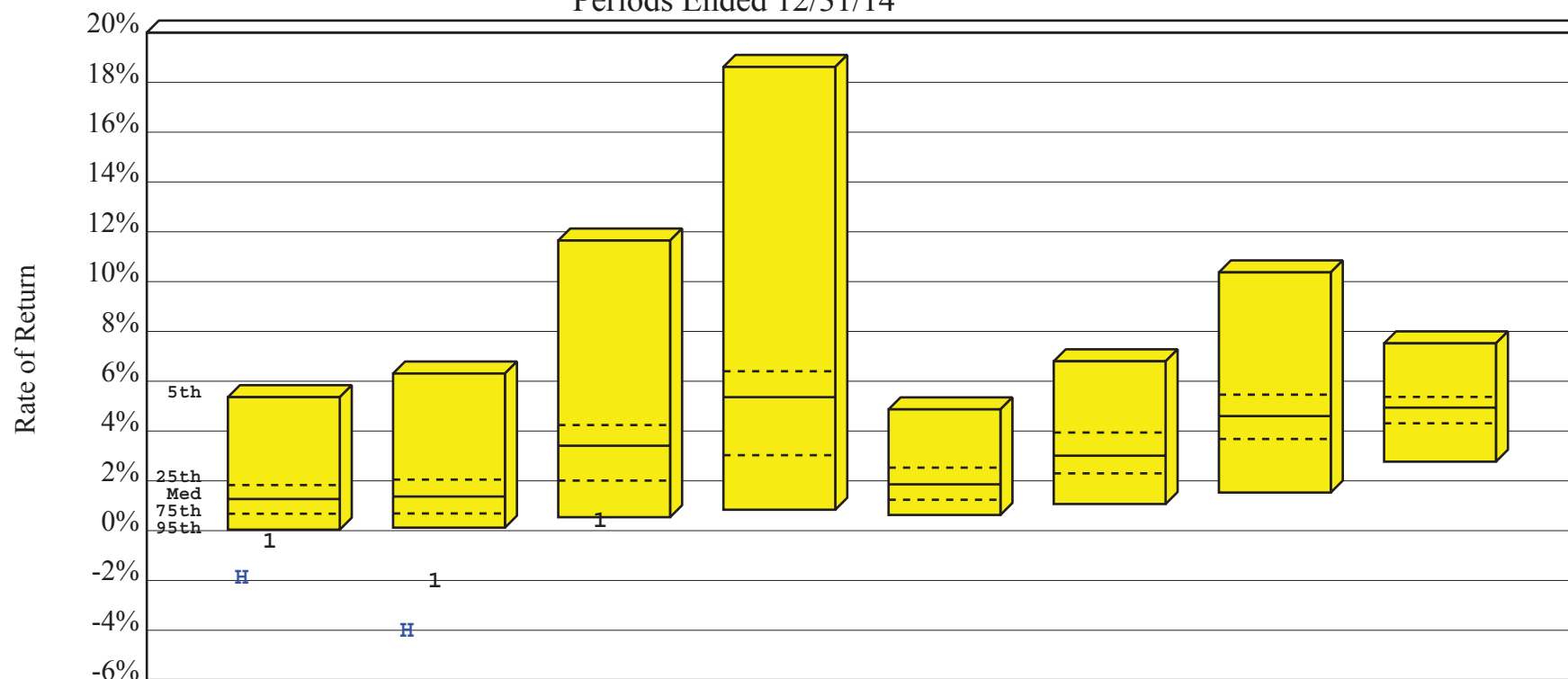
NMI Settlement Fund
Growth of One Dollar
Hotchkis & Wiley High Yield Fund
Quarter Ended 12/31/14



	Legend	Return		\$ Value
		2 Quarters	Inception 6/30/14	
Total	———	-3.93	-3.93	0.96
ML US High Yld. BB/B Const.	-1.94	-1.94	0.98



NMI Settlement Fund
Performance Comparison
Compass Active Core Fixed Income Portfolios
Periods Ended 12/31/14

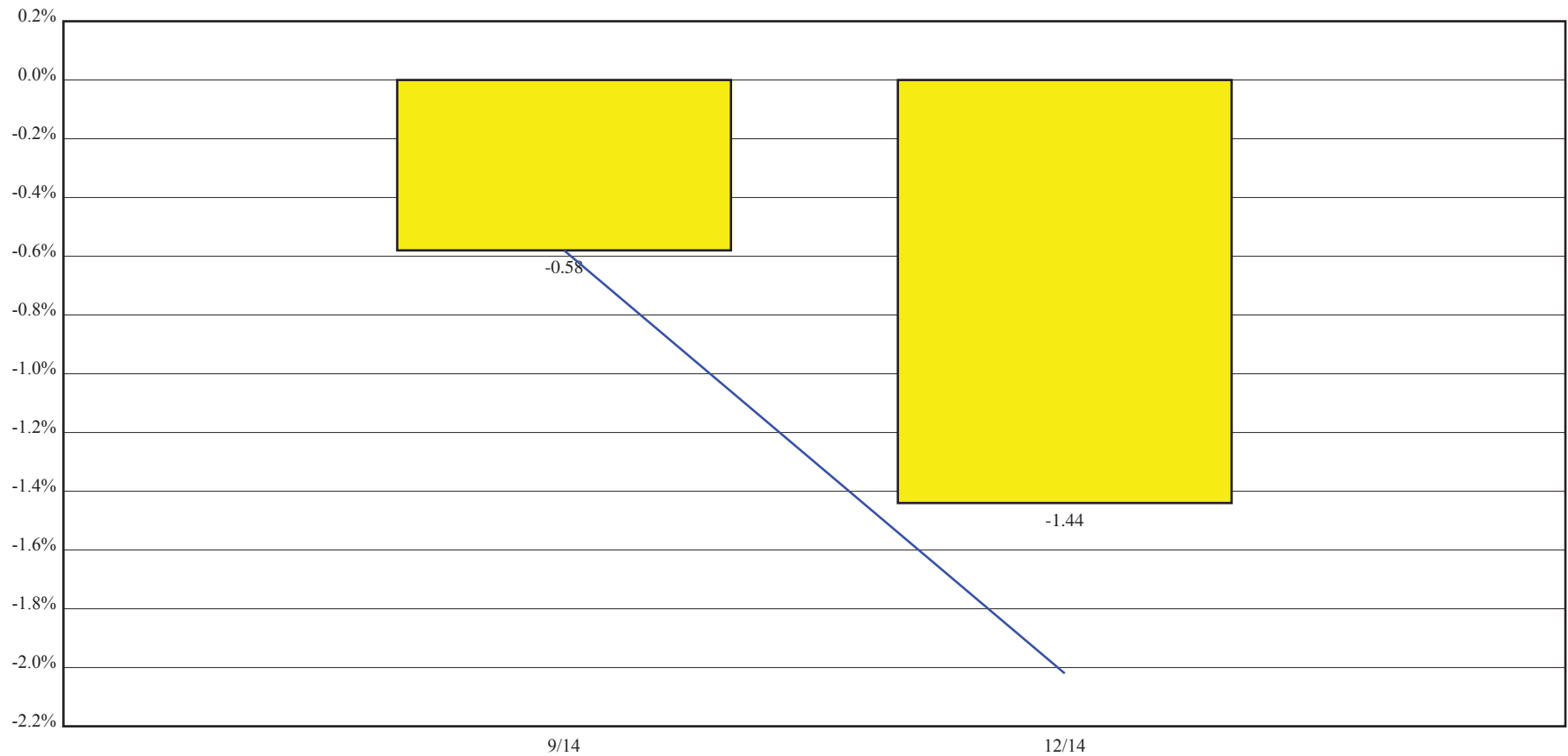


Manager returns are Gross of Fees

	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
H Hotchkis & Wiley High Yi	-1.80 (99)	-3.93 (100)						
1 ML US Hi Yld. BB/B Con	-0.36 (99)	-1.94 (99)	0.50 (95)					
Median	1.27	1.37	3.41	5.36	1.86	3.01	4.60	4.94
Number of Funds	415	411	408	406	396	389	374	329



NMI Settlement Fund
Value Added Analysis
Hotchkis & Wiley High Yield Fund
Quarter Ended 12/31/14



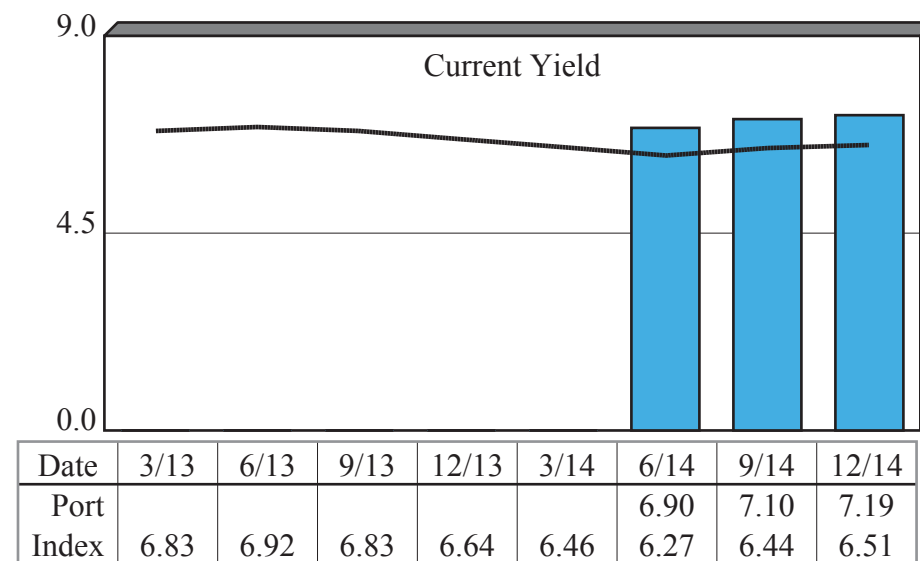
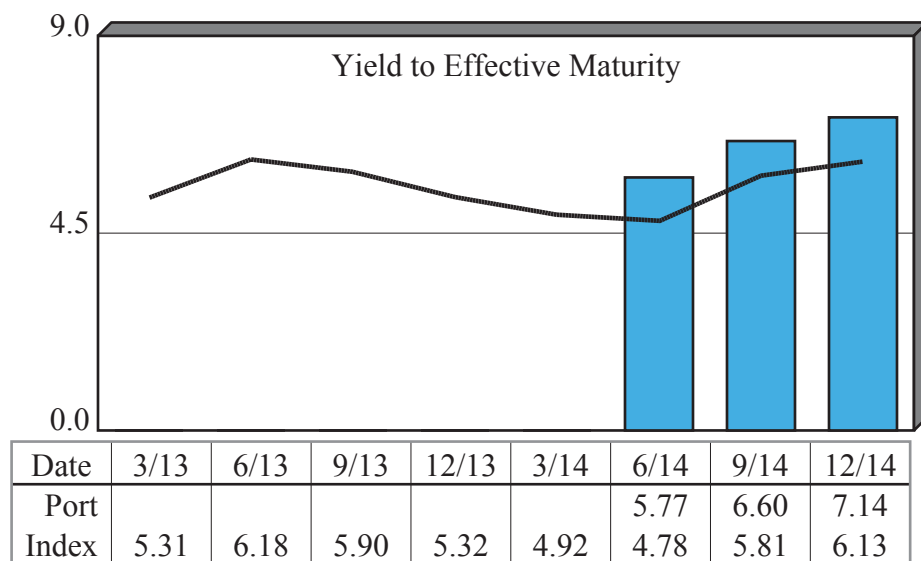
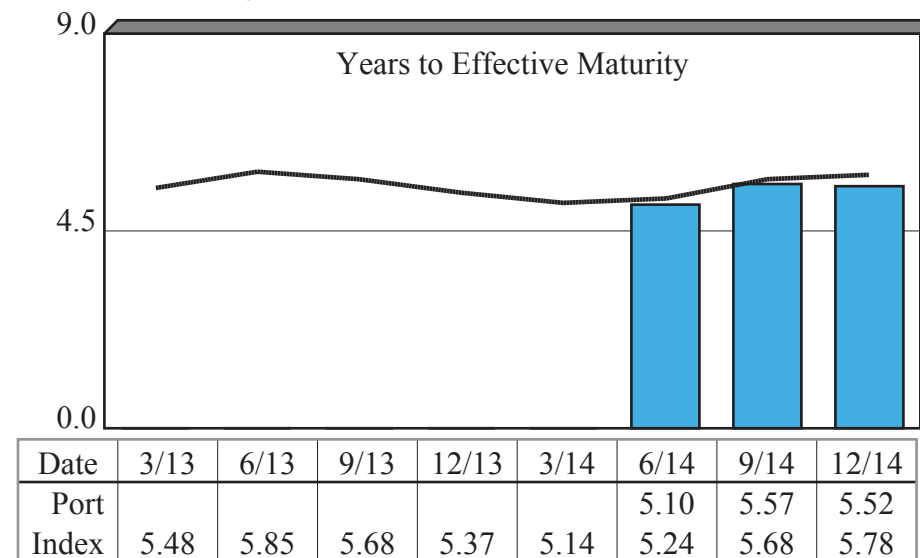
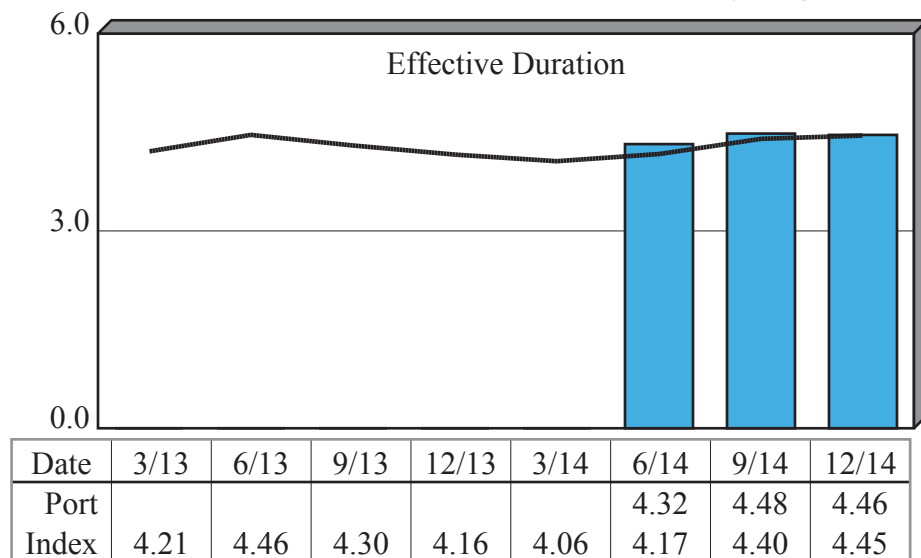
■ Quarterly NOF Value Added vs. ML US High Yld. BB/B Const.

— Cumulative Value Added

— 2 Yr Rolling Avg (Annualized)



NMI Settlement Fund
Fixed Income Portfolio Characteristics
Hotchkis & Wiley High Yield Fund vs. ML US High Yld. BB/B Const.



■ Portfolio — Index



NMI Settlement Fund
Fixed Income Percent Invested by Sectors
Hotchkis & Wiley High Yield Fund
Quarter Ended 12/31/14

Name	Moody's Quality Ratings								Total
	Aaa	Aa	A	Baa	Ba	B	Other	NR	
Government	---	---	---	---	---	---	---	---	---
Treasury	---	---	---	---	---	---	---	---	---
Agency	---	---	---	---	---	---	---	---	---
Corporate	---	---	---	---	30.16	48.15	14.88	3.79	96.98
Industrial	---	---	---	---	20.00	41.14	13.60	3.79	78.53
Utility	---	---	---	---	3.76	2.14	0.90	---	6.80
Finance	---	---	---	---	6.39	4.24	0.38	---	11.01
Yankee	---	---	---	---	---	0.63	---	---	0.63
Transportation	---	---	---	---	---	2.33	---	---	2.33
Mortgage	---	---	---	---	---	---	---	---	---
GNMA	---	---	---	---	---	---	---	---	---
FHLMC	---	---	---	---	---	---	---	---	---
FNMA	---	---	---	---	---	---	---	---	---
Other Mortgage	---	---	---	---	---	---	---	---	---
Municipals	---	---	---	---	---	---	---	---	---
Cash	---	---	---	---	---	0.69	---	---	0.69
Other	---	---	---	---	---	---	---	---	---
Total	---	---	---	---	30.16	51.18	14.88	3.79	100.00

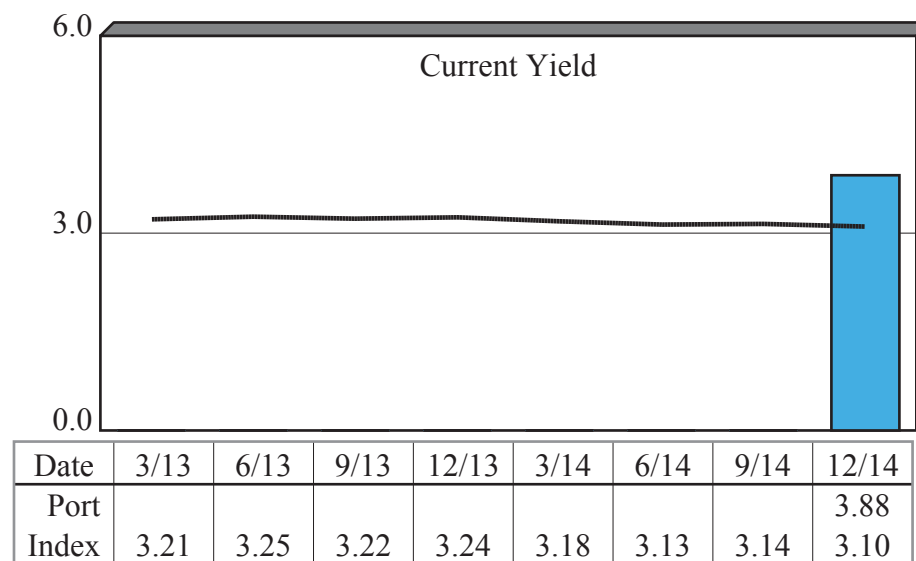
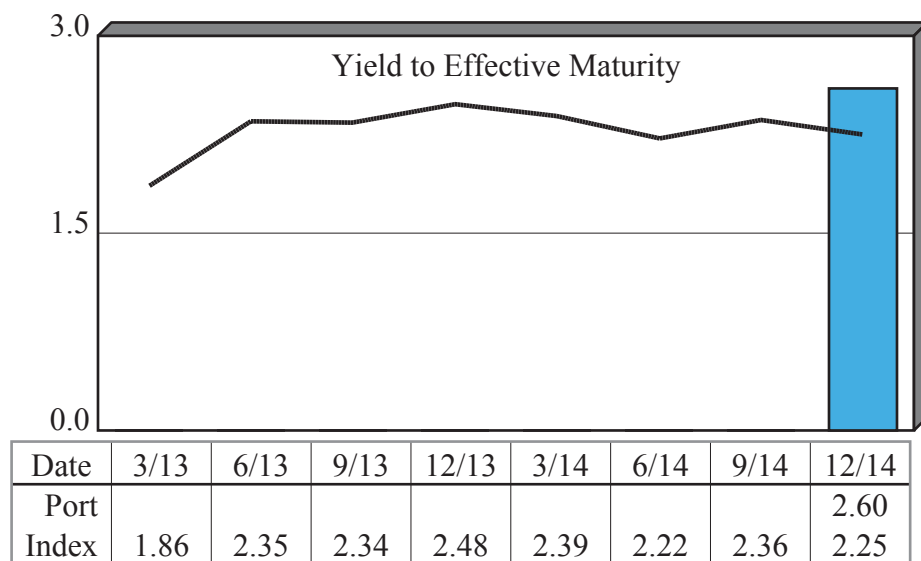
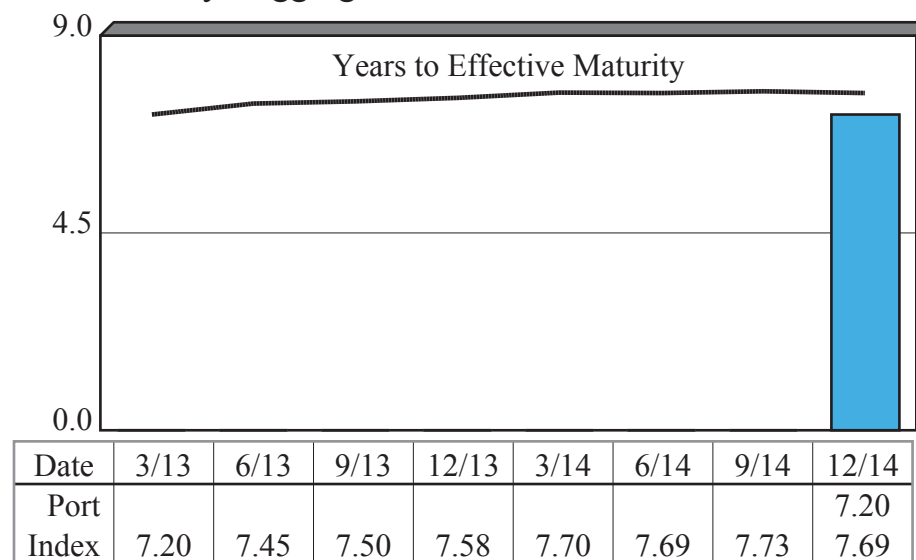
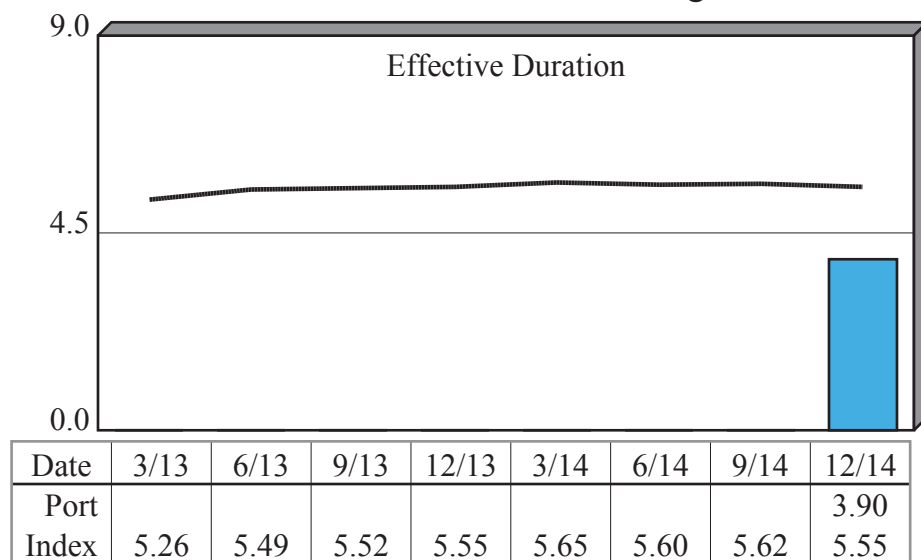
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NMI Settlement Fund

Fixed Income Portfolio Characteristics

Dodge & Cox Income Fund vs. Barclays Aggregate



■ Portfolio — Index



NMI Settlement Fund
Fixed Income Percent Invested by Sectors
Dodge & Cox Income Fund
Quarter Ended 12/31/14

Name	Moody's Quality Ratings								Total
	Aaa	Aa	A	Baa	Ba	B	Other	NR	
Government	12.46	---	0.76	---	---	---	---	---	13.22
Treasury	11.86	---	---	---	---	---	---	---	11.86
Agency	0.60	---	0.76	---	---	---	---	---	1.36
Corporate	3.54	0.54	4.32	26.51	7.43	2.46	---	4.84	49.64
Industrial	---	---	2.54	13.46	1.66	1.62	---	0.15	19.43
Utility	---	---	0.17	3.05	1.29	0.63	---	---	5.14
Finance	3.54	0.48	1.61	9.78	3.74	---	---	4.69	23.84
Yankee	---	0.06	---	0.22	0.74	0.21	---	---	1.23
Transportation	---	0.22	1.06	0.34	---	---	---	---	1.62
Mortgage	30.63	---	---	---	0.02	---	---	0.12	30.77
GNMA	0.01	---	---	---	---	---	---	---	0.01
FHLMC	8.19	---	---	---	---	---	---	0.07	8.26
FNMA	21.28	---	---	---	---	---	---	0.05	21.33
Other Mortgage	1.15	---	---	---	0.02	---	---	---	1.17
Municipals	---	3.05	1.70	---	---	---	---	---	4.75
Cash	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	---
Total	46.62	3.81	7.85	26.85	7.45	2.46	---	4.96	100.00



NMI Settlement Fund
Fixed Income Structural Characteristics
Dodge & Cox Income Fund
Quarter Ended 12/31/14

Quarter	\$(MIL)	# Bond	Maturity				QLTY	Sectors							
			<1	1-10	10-20	>20		FIN	FOR	GA	IND	MISC	MTGE	TRAN	UTL
12/31/14	50.2	884	5.1	78.7	6.3	9.9	AA	21	0	18	23	3	34	0	1
Barclays Aggregate	17,608,810.0	9,079	0.0	85.8	3.3	10.9	AA	8	3	42	14	0	31	0	2

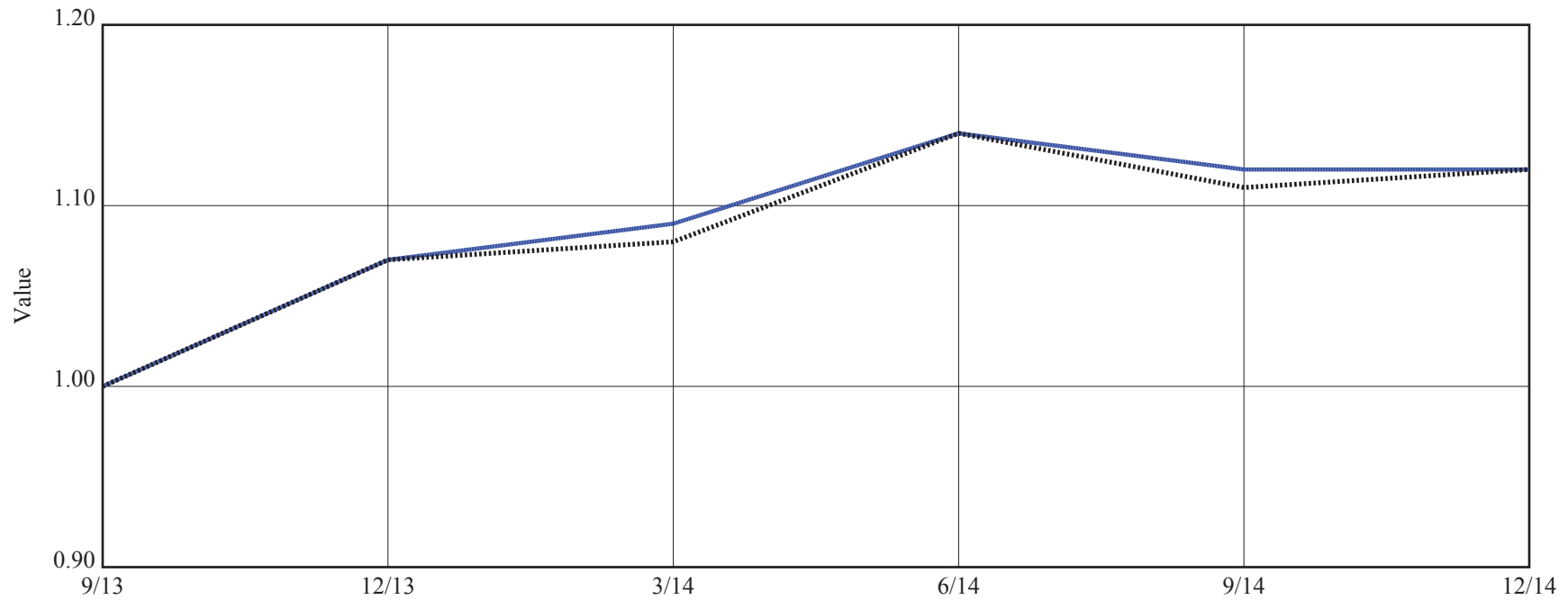


NMI Settlement Fund
Fund Return Table
Global Equity Composite
Quarter Ended 12/31/14

Manager	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	Since 12/31/04	Inception Date	Inception Return
BlackRock ACWI Superfund B	0.34	-1.90	3.11	4.30				9/30/13	9.50
MSCI ACWI (N)	0.41	-1.90	3.04	4.16				9/30/13	9.31
Global Equity Composite	0.34	-1.90	3.11	4.30				9/30/13	9.50
MSCI ACWI (N)	0.41	-1.90	3.04	4.16				9/30/13	9.31
Indices									
MSCI ACWI (N)	0.41	-1.90	3.04	4.16	14.10	9.17	6.09	Since 9/30/13	9.31



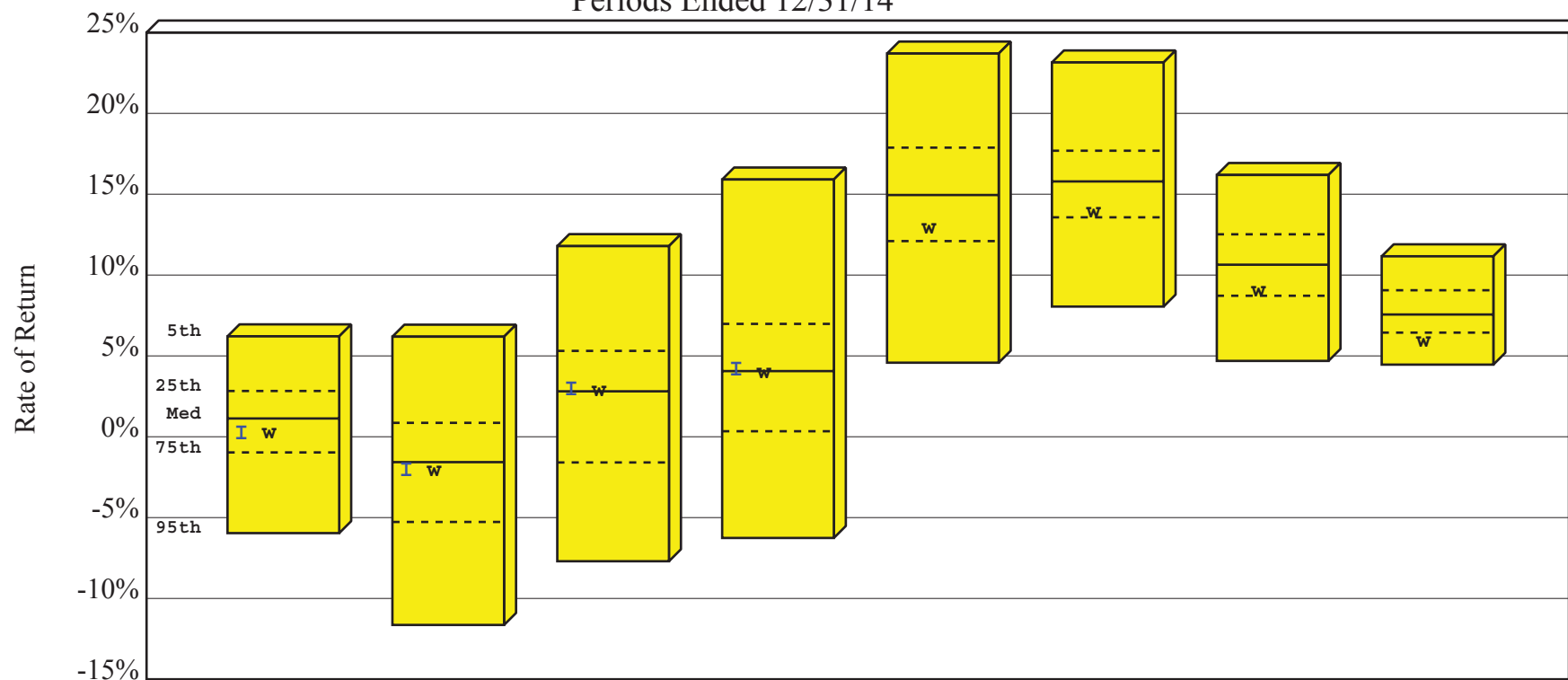
NMI Settlement Fund
Growth of One Dollar
Global Equity Composite
Quarter Ended 12/31/14



	Legend	Return		\$ Value
		1 Year & 1 Quarter	Inception 9/30/13	
Total	—	9.50	9.50	1.12
MSCI ACWI (N)	9.31	9.31	1.12



NMI Settlement Fund
Performance Comparison
Compass Active Global International Equity Portfolios
Periods Ended 12/31/14



Manager returns are Net of Fees

	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
I Global Equity Composite	0.34 (62)	-1.90 (53)	3.11 (47)	4.30 (47)				
w MSCI ACWI (N)	0.41 (61)	-1.90 (53)	3.04 (48)	4.16 (48)	13.09 (68)	14.10 (70)	9.17 (72)	6.09 (80)
Median	1.13	-1.57	2.81	4.06	14.95	15.79	10.64	7.56
Number of Funds	416	414	409	405	394	370	317	172

Manager	US\$(000)	#	%Intl Equity	%Cash	%Other	Sectors										Turn- Over
						ENR	MAT	IND	CDI	CST	HTH	FIN	INF	TEL	UTL	
BlackRock ACWI Superfund B Global Equity Composite	7,456 7,456	8,613 8,613	47 47	0 0	53 53	7 7	6 6	11 11	13 13	9 9	11 11	22 22	14 14	3 3	3 3	NA NA
MSCI ACWI (N)	NA	2,470	100	0	0	8	5	11	12	10	12	22	14	4	3	NA

Manager	Growth		Average \$	Valuation				Risk	
	5 Yrs EPS	5 Yrs Div	Market Cap(\$Mil)	P/E	P/B	YLD	ROE	Beta	DBT/EQT
BlackRock ACWI Superfund B Global Equity Composite	13.4 13.4	7.6 7.6	77,019 77,019	18.9 18.9	2.0 2.0	2.4 2.4	17.9 17.9	0.99 0.99	0.75 0.75
MSCI ACWI (N)	15.0	8.2	88,770	18.3	2.1	2.4	17.6	1.00	0.74



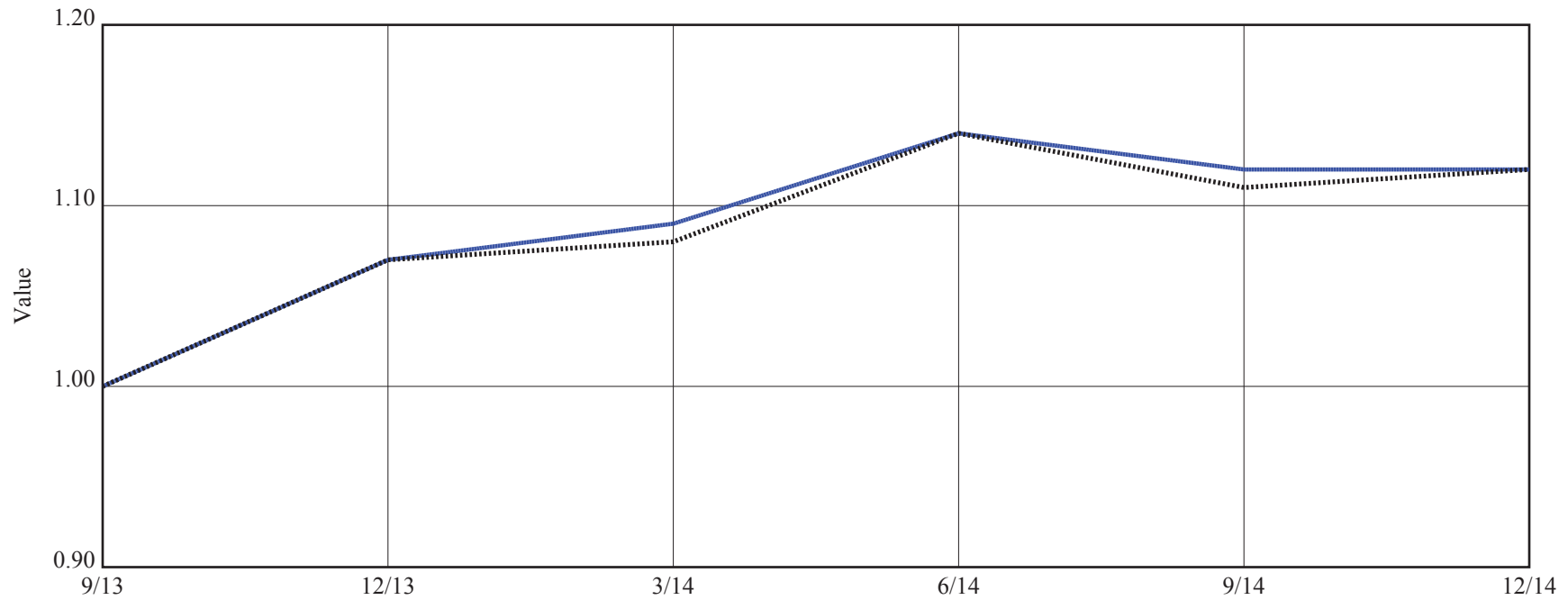
NMI Settlement Fund
Country Allocations
Global Equity Composite
Quarter Ended 12/31/14

		Austria	Belgium	Denmark	Finland	France	Germany	Greece	Ireland	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	United Kingdom	Other Europe Developed	Total Europe Developed	Czech Republic	Hungary	Poland	Turkey	Total Europe Emerging	Total Europe Other	Total Europe	Canada	United States	Total Americas Developed	Brazil	Chile	Colombia	Mexico	Peru	Total Americas Emerging	Total Americas Other	Total Americas	Australia	Hong Kong	Japan	New Zealand	Singapore	Total Pacific Basin Developed	India	Indonesia	Malaysia	China	Philippines	South Korea	Taiwan	Thailand	Total Pacific Basin Emerging	Total Pacific Basin	Other Countries Emerging	Total Frontier	Total Developed	Total Emerging
12/13	0.1	0.4	0.3	0.4	3.2	3.3	0.1	0.4	0.8	1.2	0.3	0.1	1.2	1.2	3.1	7.6	0.2	23.8	+0	+0	0.2	0.2	0.4	0.2	24.4	3.8	48.3	52.1	1.1	0.2	0.1	0.5	+0	1.9	1.0	55.0	2.8	1.3	7.8	0.1	0.6	12.6	0.7	0.3	0.4	1.5	0.1	1.7	1.3	0.3	6.3	18.9	1.8	+0	88.5	11.5	
3/14	0.1	0.5	0.5	0.4	3.3	3.3	0.1	0.4	1.0	1.2	0.3	0.1	1.2	1.2	3.2	7.3	0.2	24.2	+0	+0	0.2	0.2	0.4	0.2	24.8	3.7	48.4	52.1	1.1	0.2	0.1	0.5	+0	1.9	1.1	55.1	3.0	1.2	7.3	0.1	0.6	12.2	0.7	0.3	0.4	1.4	0.1	1.6	1.4	0.3	6.2	18.4	1.7	+0	88.5	11.5	
6/14	0.1	0.4	0.6	0.3	3.2	3.2	0.1	0.4	0.9	1.1	0.3	0.1	1.3	1.1	3.2	7.3	0.1	23.8	+0	+0	0.2	0.2	0.4	0.2	24.4	3.9	48.0	51.9	1.1	0.2	0.1	0.5	+0	1.9	1.1	55.0	2.9	1.2	7.5	0.1	0.6	12.3	0.7	0.3	0.4	1.4	0.1	1.7	1.4	0.3	6.4	18.7	1.9	0.1	88.1	11.9	
9/14	0.1	0.4	0.6	0.3	3.0	2.9	0.1	0.4	0.9	1.1	0.3	0.1	1.2	1.1	3.1	6.9	0.1	22.7	+0	+0	0.2	0.2	0.4	0.2	23.3	3.8	49.3	53.2	1.0	0.2	0.1	0.6	+0	1.9	1.1	56.1	2.7	1.3	7.5	0.1	0.6	12.2	0.8	0.3	0.4	1.5	0.1	1.7	1.4	0.3	6.5	18.7	1.9	0.1	88.1	11.9	
12/14	0.1	0.4	0.5	0.3	2.9	2.9	0.1	0.5	0.8	1.1	0.3	0.1	1.1	1.1	3.0	6.7	0.1	22.0	+0	+0	0.2	0.2	0.4	0.2	22.6	3.6	51.0	54.6	0.9	0.1	0.1	0.5	+0	1.6	0.9	57.1	2.7	1.3	7.4	0.1	0.6	12.0	0.8	0.3	0.4	1.7	0.1	1.6	1.4	0.3	6.5	18.5	1.7	0.2	88.6	11.4	
*Idx	0.1	0.4	0.5	0.3	3.3	3.1	0.1	0.1	0.8	0.9	0.2	0.1	1.2	1.0	3.1	7.1	+0	22.3	+0	+0	0.2	0.2	0.4	0.2	22.9	3.6	52.3	55.9	0.9	0.2	0.1	0.5	0.1	1.7	0.3	57.9	2.5	1.1	7.2	0.1	0.5	11.3	0.7	0.3	0.4	2.3	0.1	1.5	1.3	0.3	6.8	18.2	1.5	0.2	89.5	10.5	

*Idx - MSCI ACWI (N)



NMI Settlement Fund
Growth of One Dollar
BlackRock ACWI Superfund B
Quarter Ended 12/31/14



	Legend	Return		\$ Value
		1 Year & 1 Quarter	Inception 9/30/13	
Total	—	9.50	9.50	1.12
MSCI ACWI (N)	9.31	9.31	1.12

Quarter	\$(000)	#Intl Stocks	%Intl Equity	% Cash	% Other	Sectors										Turn- Over
						ENR	MAT	IND	CDI	CST	HTH	FIN	INF	TEL	UTL	
12/31/13	3,138	8,418	51	0	49	9	6	12	13	9	10	22	13	4	3	NA
03/31/14	3,175	8,453	51	0	49	9	6	12	12	9	10	21	13	3	3	NA
06/30/14	13,776	8,559	49	0	51	10	6	12	12	9	10	21	13	3	3	NA
09/30/14	13,468	8,521	49	0	51	9	6	11	12	9	11	21	13	3	3	NA
12/31/14	7,456	8,613	47	0	53	7	6	11	13	9	11	22	14	3	3	NA
MSCI ACWI (N)	36,887,289	2,470	100	0	0	8	5	11	12	10	12	22	14	4	3	NA

FIN - Financials
INF - Information Technology
TEL - Telecommunication Services
UTL - Utilities

Quarter	Growth		Average	Valuation				Risk	
	5 Yrs EPS	5 Yrs Div	Mkt Cap \$(Mil)	P/E	P/B	YLD	ROE	Beta	Debt/Eqty
12/31/13	7.9	6.2	73,819	19.6	1.9	2.4	23.8	1.00	0.75
03/31/14	9.8	7.3	72,420	19.2	2.0	2.4	16.3	1.00	0.75
06/30/14	12.9	8.3	75,291	19.1	2.0	2.4	17.0	1.00	0.75
09/30/14	13.1	8.4	76,444	18.8	1.9	2.4	17.0	1.00	0.75
12/31/14	13.4	7.6	77,019	18.9	2.0	2.4	17.9	0.99	0.75
MSCI ACWI (N)	15.0	8.2	88,770	18.3	2.1	2.4	17.6	1.00	0.74



NMI Settlement Fund
Country Allocations
BlackRock ACWI Superfund B
Quarter Ended 12/31/14

	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Ireland	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	United Kingdom	Other Europe Developed	Total Europe Developed	Czech Republic	Hungary	Poland	Turkey	Total Europe Emerging	Total Europe Other	Total Europe	Canada	United States	Total Americas Developed	Brazil	Chile	Colombia	Mexico	Peru	Total Americas Emerging	Total Americas Other	Total Americas	Australia	Hong Kong	Japan	New Zealand	Singapore	Total Pacific Basin Developed	India	Indonesia	Malaysia	China	Philippines	South Korea	Taiwan	Thailand	Total Pacific Basin Emerging	Total Pacific Basin	Other Countries Emerging	Total Frontier	Total Developed	Total Emerging
12/13	0.1	0.4	0.3	0.4	3.2	3.3	0.1	0.4	0.8	1.2	0.3	0.1	1.2	1.2	3.1	7.6	0.2	23.8	+0	+0	0.2	0.2	0.4	0.2	24.4	3.8	48.3	52.1	1.1	0.2	0.1	0.5	+0	1.9	1.0	55.0	2.8	1.3	7.8	0.1	0.6	12.6	0.7	0.3	0.4	1.5	0.1	1.7	1.3	0.3	6.3	18.9	1.8	+0	88.5	11.5
3/14	0.1	0.5	0.5	0.4	3.3	3.3	0.1	0.4	1.0	1.2	0.3	0.1	1.2	1.2	3.2	7.3	0.2	24.2	+0	+0	0.2	0.2	0.4	0.2	24.8	3.7	48.4	52.1	1.1	0.2	0.1	0.5	+0	1.9	1.1	55.1	3.0	1.2	7.3	0.1	0.6	12.2	0.7	0.3	0.4	1.4	0.1	1.6	1.4	0.3	6.2	18.4	1.7	+0	88.5	11.5
6/14	0.1	0.4	0.6	0.3	3.2	3.2	0.1	0.4	0.9	1.1	0.3	0.1	1.3	1.1	3.2	7.3	0.1	23.8	+0	+0	0.2	0.2	0.4	0.2	24.4	3.9	48.0	51.9	1.1	0.2	0.1	0.5	+0	1.9	1.1	55.0	2.9	1.2	7.5	0.1	0.6	12.3	0.7	0.3	0.4	1.4	0.1	1.7	1.4	0.3	6.4	18.7	1.9	0.1	88.1	11.9
9/14	0.1	0.4	0.6	0.3	3.0	2.9	0.1	0.4	0.9	1.1	0.3	0.1	1.2	1.1	3.1	6.9	0.1	22.7	+0	+0	0.2	0.2	0.4	0.2	23.3	3.8	49.3	53.2	1.0	0.2	0.1	0.6	+0	1.9	1.1	56.1	2.7	1.3	7.5	0.1	0.6	12.2	0.8	0.3	0.4	1.5	0.1	1.7	1.4	0.3	6.5	18.7	1.9	0.1	88.1	11.9
12/14	0.1	0.4	0.5	0.3	2.9	2.9	0.1	0.5	0.8	1.1	0.3	0.1	1.1	1.1	3.0	6.7	0.1	22.0	+0	+0	0.2	0.2	0.4	0.2	22.6	3.6	51.0	54.6	0.9	0.1	0.1	0.5	+0	1.6	0.9	57.1	2.7	1.3	7.4	0.1	0.6	12.0	0.8	0.3	0.4	1.7	0.1	1.6	1.4	0.3	6.5	18.5	1.7	0.2	88.6	11.4
*Idx	0.1	0.4	0.5	0.3	3.3	3.1	0.1	0.1	0.8	0.9	0.2	0.1	1.2	1.0	3.1	7.1	+0	22.3	+0	+0	0.2	0.2	0.4	0.2	22.9	3.6	52.3	55.9	0.9	0.2	0.1	0.5	0.1	1.7	0.3	57.9	2.5	1.1	7.2	0.1	0.5	11.3	0.7	0.3	0.4	2.3	0.1	1.5	1.3	0.3	6.8	18.2	1.5	0.2	89.5	10.5

*Idx - MSCI ACWI (N)

NMI Settlement Fund Policy Benchmarks

NMI Settlement Fund Total Fund Policy*		04/01/14- Present
Asset Class	Index	Target
Global Equity	MSCI ACWI (N)	15%
Domestic Fixed Income	ML US High Yield BB/B Const.	20%
	Barclays Gov/Credit Inter. Index	20%
	Barclays Aggregate	45%
Total		100%

NMI Settlement Fund Global Equity Policy		04/01/14- Present
Asset Class	Index	Target
Global Equity	MSCI ACWI (N)	100%
Total		100%

NMI Settlement Fund Fixed Income Policy*		04/01/14- Present
Asset Class	Index	Target
Domestic Fixed Income	ML US High Yield BB/B Const.	24%
	Barclays Gov/Credit Inter. Index	24%
	Barclays Aggregate	53%
Total		100%

*Prior to 2Q 2014 the Total Fund and Fixed Income Policy weights were based on the beginning market values each month.



NMI Settlement Fund
February 2015 Flash Report



NMI Settlement Fund
Monthly Performance and Market Value Summary
Periods Ended 2/28/15

Manager	Returns								Market Value	
	Month	Prior Month	QTD	3 Months	CYTD	1 Year	Inception Date	Inception Return	\$(000)	Percent
BlackRock ACWI Superfund B	5.60	-1.54	3.97	2.00	3.97	7.72	9/30/13	11.36	7,753	9.15
MSCI ACWI (N)	5.57	-1.56	3.92	1.91	3.92	7.55	9/30/13	11.15		
Value Added	0.04	0.02	0.06	0.09	0.06	0.17	9/30/13	0.22		
Global Equity Composite	5.60	-1.54	3.97	2.00	3.97	7.72	9/30/13	11.36	7,753	9.15
MSCI ACWI (N)	5.57	-1.56	3.92	1.91	3.92	7.55	9/30/13	11.15		
Value Added	0.04	0.02	0.06	0.09	0.06	0.17	9/30/13	0.22		
BlackRock Interm. Govt/Credit Idx B	-0.64	1.62	0.97	0.72	0.97	2.91	9/30/13	3.02	8,046	9.50
Barclays Gov/Credit Inter. Index	-0.70	1.66	0.95	0.63	0.95	2.77	9/30/13	2.87		
Value Added	0.06	-0.04	0.02	0.09	0.02	0.14	9/30/13	0.15		
Hotchkis & Wiley High Yield Fund	2.52	0.31	2.84	1.10	2.84		4/30/14	0.31	20,135	23.76
ML US High Yld. BB/B Const.	2.26	0.89	3.17	1.98	3.17		4/30/14	2.98		
Value Added	0.26	-0.58	-0.33	-0.88	-0.33		4/30/14	-2.67		
Dodge & Cox Income Fund	-0.29	1.30	1.01	0.72	1.01		10/31/14	1.23	47,144	55.64
Barclays Aggregate	-0.94	2.10	1.14	1.23	1.14		10/31/14	1.95		
Value Added	0.65	-0.79	-0.13	-0.51	-0.13		10/31/14	-0.72		
Indices							Since			
MSCI ACWI (N)	5.57	-1.56	3.92	1.91	3.92	7.55	9/30/13	11.15		
Barclays Gov/Credit Inter. Index	-0.70	1.66	0.95	0.63	0.95	2.77	9/30/13	2.87		
ML US High Yld. BB/B Const.	2.26	0.89	3.17	1.98	3.17	3.89	9/30/13	7.18		
Barclays Aggregate	-0.94	2.10	1.14	1.23	1.14	5.05	9/30/13	4.91		



NMI Settlement Fund
Monthly Performance and Market Value Summary
 Periods Ended 2/28/15

Manager	Returns								Market Value	
	Month	Prior Month	QTD	3 Months	CYTD	1 Year	Inception Date	Inception Return	\$(000)	Percent
PIMCO Total Return Fund	-0.71	2.64	1.90	1.41	1.90	4.71	9/30/13	4.64	49	0.06
Barclays Aggregate	-0.94	2.10	1.14	1.23	1.14	5.05	9/30/13	4.91		
Value Added	0.23	0.54	0.77	0.18	0.77	-0.34	9/30/13	-0.27		
Fixed Income Composite	0.41	1.08	1.49	0.85	1.49	2.45	9/30/13	2.91	75,374	88.95
Policy Index	-0.18	1.73	1.55	1.25	1.55	4.09	9/30/13	4.08		
Value Added	0.58	-0.65	-0.06	-0.40	-0.06	-1.64	9/30/13	-1.16		
JP Morgan Multi-Manager Strategies	0.00	0.00	0.00	0.00	0.00	-34.46	9/30/13	-25.79	488	0.58
Mutual Fund Cash	-0.01	0.00	-0.01	-0.01	-0.01	0.05	9/30/13	-0.21	1,121	1.32
Total Fund	0.85	0.83	1.69	0.96	1.69	2.58	9/30/13	3.08	84,735	100.00
Policy Index	0.40	1.40	1.81	1.26	1.81	4.41	9/30/13	4.30		
Value Added	0.45	-0.57	-0.12	-0.30	-0.12	-1.83	9/30/13	-1.22		
Indices							Since			
MSCI ACWI (N)	5.57	-1.56	3.92	1.91	3.92	7.55	9/30/13	11.15		
Barclays Gov/Credit Inter. Index	-0.70	1.66	0.95	0.63	0.95	2.77	9/30/13	2.87		
ML US High Yld. BB/B Const.	2.26	0.89	3.17	1.98	3.17	3.89	9/30/13	7.18		
Barclays Aggregate	-0.94	2.10	1.14	1.23	1.14	5.05	9/30/13	4.91		



NMI Settlement Fund
Asset Allocation
Total Fund
Month Ended 2/28/15

Manager Name	Equity		Bonds		Cash		Intl Equity		Intl Bonds		Real Estate		Special Invest		Other		As Allocated To Manager	
	\$(000)	%	\$(000)	%	\$(000)	%	\$(000)	%	\$(000)	%	\$(000)	%	\$(000)	%	\$(000)	%	\$(000)	%
BlackRock Interm. Govt/Credit Idx B		0.0	8,046	9.5		0.0		0.0		0.0		0.0		0.0		0.0	8,046	9.5
Hotchkis & Wiley High Yield Fund		0.0	20,135	23.8	0	0.0		0.0		0.0		0.0		0.0		0.0	20,135	23.8
PIMCO Total Return Fund		0.0	49	0.1		0.0		0.0		0.0		0.0		0.0		0.0	49	0.1
Dodge & Cox Income Fund		0.0	47,144	55.6		0.0		0.0		0.0		0.0		0.0		0.0	47,144	55.6
Managed Fixed	0	0.0	75,374	89.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	75,374	89.0
Mutual Fund Cash		0.0		0.0	1,121	1.3		0.0		0.0		0.0		0.0		0.0	1,121	1.3
Managed Short Term	0	0.0	0	0.0	1,121	1.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1,121	1.3
JP Morgan Multi-Manager Strategies		0.0		0.0		0.0		0.0		0.0		0.0	488	0.6		0.0	488	0.6
Special Investments	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	488	0.6	0	0.0	488	0.6
BlackRock ACWI Superfund B	3,721	4.4		0.0		0.0	4,031	4.8		0.0		0.0		0.0		0.0	7,753	9.1
Managed Equity	3,721	4.4	0	0.0	0	0.0	4,031	4.8	0	0.0	0	0.0	0	0.0	0	0.0	7,753	9.1
As Invested by Managers	3,721	4.4	75,374	89.0	1,121	1.3	4,031	4.8	0	0	0	0	488	0.6	0	0	84,735	100.0
As Allocated to Managers	3,997	4.7	75,374	89.0	1,121	1.3	3,755	4.4	0	0	0	0	488	0.6	0	0	84,735	100.0
Total Fund Policy Targets	6,355	7.5	72,025	85.0	0		6,355	7.5	0		0		0		0		84,735	100.0



NMI Settlement Fund Sources of Fund Growth

Total Fund
Month Ended 2/28/15

Manager Name	Beginning Value \$(000)	Net Contrib \$(000)	Distrib & Adm Fees \$(000)	Invest Fees \$(000)	Invest Gain/Loss \$(000)	Ending Value \$(000)	Time Wtd Return (%)
BR Interm. Govt/Credit Idx B	8,098	0	0	0	-52	8,046	-0.64
Hotchkis & Wiley HY Fund	19,640	0	0	0	496	20,135	2.52
PIMCO Total Return Fund	49	0	0	0	0	49	-0.71
Dodge & Cox Income Fund	47,781	-500	0	0	-137	47,144	-0.29
Managed Fixed	75,568	-500	0	0	306	75,374	
Mutual Fund Cash	1,124	501	504	0	0	1,121	-0.01
Managed Short Term	1,124	501	504	0	0	1,121	
JPM Multi-Manager Strategies	488	0	0	0	0	488	0.00
Special Investments	488	0	0	0	0	488	
BlackRock ACWI Superfund B	7,341	0	0	0	411	7,753	5.60
Managed Equity	7,341	0	0	0	411	7,753	
Total Fund	84,521	1	504	0	717	84,735	0.85

NMI Settlement Fund
Actual Expenses vs Budget
Fiscal Year 2015
For Three (3) Month Period Ending December 31, 2014

	Current Month Actual	Current Month Budget	F-Y-T-D Actual	F-Y-T-D Budget	F-Y-T-D Favorable (Unfavorable)	FY 2015 Approved Budget	Entire Fiscal Year Remaining Budget	Percent (Ratio)
Benefits Payments:								
Retirement Pension Payments	3,405,822.10	3,441,666.67	10,130,950.95	10,325,000.00	194,049.05	41,300,000.00	31,169,049.05	81.11%
Survivors Payments	476,821.17	466,666.67	1,426,072.51	1,400,000.00	(26,072.51)	5,600,000.00	4,173,927.49	10.86%
Disability Payments	63,891.35	71,416.67	193,549.55	214,250.00	20,700.45	857,000.00	663,450.45	1.73%
Death Lump Sum Payments	8,250.00	5,000.00	18,187.50	15,000.00	(3,187.50)	60,000.00	41,812.50	0.11%
							-	
Total Benefits Payment	3,954,784.62	3,984,750.00	11,768,760.51	11,954,250.00	185,489.49	47,817,000.00	36,048,239.49	93.81%
Refund Payments:								
Refund of Contributions	41,772.48	58,333.33	42,509.78	175,000.00	132,490.22	700,000.00	657,490.22	1.71%
Interest Payments	1,032.69	12,500.00	1,764.69	37,500.00	35,735.31	150,000.00	148,235.31	0.39%
Total Refunds	42,805.17	70,833.33	44,274.47	212,500.00	168,225.53	850,000.00	805,725.53	2.10%
Total Benefits and Refunds Payment	3,997,589.79	4,055,583.33	11,813,034.98	12,166,750.00	353,715.02	48,667,000.00	36,853,965.02	95.90%
Personnel Expenses								
Salaries & Wages	37,144.48	39,832.39	99,913.47	119,497.18	19,583.71	477,988.73	378,075.26	0.98%
Overtime Pay	-	833.33	225.38	2,500.00	2,274.62	10,000.00	9,774.62	0.03%
Salaries & Wages- Contract	19,753.41	19,666.67	54,245.25	59,000.00	4,754.75	236,000.00	181,754.75	0.47%
Personnel Insurance	-	5,833.33	14,883.70	17,500.00	2,616.30	70,000.00	55,116.30	0.14%
FICA	3,527.69	3,688.94	9,571.83	11,066.83	1,495.00	44,267.30	34,695.47	0.09%
DCP Expense/401K	-	3,272.45	-	9,817.35	9,817.35	39,269.38	39,269.38	0.10%
Medicare	824.99	862.74	2,238.55	2,588.21	349.66	10,352.84	8,114.29	0.02%
Total Personnel Expenses	61,250.57	73,989.85	181,078.18	221,969.56	40,891.38	887,878.25	706,800.07	1.84%
Professional Fees								
Actuarial Service Fees	-	2,083.33	-	6,250.00	6,250.00	25,000.00	25,000.00	0.07%
Audit & Accounting Fees	-	5,000.00	-	15,000.00	15,000.00	60,000.00	60,000.00	0.16%
Investment Management Fees	-	10,833.33	-	32,500.00	32,500.00	130,000.00	130,000.00	0.34%
Financial Consultant Investment Fee	36,250.00	13,750.00	72,500.00	41,250.00	(31,250.00)	165,000.00	92,500.00	0.24%
Legal Service Fees	6,128.79	18,750.00	26,245.20	56,250.00	30,004.80	225,000.00	198,754.80	0.52%
PCT Custodial Fees	4,468.33	5,000.00	13,757.74	15,000.00	1,242.26	60,000.00	46,242.26	0.12%
Trustees Fee	132,594.34	22,916.67	176,518.89	68,750.00	(107,768.89)	275,000.00	98,481.11	0.26%
Total Professional Fees	179,441.46	78,333.33	289,021.83	235,000.00	(54,021.83)	940,000.00	650,978.17	1.69%
General and Administrative Expenses								

	Current Month Actual	Current Month Budget	F-Y-T-D Actual	F-Y-T-D Budget	F-Y-T-D Favorable (Unfavorable)	FY 2015 Approved Budget	Entire Fiscal Year Remaining Budget	Percent (Ratio)
Advertisement	-	125.00	-	375.00	375.00	1,500.00	1,500.00	0.00%
Bank Service Charge	834.79	1,000.00	2,556.87	3,000.00	443.13	12,000.00	9,443.13	0.02%
Books & Libraries (Westlaw Database)	390.56	833.33	1,171.68	2,500.00	1,328.32	10,000.00	8,828.32	0.02%
Communication	2,480.35	1,666.67	5,178.93	5,000.00	(178.93)	20,000.00	14,821.07	0.04%
Freight & Postage	107.50	833.33	2,330.31	2,500.00	169.69	10,000.00	7,669.69	0.02%
Fuel & Lubrications	-	125.00	103.21	375.00	271.79	1,500.00	1,396.79	0.00%
Insurance	810.33	1,000.00	2,430.99	3,000.00	569.01	12,000.00	9,569.01	0.02%
Janitorial Services	3,000.00	1,250.00	5,100.00	3,750.00	(1,350.00)	15,000.00	9,900.00	0.03%
Licenses & Fees	-	125.00	-	375.00	375.00	1,500.00	1,500.00	0.00%
Office Supplies	586.96	1,833.33	4,732.64	5,500.00	767.36	22,000.00	17,267.36	0.04%
Pension Software Maintenance	3,000.00	1,000.00	6,000.00	3,000.00	(3,000.00)	12,000.00	6,000.00	0.02%
Personnel Training Cost	-	166.67	-	500.00	500.00	2,000.00	2,000.00	0.01%
Printing & Reproduction	65.00	208.33	193.00	625.00	432.00	2,500.00	2,307.00	0.01%
Repairs & Maintenance	657.04	2,083.33	2,674.98	6,250.00	3,575.02	25,000.00	22,325.02	0.06%
Subscription & Dues	93.00	166.67	273.00	500.00	227.00	2,000.00	1,727.00	0.00%
Travel/Transportation-Staff	289.49	1,000.00	6,234.18	3,000.00	(3,234.18)	12,000.00	5,765.82	0.02%
Utilities	(1,354.03)	7,916.67	10,470.50	23,750.00	13,279.50	95,000.00	84,529.50	0.22%
Total General & Admin. Expenses	10,960.99	21,333.33	49,450.29	64,000.00	14,549.71	256,000.00	206,549.71	0.53%
Total Expenses	4,249,242.81	4,229,239.85	12,332,585.28	12,687,719.56	355,134.28	50,750,878.25	38,418,292.97	99.97%
Fixed Asset								
Office Equipment (Computer Upgrade)	-	416.67	-	1,250.00	1,250.00	5,000.00	5,000.00	0.01%
Office Furnitures & Fixtures	-	416.67	-	1,250.00	1,250.00	5,000.00	5,000.00	0.01%
Total Fixed Assets	-	833.33	-	2,500.00	2,500.00	10,000.00	10,000.00	0.03%
Total Expenditures	4,249,242.81	4,230,073.19	12,332,585.28	12,690,219.56	357,634.28	50,760,878.25	38,428,292.97	100.00%



NMI SETTLEMENT FUND APPEAL RULES AND PROCEDURES

Rule 1. Authority; Title; Scope of Rules.

(a) Authority. These rules are issued by the Trustee of the NMI Settlement Fund ("Settlement Fund"). The Settlement Fund was created as a result of a Final Amended Stipulation and Agreement of Settlement ("Settlement Agreement") approved by the court in the class action lawsuit filed in the United States District Court for the Northern Mariana Islands, Case No. 09-000023 (the "Retirement Fund Litigation"). The rules are issued pursuant to Section 10.0(k) of the Settlement Agreement which provides that the Settlement Fund Trustee shall have the following powers and duties: "To establish policies and appoint hearing officers for the resolution of all disputes between individual Members of the Settlement Fund and the Settlement Fund consistent with due process and a right to a final appeal to an independent arbitrator selected by the Trustee and approved by the District Court, there shall be no further appeal from the decision of the arbitrator."

(b) Title; Effective Date; Amendments. These rules shall be known as the NMI Settlement Fund Appeal Rules and Procedures ("Rules"), and shall go into effect upon approval of these Rules by the District Court in the Retirement Fund Litigation (the "Effective Date"). Any amendment to the Rules after the Effective Date must be presented to and approved by the District Court in the Retirement Fund Litigation.

(c) Scope. These Rules shall govern the procedure for appeals of decisions of the Administrator of the Settlement Fund. The Trustee shall establish and maintain a panel of Hearing Officers and Arbitrators to preside over and decide appeals as provided in these Rules.

Rule 2. Definitions.

The following definitions apply to capitalized terms as used in these Rules:

(a) "Administrator" means the Administrator of the Settlement Fund.

(b) "Appeals Coordinator" means the person appointed by the Trustee as the coordinator ~~for~~ to administer any appeal brought under these Rules. The authority and obligations of the Appeals Coordinator are provided in these rules. The duties of the Appeals Coordinator may be carried out through such other representatives as the Trustee may direct.

(c) "Arbitrator" means the arbitrator(s) appointed by the Trustee and approved by the Court in the Retirement Fund Litigation to hear appeals of decisions of the Hearing Officer(s).

(d) “Fee Schedule” means the schedule of fees attached as Appendix A to these Rules, setting the fees required to be paid under these Rules.

(e) “Hearing Officer” means the hearing officer(s) appointed by the Trustee and approved by the Court in the Retirement Fund Litigation to hear appeals of decisions of the Administrator.

(f) “Member” means a member of the Settlement Class pursuant to the terms of the Settlement Agreement.

(g) “NMI Retirement Fund” means the Northern Mariana Islands Retirement Fund.

(h) “NMI Retirement Fund Appeal” means any pending administrative appeal of a decision of the administrator of the NMI Retirement Fund previously filed by a Member pursuant to the CNMI Administrative Code § 110-10-501 et seq.

(i) “Party” means a party to an appeal under these Rules and their counsel or representatives.

(j) “Settlement Fund Appeal” means an appeal by any individual Member aggrieved by a decision of the Administrator.

(k) “Trustee” means the Trustee of the Settlement Fund.

Rule 3. Conflict with Law.

If any of these Rules is determined to be in conflict with a provision of applicable law, the provision of law will govern over the Rule in conflict, and no other Rule will be affected.

Rule 4. Proceedings in Which These Rules Apply.

These Rules govern:

(a) All NMI Retirement Fund Appeals, which shall proceed as provided under Rule 22;
and

(b) All Settlement Fund Appeals.

Rule 5. No Stay Pending Appeal.

(a) No Stay of Decision of Administrator or Hearing Officer. A decision of the Administrator or the Hearing Officer which is the subject of an appeal under these Rules shall not be stayed pending the resolution of the appeal proceedings unless a motion for stay is filed in accordance with this Rule.

(b) Motion for Stay. The filing of the motion for stay shall automatically stay the decision until the motion is decided. A stay of the Administrator's decision must be filed with and decided by the Hearing Officer. If granted, such stay shall remain in effect until the time for appeal to the Arbitrator expires. Any party seeking a stay of the Hearing Officer's decision pending appeal to the Arbitrator must file a new motion for stay at the time of filing the Notice of Appeal. The motion for stay of the Hearing Officer decision shall be filed with and decided by the Hearing Officer in the first instance. For any stay requested under this Rule, whether of a decision of the Administrator or the Hearing Officer, if the Hearing Officer denies the motion or fails to afford the relief requested, or, in the case of a stay of the Hearing Officer's decision, if moving for a stay first before the Hearing Officer would be impracticable, a motion for stay setting forth these reasons may be filed with the Arbitrator.

(c) Standards for Granting a Stay. A stay may be granted only upon a showing of good cause, which shall take into account the likelihood that the movant will prevail on the merits, the relative harm to each party interested in the proceeding, and the public interest if the stay is granted. Conditions may be imposed in granting the stay, including, but not limited to, requiring that the appeal proceedings be expedited.

(d) Stays in NMI Retirement Fund Appeals. A stay previously issued in any NMI Retirement Fund Appeal shall remain in effect during the pendency of either the Hearing Officer or Arbitrator proceedings under these Rules, as applicable. Upon expiration of the stay at the conclusion of the Hearing Officer proceedings, or if no stay was not previously granted, then any request for a stay must comply with the requirements of this Rule 5.

Rule 6. Appeal from Decision of Administrator.

Appeals of a decision of the Administrator to the Hearing Officer shall proceed in accordance with this Rule 6.

Rule 6.1. Filing an Appeal of Decision of Administrator.

(a) Any person aggrieved by a decision of the Administrator shall appeal the decision to the Hearing Officer by filing a written Notice of Review with the Appeals Coordinator within thirty (30) days of the date of the Administrator's decision. A failure to file a timely appeal will result in its dismissal.

(b) Unless payment of the fee is waived under Rule 21, the administrative filing fee as set forth in the Fee Schedule must be paid at the time of the filing of the Notice of Review.

(c) Form A in the Appendix of Forms is the suggested form of a Notice of Review.

Rule 6.2. Contents of Notice of Review to Hearing Officer.

The Notice of Review shall include:

(a) The name of the party appealing;

- (b) A copy of the written decision of the Administrator if a written decision was issued;
- (c) A brief statement of any disputed factual matters in the decision of the Administrator;
- and
- (d) A brief statement of any disputed legal issues in the decision of the Administrator.

Rule 6.3. Notice to the Administrator; Compiling of the Settlement Fund Hearing Record.

(a) Upon receipt by the Appeals Coordinator of the Notice of Review, the Appeals Coordinator shall send to the Administrator written notice that an appeal has been filed, together with a copy of the Notice of Review showing the date of filing.

(b) The Appeals Coordinator shall compile the Settlement Fund Hearing Record comprising of all documents which are part of the Settlement Fund's records and files necessary for the hearing officer proceeding. The Settlement Fund Hearing Record shall be numbered and arranged in chronological order by document date, and identified by title of the document. A copy of the Settlement Fund Hearing Record shall be provided to the appealing party, the Administrator, and the Hearing Officer within twenty-one (21) days after the filing of the Notice of Review. On payment of costs set forth in the Fee Schedule, additional copies of the Settlement Fund Hearing Record, or any part thereof, shall be made available to any party upon request within a reasonable time.

Rule 6.4. Appointment of Hearing Officer.

Upon receipt by the Appeals Coordinator of the Notice of Review, the Appeals Coordinator shall assign the case for review and decision by a Hearing Officer in accordance with Rule 14.

Rule 6.5. Hearing Officer Proceedings: Conduct of Hearings.

(a) The Hearing Officer shall fix the time and place for each hearing; provided, however, that in accordance with Rule 10 the Hearing Officer may, on its own motion or upon stipulation of the parties, order that the matter be decided without a hearing. At least twenty-one (21) days in advance of the hearing, the Hearing Officer shall cause to be delivered to each party a notice stating:

- (i) The time, place, and nature of the hearing;
- (ii) The particular sections of the statutes and regulations involved; and
- (iii) A statement of the issues involved.

(b) Upon request of any party and, on a statement or showing of general relevance and reasonable scope of the subject sought, the Hearing Officer shall issue subpoenas to compel the attendance of persons at a hearing or in taking depositions and in a proper case to bring with him or them any book, record, document, or paper which may be deemed material as evidence in the case. On contest, any party may petition the Court in the Retirement Fund Litigation or

any other court with jurisdiction thereof to sustain the subpoena or similar process or demand to the extent that it is found to be in accordance with law, and to issue an order requiring the appearance of the witness or the production of the evidence or data within a reasonable time under penalty of punishment for contempt in case of failure to comply.

(c) The Hearing Officer appointed to the matter shall preside at the taking of evidence. The hearing shall be conducted in an impartial manner, and in accordance with Rule 9 regarding ex parte and other contacts.

(d) The Hearing Officer may:

- (i) Administer oaths and affirmations;
- (ii) Issue subpoenas as authorized by law;
- (iii) Rule on offers of proof and receive relevant evidence;
- (iv) Take depositions or have depositions taken or issue other written discovery when the ends of justice would be served;
- (v) Set pre-hearing discovery and briefing deadlines
- (vi) Dispose of procedural requests or similar matters;
- (vii) Hold conferences for the settlement or simplification of the issues;
- (viii) Regulate the course of the hearing;
- (ix) Make orders or decisions in accordance with these Rules; and
- (x) Take such other action authorized by law consistent with these Rules to ensure the timely disposition of the proceedings.

(e) The aggrieved party has the burden of proof. Any oral or documentary evidence may be received, but the Hearing Officer may exclude irrelevant, immaterial, or unduly repetitious evidence. Except as otherwise provided by law, privileges relating to evidence in the United States District Court for the District of the NMI shall apply in the conduct of hearings. A decision may not be issued except on consideration of the whole record or those parts thereof cited by a party and supported by and in accordance with reliable, probative, and substantial evidence. A party is entitled to present his case or defense by oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required for a full and true disclosure of the facts.

(f) The record in a hearing before the Hearing Officer shall include:

- (i) The Settlement Fund Hearing Record compiled pursuant to Rule 6.3(b)
- (ii) Any pleadings, motions, and intermediate rulings;
- (iii) Evidence received or considered;
- (iv) A statement of matters officially noticed;
- (v) Questions and offers of proof, objections, and rulings on them;
- (vi) Any order or decision, opinion, or report by the Hearing Officer;
- (vii) All staff memoranda or data submitted to the Hearing Officer in connection with its consideration of the case;
- (viii) Transcript or summary of testimony and exhibits; and

(ix) All papers and requests filed in the proceeding which are not specifically mentioned above.

(g) The documents comprising the record for each proceeding before the Hearing Officer shall be maintained by the Appeals Coordinator and made available for inspection and use by the Hearing Officer and the parties. On payment of costs set forth in the Fee Schedule, copies of the record, or any part thereof, shall be made available to any party upon request within a reasonable time.

(h) Findings of fact shall be based exclusively on the evidence and on matters officially noticed.

Rule 6.6. Issuance of Decisions by Hearing Officer.

(a) The Hearing Officer may, before issuing his or her decision, permit the parties to submit for the Hearing Officer's consideration:

- (i) Proposed findings of facts and conclusions of law; and
- (ii) Supporting reasons for the proposed findings of facts and conclusions of law.

(b) A Hearing Officer shall issue its written decision within thirty (30) days of the hearing.

(c) Within 14 days from the date the Hearing Officer issues his or her order or decision, the parties are entitled to submit for the Hearing Officer's consideration, exceptions to the order or decision. The Hearing Officer shall issue a decision on the exceptions within thirty (30) days of the filing of the exceptions.

(d) The record shall show the ruling or decision on each finding of fact, conclusion of law, or exception presented. All orders or decisions are a part of the record and shall include a statement of:

- (i) Findings of facts and conclusions of law, and the reasons or basis for them, on all the material issues of fact, law, or discretion presented on the record; and
- (ii) The appropriate decision, order, sanction, relief, or denial thereof.

(e) The Hearing Officer's written decision is final without further proceedings unless there is an appeal to the Arbitrator within the time provided by Rules 7.1 and 7.5.

Rule 7. Appeal to the Arbitrator.

Appeals of a decision of the Hearing Officer to the Arbitrator shall proceed in accordance with this Rule 7.

Rule 7.1. Filing an Appeal of Decision of Hearing Officer.

(a) Any person aggrieved by a decision of the Hearing Officer shall appeal the decision to the Arbitrator by filing a written Notice of Appeal with the Appeals Coordinator within thirty (30) days from the date of the Hearing Officer's written decision. If exceptions are filed to the Hearing Officer's decision under Rule 6.6(c), the time to appeal from both the initial final decision and the Hearing Officer's decision on the exceptions shall run from the date of the Hearing Officer's decision on the exceptions. A failure to file a timely appeal will result in its dismissal.

(b) Unless payment of the fee is waived under Rule 21, the administrative filing fee as set forth in the Fee Schedule must be paid at the time of the filing of the Notice of Appeal.

(c) Form B in the Appendix of Forms is the suggested form of a Notice of Appeal.

Rule 7.2. Denomination of the Parties.

The party filing the Notice of Appeal shall be denominated the "Appellant", and all other parties to the Hearing Officer proceeding shall be denominated the "Appellees".

Rule 7.3. Contents of Notice of Appeal.

The Notice of Appeal shall include:

- (a) The name of the Appellant and Appellee(s);
- (b) The contact information for each Party, and, if applicable, each Party's representative, including, if known, telephone number, fax number, and email address;
- (c) A copy of the Hearing Officer's decision being appealed; and
- (d) A statement setting forth the portion or portions of the Hearing Officer's decision being appealed and the errors alleged.

Rule 7.4. Notice to Parties.

Upon receipt by the Appeals Coordinator of the Notice of Appeal (or Notice of Cross-Appeal under Rule 7.5), the Appeals Coordinator shall send to the non-appealing parties (or their representatives if so named) written notice that an appeal to the Arbitrator has been filed, together with a copy of the Notice of Appeal (or Notice of Cross-Appeal) showing the date of filing.

Rule 7.5. Cross-Appeal.

(a) The Appellee may file a Notice of Cross-Appeal with the Appeals Coordinator within ten (10) days after the date of filing of a Notice of Appeal, or within thirty (30) days from the date

of the Hearing Officer's written decision, whichever is later. The Notice of Cross-Appeal shall include the information required under Rule 7.3.

(b) Unless the fee is waived under Rule 21, the administrative filing fee as set forth in the Fee Schedule must be paid at the time of the filing of any cross-appeal.

(c) Form C in the Appendix of Forms is the suggested form of a Notice of Cross-Appeal.

Rule 7.6. Appointment of Arbitrator.

Upon receipt by the Appeals Coordinator of the Notice of Appeal, the Appeals Coordinator shall assign the case for review and decision by a single Arbitrator in accordance with Rule 14.

Rule 7.7. Notice of Briefing and Argument.

(a) Briefs shall be filed in accordance with the deadlines set forth under Rule 7.9. The Appeals Coordinator may issue a courtesy briefing schedule to the parties setting forth the due dates for the briefs.

(b) The Arbitrator shall fix the time and place for each oral argument, provided, however, that in accordance with Rule 10 the Arbitrator may, on its own motion or upon stipulation of the parties, order that the matter be decided without a hearing. At least twenty-one (21) days in advance of the hearing, the Arbitrator shall cause to be delivered to each party a notice stating the date, time and place of the oral argument.

Rule 7.8. Record on Appeal; Content; Record Appendix.

(a) Content. The record on appeal shall be comprised of all documents that are part of the record of proceedings before the Hearing Officer as provided under Rule 6.5(f). The documents comprising the record for each proceeding before the Arbitrator shall be compiled by the Appeals Coordinator, and numbered and arranged in chronological order by document date or filing date, as applicable, and identified by title of the document. The record shall be made available for inspection and use by the parties. On payment of costs set forth in the Fee Schedule, copies of the record, or any part thereof, shall be made available to any party upon request within a reasonable time.

(b) Record Appendix. The parties may, but are not required to, submit together with its initial brief an Appendix with the record documents that are necessary to determine the appeal.

(c) Content of Appendix. In compiling the Appendix, each party may request record documents in accordance with Rule 7.8(a). Each party may include as part of the Appendix any paper or exhibit filed or submitted as evidence in the Hearing Officer proceeding, any transcripts or portions thereof of proceedings before the Hearing Officer, any briefs filed by the parties before the Hearing Officer, or any other evidence relevant to the appeal that was presented at the Hearing Officer hearing.

(d) Format of Appendix. The Appendix documents shall be accompanied by a table of contents identifying the title of the document and date, and shall be compiled in chronological order by document date or filing date, as applicable. If a party refers to a record document in its brief, the document should be identified with reference to whether it was submitted as part of the Appellant's Appendix or Appellee's Supplemental Appendix (as applicable), and the title, date, and page number of the document. A party may not include in the Appendix evidence that was not submitted during the Hearing Officer proceeding.

(e) The Arbitrator shall determine any disputes concerning whether a document included in the Appendix or otherwise relied on by any party is part of the record on appeal to the Arbitrator.

Rule 7.9. Appeal Briefs.

(a) Filing Dates if No Cross Appeal is Filed. If a cross-appeal has not been filed, appellate briefs shall be filed with the Appeals Coordinator, and served on each Party to the appeal, as follows:

(i) Appellant's Initial Brief is due within thirty (30) days after filing of the Notice of Appeal;

(ii) Appellee's Response Brief is due within thirty (30) days after service of Appellant's Initial Brief;

(iii) Appellant's Reply Brief to Appellee's Response Brief, if any, is due within fourteen (14) days of service of Appellee's ~~Answer~~ Response Brief.

(b) Filing Dates if Cross-Appeal is Filed. If a cross-appeal has been filed, appellate briefs shall be filed with the Appeals Coordinator, and served on each Party to the appeal, as follows:

(i) Appellant's Initial Brief is due within thirty (30) days after filing of the Notice of Appeal;

(ii) Appellee's Response Brief and Appellee's Initial Cross-Appeal Brief, are due within thirty (30) days after service of Appellant's Initial Brief, and may be combined;

(iii) Appellant's Reply Brief to Appellee's Response Brief, if any, and Appellant's Response Brief to Appellee's Initial Cross-Appeal Brief, are due within thirty (30) days after service of Appellee's Response Brief and Initial Cross-Appeal Brief, and may be combined.

(iv) Appellee's Reply Brief to Appellant's Response Brief, if any, is due within fourteen (14) days of service of Appellant's Response Brief.

(c) Page Numbers and Formatting. Initial and response briefs shall not exceed 30 pages, and reply briefs shall not exceed 10 pages, excluding the cover page and table of contents. The

page limits may be added together for combined briefs permitted under Rule 7.9 (ii) and (iii). All briefs shall be double-spaced and utilize no smaller than 12 point font, and shall contain a cover page identifying the name of the case, the case number, the parties and the title of the brief, followed by a table of contents with page numbers.

(d) For good cause shown, the time to file any brief may be extended by the Arbitrator upon motion by a party.

Rule 7.10. Standard of Review.

The Arbitrator shall apply the same standard of review that the first-level United States federal appellate court would apply to an appeal from a decision of the United States District Court for the NMI.

Rule 7.11. Jurisdiction and Interpretation of Rules.

The Arbitrator shall have the power to rule on its own jurisdiction. The Arbitrator shall interpret and apply these Rules insofar as they relate to the Arbitrator's powers and duties.

Rule 7.12. Arbitrator's Decision.

Within forty-five (45) days from the date of oral argument, or, if the matter was submitted without argument then within forty-five (45) days of service of the last brief, the Arbitrator shall issue a concise written decision on the appeal. The Arbitrator may affirm, reverse, or modify a decision of the Hearing Officer. The Arbitrator shall not normally remand the matter to the Hearing Officer, and may only remand the matter to the Hearing Officer if additional factual determination is required based on the Arbitrator's announcement on questions of substantive law.

Rule 7.13. Request for Reconsideration.

Within 14 days of the date the Arbitrator issues his or her decision, the parties are entitled to file a request for reconsideration of the decision. The request must state with particularity each point of law or fact that the party believes the Arbitrator has overlooked or misapprehended. An issue not previously raised by the parties cannot be raised for the first time in a request for reconsideration. The Arbitrator shall issue a decision on the request for reconsideration within thirty (30) days of the filing of the request.

Rule 7.14. Arbitrator's Decision Final.

Pursuant to Section 10.0(k) of the Settlement Agreement, the Arbitrator's decision, as may have been modified upon reconsideration, shall be final, and shall not be subject to further appeal.

Rule 8. Impartiality.

The Arbitrator and Hearing Officer shall hear and decide all matters impartially, and in accordance with Rule 9 governing ex parte and other contacts.

Rule 9. Ex Parte and other Contacts.

(a) Except to the extent required for the disposition of permissible ex parte matters, the Hearing Officer and Arbitrator, may not:

(i) Consult a person or party or representative of a person or party on a fact in _____ issue or on applicable law, unless on notice and opportunity for all parties to participate;

(ii) Be responsible to or subject to the supervision or direction of an employee _____ or agent engaged in the performance of investigative or prosecutory functions for the Settlement Fund.

(b) The Hearing Officer and Arbitrator may:

(i) Communicate with other members of the Settlement Fund, except as limited _____ by subsection (a) of this Rule 9; and,

(ii) Have the aid and advice of one or more personal assistants if such assistance _____ would not be in violation of subsection (a) of this Rule 9.

Rule 10. Waiver of Oral Argument; Hearing on Documents Only; Consented Disposition and Settlement.

(a) Hearing on the Documents Only. The parties may agree in writing to waive oral argument before the Hearing Officer or Arbitrator, provided, however, that notwithstanding such waiver, the Hearing Officer or Arbitrator may schedule a hearing if he or she determines that oral argument is necessary. The Hearing Officer or Arbitrator may on its own motion order that the matter be decided without a hearing. Any hearing on documents only shall be conducted pursuant to these Rules.

(b) Consented Disposition and Settlement of Disputes. Unless precluded by law, informal disposition may be made of any contested case before the Hearing Officer or Arbitrator by stipulation, agreed settlement, consent order, or default. At any time during the pendency of proceedings under these Rules, any party may submit to the other an offer for compromise or settlement of the matter, and nothing in these Rules shall preclude the parties from negotiating a settlement, or settling the dispute, during the pendency of proceedings.

Rule 11. Requirement of Service of Documents; Manner of Service.

(a) A party filing or submitting any document in any proceeding under these Rules shall contemporaneously serve the document on all other parties to the proceeding.

(b) For purposes of all proceedings under these Rules, service shall be accomplished by personal service or registered mail, or, subject to Rule 11(c), by electronic submission (including e-mail or facsimile).

(c) Any party may consent to being served by facsimile or electronic mail. Such consent shall be filed with the Appeals Coordinator and served on all parties upon the commencement of the proceeding.

Rule 12. Computation of Days.

(a) If service of any document is made by mail, the document shall be deemed served, for purposes of calculating responsive due dates, three (3) days from the date of mailing. If service is made by electronic mail, the document shall be deemed served, for purposes of calculating responsive due dates, one (1) day from the electronic transmittal.

(b) Unless otherwise provided in these Rules, all deadlines under these Rules shall be determined by calendar days. Any deadline shall be computed by excluding the first day and including the last day, except that if the last day of the time period is a Saturday, Sunday or federal legal holiday, the period shall be extended until the next day that is not a Saturday, Sunday or holiday.

Rule 13. Extension of Due Dates.

Other than the filing of an Notice of Review or Notice of Appeal/Cross-Appeal, any time period set forth in these Rules may be modified by the Hearing Officer or Arbitrator for good cause.

Rule 14. Appointments and Grouping of Claims for Hearing.

(a) Subject to Rule 14(b), if more than one Hearing Officer or Arbitrator is appointed and approved to hear appeals under these Rules, the Appeals Coordinator shall assign the appeal to the Hearing Officers or Arbitrators on a rotational basis.

(b) The Appeals Coordinator may, in his or her reasonable discretion or upon request of a Hearing Officer or Arbitrator, designate certain cases, whether NMI Retirement Fund Appeals or Settlement Fund Appeals, involving common issues of fact or law for consolidation and hearing before the same Hearing Officer or Arbitrator.

(c) Upon motion of the parties or its own motion, the Hearing Officer or Arbitrator may consolidate one or more appeals pending before him or her involving common issues of fact or law.

Rule 15. Qualifications of the Hearing Officer and Arbitrator; Pro Tempore Appointments.

(a) Qualifications. No person with a personal, financial, or other interest in the outcome of the appeal shall serve as Hearing Officer or Arbitrator in any appeal.

(b) Disqualification.

(i) A Hearing Officer or Arbitrator may at any time disqualify himself or herself upon the filing of a timely and sufficient affidavit of personal bias and prejudice or other disqualification.

(ii) A Hearing Officer or Arbitrator shall disclose to the Appeals Coordinator any circumstance likely to create a presumption of bias that might disqualify that person from serving as an impartial Hearing Officer or Arbitrator. Upon receipt of such information, the Appeals Coordinator shall immediately disclose it to the parties.

(iii) If a party challenges a Hearing Officer or Arbitrator, the challenge shall be determined by a Hearing Officer (in the case of a challenge to an Arbitrator) or by an Arbitrator (in the case of a challenge to the Hearing Officer), as assigned by the Appeals Coordinator on a rotational basis, which decision shall be conclusive.

(c) Appointments in Event of Disqualification; Pro Tempore Appointments.

If a Hearing Officer or Arbitrator should resign, be disqualified, or be otherwise unable to perform his or her duties, the Appeals Coordinator shall appoint another Hearing Officer or Arbitrator to hear and decide the matter in accordance with Rule 14. If no Hearing Officer or Arbitrator is available or qualified to hear the matter, the Appeals Coordinator shall submit a request to the Trustee for the appointment of a Hearing Officer or Arbitrator to hear the matter on a pro tempore basis.

Rule 16. Pro Se Representation and Representation by Counsel.

A party or any other person entitled to be present may represent himself or herself or may be represented by counsel of his or her own choosing at any proceeding under these Rules.

Rule 17. Transcripts.

All hearings under these Rules will be recorded. Upon payment of the prescribed fee set forth in the Fee Schedule, any party may obtain a copy of the recording. A party wishing to have any hearing separately transcribed by a transcriber or stenographer shall make arrangements directly with a transcriber and shall notify the Appeals Coordinator and all other parties of such arrangements in advance of the hearing. The requesting party or parties shall pay the cost of such transcription record.

Rule 18. Interpreters

Any party that will be using an interpreter at a hearing shall notify the Appeals Coordinator at least fourteen (14) days prior to the hearing. Any party desiring its own interpreter shall make all arrangements directly with an interpreter and shall assume the costs of such service, provided, however, that if a Member requests that all or part of the hearing be conducted in one of the official languages of the CNMI other than English, the Settlement Fund will provide an interpreter for the hearing.

Rule 19. Attendance of Hearings

Unless otherwise determined by the Hearing Officer or Arbitrator all proceedings under these Rules are open to the public.

Rule 20. Costs and Expenses.

Unless otherwise provided in these Rules or ordered by the Hearing Officer or Arbitrator, as applicable, each party shall be responsible for all costs and expenses, including attorney's fees, that party incurs in connection with proceedings under these Rules.

Rule 21. Waiver of Fees Based on Indigency.

(a) Application for Waiver of Fees. A Member who is unable to afford the filing fees or other fees prescribed in these Rules based on a claim of indigency may apply for a waiver of the fees. A determination of indigency shall be made by a Hearing Officer. A Member seeking a waiver of fees shall complete and submit to the Appeals Coordinator at or after the time of filing the Notice of Review the Financial Declaration, attached as Form D to these Rules. All statements made in the Financial Declaration or to the Hearing Officer in support of the request for a waiver of fees shall be under penalty of perjury.

(b) Standards for Determining Indigency. For purposes of determining eligibility for a waiver of fees, an indigent person is a person who, at the time need is determined, does not have sufficient assets, credit, or other means to provide for payment of fees in connection with appeal proceedings under these Rules without depriving the person or his dependents of food, shelter or clothing, and who has not disposed of any assets with the intent of establishing eligibility for a waiver of fees. A person shall be presumptively eligible for a waiver of fees if the person's income is equal to or below 125% of the most current U.S. Health and Human Services Poverty Guidelines for Hawaii, but the hearing officer may consider other factors, such as real or personal property owned, the age of dependents, outstanding debts or lifestyle. (The current U.S. Health and Human Services Poverty Guidelines may be found at - <http://aspe.hhs.gov/poverty/index.cfm>).

(c) No Right to Payment of Fees or For Legal Counsel. A determination of indigency under this Rule 21 permits the indigent person to proceed without having to pay the prescribed filing fees and other fees prescribed under these Rules, including those fees set forth under the Fee Schedule. The Settlement Fund shall not be responsible to pay or reimburse any person for any fees, costs or expenses incurred by the person in connection with any matter brought under these Rules, including but not limited to attorney's fees, and nothing in these Rules shall be construed to impose such obligation. Nothing in these Rules shall confer upon any person the right to representation by counsel without expense in proceedings under these Rules or to payment or reimbursement by the Settlement Fund for such person's attorney's fees.

Rule 22. Procedure for NMI Retirement Fund Appeals.

All NMI Retirement Fund Appeals shall be determined as follows:

(a) The following NMI Retirement Fund Appeals shall be treated as a Settlement Fund Appeal, and, within thirty (30) days of the Effective Date of these Rules, the Appeals Coordinator shall assign each such NMI Retirement Fund Appeal to a Hearing Officer for disposition in accordance with Rule 6:

(i) an NMI Retirement Fund Appeal that was not heard by a hearing officer or _____ the NMI Retirement Fund's Board of Trustees ("Retirement Board"); or

(ii) an NMI Retirement Fund Appeal that has been heard by a hearing officer, _____ but in which the hearing officer has not issued a written recommended decision to the _____ Retirement Board.

(b) An NMI Retirement Fund Appeal that has been heard by a hearing officer, and in which the hearing officer issued a written recommended decision to the Retirement Board, shall be appealable by the Member to the Arbitrator under Rule 7. Within thirty (30) days of the Effective Date of these Rules, the Appeals Coordinator shall serve written notice to the Member and Administrator that a party shall have thirty (30) days of receipt of the notice to bring an appeal of the hearing officer's recommended decision to the Arbitrator in accordance with Rule 7 herein. For purposes of review under Rule 7, the hearing officer's recommended decision shall be deemed and treated as a final decision of a hearing officer. Pursuant to Section 10.0(k) of the Settlement Agreement, the Arbitrator's decision shall be final and binding, with no further right to appeal. If no such appeal to the Arbitrator is taken, the recommended decision shall be deemed final and not subject to further appeal.

(c) For all NMI Retirement Fund Appeals, no filing fees shall be assessed for filing a Notice of Appeal.

NMISF Appeal Rules and Procedures

Fee Schedule

Notice of Review (Appeal to Hearing Officer)	\$100
Notice of Appeal (Appeal to Administrator)	\$100
Service of Subpoenas	\$35 each
Photocopy of any document	\$0.50 page
Transcripts	\$2.50 page (Original) \$1 page (Additional copies)



NMI SETTLEMENT FUND

POST OFFICE BOX 501247, SAIPAN, MP 96950

October 19, 2014

VIA ELECTRONIC MAIL

sen.taimanaoj.@cnmileg.gov.mp

Senator Jovita M. Taimanao
Chairwoman
Committee on Fiscal Affairs
18th CNMI LEGISLATURE
P.O. Box 50129
Saipan, MP 96950

RE: *Comments Regarding H.B. No. 18-174: To provide a Supplemental Retirement Benefit for retirees who return to government employment.*

Dear Senator Taimanao:

Thank you for the opportunity to comment on H.B. No. 18-174 ("HB 18-174").

We have reviewed HB 18-174 and believe that it does not comport with the terms of the Settlement Agreement. HB 18-174 attempts to modify or change the benefits received by a retiree returning to Government employment. The retiree is a "Class Member" whose benefits are defined in Section II.1.13 of the Settlement Agreement, as follows:

"Full Benefits Payments" or "Full Benefits" means benefit payments in the amount defined by 1 CMC §8301 et seq. (excluding any changes by P.L. 17-82 or P.L. 18-02) as those laws existed on June 26, 2013, or guaranteed by N. Mar. I. Const. art. II, §20(a) as it existed in June 26, 2013.

Settlement Agreement at 6. HB 18-174 seeks to modify a retiree/Class Member's benefits by a "re-computation of retirement benefits for retirees returning to government services" and providing a Supplemental Retirement Benefit. Subsection 1.13 of the Settlement Agreement froze the Class Member's "Full Benefits" as those laws existed on June 26, 2013. While this provision restricts changes to a Class Member's benefits, it also protects the Class Member from reduction of benefits by legislation. Any legislation modifying the benefits of a Class Member is ineffective without the consent of the Settlement Fund and the NMI District Court's approval. Thus, if HB 18-174 were to be signed into law, it would have no effect on the amount of benefits a retiree/Class Member's receives under the Settlement Agreement.

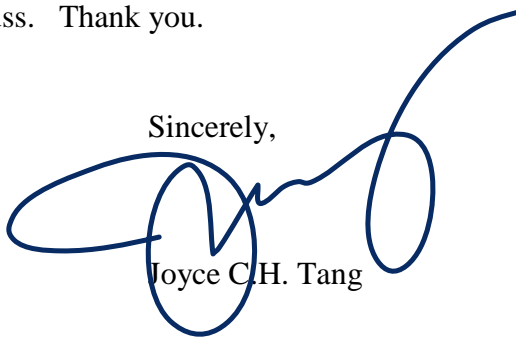
I also note that HB 18-174 seeks to repeal 1 CMC § 8365, which section directs that 30% of the Hotel Occupancy Tax and 20% of the Alcoholic Beverage Container Excise Tax be used to pay the Government's obligations to the Fund.

Senator Jovita M. Taimanao
Committee on Fiscal Affairs Members
October 24, 2014
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This revenue stream was used to pay the Government's unfunded liabilities, and was included as source of fund to pay the Annual Payments due to the Settlement Fund. For this reason, we believe the repeal of 1 CMC § 8365 to fund an otherwise unauthorized benefit to a retiree/Class Member is inappropriate and cannot be supported.

For the reasons discussed in this letter, it would be a mistake to allow HB 18-174 to pass into law. If you have further questions or concerns, please let me know and we can schedule a mutually acceptable time to discuss. Thank you.

Sincerely,

A handwritten signature in blue ink, consisting of a large loop on the left, a central vertical stroke, and a large loop on the right with a long, sweeping tail extending upwards and to the right.

Joyce C.H. Tang