## PSERS VALUE-ADDED REAL ESTATE PROGRAM

**Recommendation for Investment in**
**RCG Longview Equity Fund, L.P.**

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# RCG Longview Equity Fund, L.P.

## EXECUTIVE SUMMARY

Ramius Capital Group, LLC ("Ramius"), together with The Feil Organization, LLC ("Feil"), is forming the RCG Longview Equity Fund, L.P. ("Longview Equity" or the "Fund") to expand the real estate investment activities of a partnership that formally began between the two in 1998. The Fund combines Ramius' disciplined, institutional investment philosophy with Feil's hands-on, intensive management style as a fully-integrated, multi-generational real estate operation. Fund investors will benefit from Ramius' proprietary deal flow and structuring expertise, and Feil's 400 person property management platform, strong deal flow, and the perspective that only comes with over 50 years of investing for its own account. The Fund will target a gross internal rate of return ("IRR") of 17-20%. The General Partner's members and affiliates commenced funding of their respective capital commitments to the Fund, which total $52.4 million, in March 2006 in connection with the acquisition of the Fund's initial investments.

Since 1994, Ramius and its predecessor entities have successfully implemented a multi-strategy real estate investment program. Among other strategies, the Ramius real estate platform has included investments in tax liens, work force housing, residential development, mortgage backed securities, commercial properties and opportunistic lending. In each instance, Ramius was successful because of its decisive commitment to exploiting opportunities with the greatest market inefficiencies, and to procuring the resources (either internally, or through its partner network) required to achieve its investment objectives. Since 1997, Ramius and Feil have invested a total of $610 million in 48 equity-oriented transactions.

The principals of Ramius have consistently viewed real estate as one of the best places to invest both Ramius' and their own personal capital. As evidence of Ramius' commitment to its real estate activities, this asset class constitutes one of the largest items on Ramius' balance sheet.

The formation of the Fund by the GP Members represents the natural evolution of a real estate investment partnership that began in 1998. The GP Members collectively own interests in and/or manage almost 40,000 multi-family residential units, 21.5 million square feet of retail and net leased properties, and 11.7 million square feet of office space. The Fund will have access to the knowledge associated with the extensive in-house property management platform of the GP Members. Additionally, the GP Members will provide the Fund with access to attractive real estate investment opportunities which will meet the Fund's investment objectives, many of which are not generally available to the institutional investor community. The GP Members bring to the Fund (i) deep real estate investment experience; (ii) unique sourcing capabilities; (iii) extensive capital markets knowledge; and (iv) strong operational expertise.

## THE SPONSOR

### Ramius Capital Group

Ramius was founded by Peter A. Cohen, the former Chairman and Chief Executive Officer of Shearson Lehman. In addition to Peter Cohen, the other Managing Members of Ramius are Jeffrey M. Solomon, the former Chief Administrative Officer of Republic New York Securities Corporation; Morgan B. Stark, the former President and Chief Executive Officer of Chemical Securities; and Thomas W. Strauss, the former President and Vice Chairman of Salomon Brothers. Michael Boxer, the partner responsible for all of Ramius' real estate-related investments, has been with Ramius since its inception in 1994.

The Ramius management company balance sheet (as opposed to that of the funds and separate accounts Ramius manages) has been capitalized with personal capital from the day-to-day partners together with outside equity from approximately 75 limited partners. These limited partners are notable industry and investment professionals, and many are well-known real estate investors. These prominent individuals and families were given the opportunity to own a stake in Ramius because of their ability to provide invaluable market data, macroeconomic insight and investment opportunities to Ramius that are not generally available to the broader investing public.

Today, Ramius is an SEC-registered investment management firm that pursues low-volatility investment strategies that are also "non-market directional" in nature. Investors in Ramius' vehicles consist of long-standing institutional investors that include leading endowments, foundations, family offices, public and corporate pension plans, as well as European and Japanese institutional investors. As of December 31, 2005, Ramius managed approximately $7.4 billion of assets in "non-market directional" arbitrage, structured finance and private equity strategies and an additional $1.2 billion in short-term, fixed income investment strategies. Ramius employs approximately 180 professionals in its New York (headquarters), London, Vienna, Munich, Hong Kong, and Tokyo offices.

Ramius operates a number of single- and multiple-strategy absolute return funds. Its single-strategy funds focus on merger arbitrage, distressed securities, convertible arbitrage and enhanced cash management. The multi-strategy funds employ a number of different arbitrage and market neutral strategies with a focus on either low or moderate leverage and volatility. In addition, through its multi-manager funds, Ramius invests with more than 70 external, third-party managers in a variety of investment strategies.

Ramius has developed a unique "style" of building new investment products. As Ramius explores potential investment products, Ramius will seed these opportunities by first deploying its own capital. This enables Ramius to develop a proficiency in the prospective investment product area. At such a time when Ramius has developed an expertise, it will sponsor a fund using its own capital, in addition to third-party capital.

**Ramius Real Estate Evolution**

Real estate investing has always been an important part of Ramius' multi-strategy approach. Since its inception in 1994, Ramius' investment strategy has targeted exploiting opportunities in areas with the greatest market inefficiencies, regardless of asset class, and, at the same time, sought to preserve capital by focusing on risk management and downside protection. Ramius' success in meeting its investment objectives over the years is due to its decisive commitment to exploiting these opportunities and ability to obtain the resources (either internally or through its partner network) required to manage a broad range of asset types.

As the real estate markets and investment landscape has shifted over time, Ramius has adjusted its strategies in order to exploit market inefficiencies and earn superior risk-adjusted returns. Ramius has pursued real estate strategies including investments in tax liens, work force housing, residential development, mortgage backed securities, commercial properties, and opportunistic lending. Of Ramius' total assets under management of $7.4 billion, approximately $550 million is in real estate-related investments.

Ramius' real estate portfolio has had significant growth in both size of assets under management and scope of strategies employed since Michael Boxer joined in 1994. Mr. Boxer has been and remains today an integral leader in the development of these real estate-related strategies.

Starting in 1994, Ramius made the first of many successful real estate investments in tax liens, which are "super-senior" notes representing delinquent property taxes owed by property owners to municipalities. Ramius built a proprietary lien tracking and servicing platform and formed a dedicated team to carry out the painstaking due diligence process required to be successful in this field. Ramius quickly became one of the nation's largest and most successful buyers of tax liens.

Beginning in 1998, Ramius expanded into working class housing through a series of eight discrete, but related, investments. These investments were followed by the formation of Urban American in 2003, where Ramius obtained $91.5 million in equity commitments, thereby institutionalizing its moderate income, multi-family acquisition strategy. Currently, Urban American owns and manages in excess of 4,000 residential units, and has acquired properties at purchase prices that exceed $330 million in the aggregate.

Also in 1998, Ramius began making opportunistic real estate loans and made an initial investment as a limited partner in the first Longview Debt fund, which was formed to make debt and debt-like structured investments secured by real estate assets. After gaining substantial experience and credibility as a real estate lender, today, Ramius is operating as a co-general partner of the third Longview Debt fund and has originated almost $700 million of investments across all Longview Debt funds.

In early 2001, Ramius formed an alliance with a well-regarded owner and manager of garden-style, multi-family properties across the Southern and Midwestern United States. The private, family-run management platform specializes in operating properties more efficiently than the large, publicly traded real estate companies that are often the sellers of these portfolios. Since 2001, Ramius has been a capital partner in the acquisition of a 12,550-unit and a 3,000-unit portfolio, together with other individual property purchases on this platform.

In 2002, Ramius began to invest and manage a portfolio of commercial mortgage backed securities ("CMBS") and direct corporate loans in a portfolio called Endeavour. As the market for CMBS became increasingly competitive, Ramius sold its corporate loan book and has since concentrated on identifying inefficiencies in the residential mortgage backed securities market ("RMBS") and the opportunities to purchase CMBS securities on an opportunistic basis across the capital structure. There exist opportunities to invest in mortgage backed securities as a result of mispricings in the marketplace, and its portfolios offer a compelling relative value investment when compared to other structured products with similar risk/reward profiles. Ramius, through its affiliate, is also the manager of two collateralized debt obligations ("CDOs"), Nautilus RMBS CDO I, Ltd. and Nautilus RMBS CDO II, Ltd., both of which closed in 2005 and together have over $800 million in assets.

**Discrete Ramius Funds**

The Fund will pursue those investments that Ramius has historically made for its own account and do not fit the investment mandate of the Discrete Ramius Funds. The Discrete Ramius Funds are summarized below:

- **Longview Debt Funds** – Seeks to generate gross returns of 13% - 15% IRRs by making debt and debt-like structured investments. While Longview Debt targets near "equity-like" returns, the risk profile of its underlying investments is less than traditional equity risk. Investments generally take the form of senior and junior mortgages, mezzanine loans and preferred equity structures. The managers of Longview Debt funds (who are also the GP Members) are uniquely qualified to underwrite and hold these investments as the group directly owns interests in and/or manages almost 40,000 multi-family residential units, 21.5 million square feet of retail and net leased properties, and 11.7 million square feet of office space, and can therefore successfully navigate through issues that arise if a loan becomes non-performing. Since inception through December 31, 2005, the Longview Debt funds have made 136 investments, representing $693 million in equity deployed.

- **Urban American** – Acquires, renovates, manages, holds for investment, and ultimately sells working class multi-family properties in urban neighborhoods in the eastern United States with an emphasis on the New York City metropolitan area. Urban American's strategy is to generate stable, yet growing, current cash flow by renovating vacant units, encouraging accretive tenant turnover, and bringing rents to market levels. A key to this strategy is efficiently managing large clusters of units and delivering capital budget items and renovation expenses at cost. Urban American's fund manager owns a captive construction and management company to deliver these essential services. Urban American currently owns and manages in excess of 4,000 units. As of December 31, 2005, Urban American and its predecessor entities have made 21 investments, representing $105 million in equity.
- **Endeavour** – Invests in credit-sensitive securities and underwrites with a long-term, consistent "return on equity" approach. The portfolio has been built with a "hold to maturity" philosophy. The fund applies a realistic approach to risk/reward investing driven by an absolute return and ownership objective rather than by pure "relative value" comparisons. The managers of Endeavour employ an investment process with rigorous top-down and bottom-up methodologies along with qualitative analysis on every credit-sensitive security in the asset selection process.

As a result of the Discrete Ramius Funds, Ramius is consistently offered a "first look" at many off-market opportunities. Additionally, these vehicles may provide superior information on both macroeconomic and local market conditions, company-specific insights and capital markets activity. Consistent with Ramius' "style," the Fund is being formed to expand further upon those investment opportunities that Ramius has been historically making for its own account that meet the investment objectives of the Fund, but otherwise do not meet the investment mandate of the Discrete Ramius Funds.

### The Feil Organization

Feil is one of the largest private real estate companies in the United States. Feil was founded more than 50 years ago, initially as a lender to New York City-based businesses. As the business grew, Mr. Louis Feil formed a long-term relationship with John D. McArthur of Banker's Life & Casualty Company, a large Midwestern insurance company. Together with Mr. McArthur, Mr. Feil built a significant investment portfolio of mortgages through their lending business. During the cyclical downturns of the 1960s and 1970s the company foreclosed on many properties and created one of the largest management companies in New York City to efficiently handle the workouts. In 1979, Mr. McArthur passed away and the properties were sold in 1980.

After McArthur's death, Feil exited the lending business and began to invest for its own account. The transformation of Feil over the last 25 years has created a diverse real estate portfolio which today consists of almost 5,000 apartment units, 7.2 million square feet of retail, 8.4 million square feet of office space, and 3.7 million square feet of net leased property. Feil's operating principles revolve around the premise of self-management and leasing, operational expertise, low debt and a stable professional management team. The company employs over 400 employees throughout its properties and four management offices. Its senior executives have all been employed at Feil in excess of 20 years. Jeffrey Feil, the son of the founder, has been active in Feil for 36 years, having served as President and Chief Executive Officer for the past 15 years. Jay Anderson has been at Feil for over 26 years, having served as Chief Operating Officer for the past 9 years.

Feil, though primarily New York-focused, has holdings throughout the United States. Its current office holdings are in New York City, Boston, Chicago and Louisiana. Feil has retail investments located in over 30 states and its residential holdings are located in New York and Louisiana. Feil is currently finalizing the terms of a non-discretionary separate account with a single institutional investor exclusively focused on multi-family investments in Louisiana. This separate account will be principally managed by Feil and will include other GP members ("Feil Louisiana").

## SPONSOR'S APPROACH TO INVESTING

**Unparalleled Management and Operating Capability.** The Fund will benefit from the utilization of the combined management and operating capabilities of the GP Members. In total, the GP Members and their affiliates collectively own interests in and/or manage almost 40,000 residential units, 21.5 million square feet of retail and net leased properties, and 11.7 million square feet of office space, and employ more than 600 employees located in multiple offices in the United States and abroad.

The GP Members also possess a strong and seasoned operating capability, and have historically employed a hands-on approach to asset management. This operating capability distinguishes the Fund from other fund sponsors. Due to this capability, the Fund will benefit from strong underwriting and risk assessment from the perspective of real estate professionals who own and manage real estate as their primary activity. This approach results in a mindset that is very different from that of an opportunity fund sponsor who merely allocates capital to operating partners. Furthermore, as a GP Member will, from time to time, act as the "operating partner" with respect to Fund investments, it is currently anticipated that the Fund's investors may enjoy the benefits of not being subject to a "double-promote" in connection with numerous Fund investments.

**Superior Sourcing Capabilities.** The Fund will benefit from Ramius' extraordinarily broad sourcing capabilities. Collectively, the GP Members have and seek to continue to uncover investment opportunities that are rarely available to the traditional institutional investor. Ramius sources its deals from institutional contacts, Ramius co-owners and its activities as a sponsor of the Discrete Ramius Funds. Feil draws upon its successful activities as a respected owner and operator of real estate for over five decades. Mr. Estreich, in his capacity as a mortgage broker, underwrites and opines on billions of dollars worth of debt and equity transactions every year.

**Access to Superior Information.** Ramius' far-reaching global investment activities, totaling $7.4 billion in assets under management, provide superior information on economic conditions, company-specific insights and capital markets activity. Ramius has more than 50 investment professionals that are either portfolio managers or research analysts responsible for a variety of arbitrage, structured finance, and private equity strategies. This access to information helps Ramius uncover opportunities and make more informed real estate decisions.

**Multi-Strategy Investment Program.** Ramius' direct real estate investment strategy has targeted, and will continue to target, opportunities in areas that it perceives to have the greatest market inefficiencies, regardless of asset class. Consistent with that strategy, the Fund will have certain discretion to invest in different risk/return strategies as the market warrants. Feil specializes in identifying, acquiring, and efficiently managing retail and office properties that can benefit from astute, hands-on management. Accordingly, the Fund will invest in, among other strategies, a combination of equity-oriented interests in the following real estate-related assets: (i) value-add multi-family acquisitions; (ii) residential development; (iii) distressed opportunities; and (iv) predictable growth of current income through the acquisition of retail and office properties.

**Exceptional Reputation**. The Ramius "brand" has developed into a well-known and respected firm in the alternative asset management industry. Building upon the groundwork of Peter Cohen and the other founders, Ramius has developed extensive experience and contacts derived from working with many of the most senior professionals in global capital markets and investment management. Solid asset management skills, excellent track record, and strong business ethic has earned Ramius a compelling name and strong standing with operators, lenders, and investors.

**Long-Standing Real Estate Experience.** Under the direction of Michael Boxer, Ramius' real estate portfolio has had significant growth in both size of assets under management and scope of strategies. Ramius has consistently invested a large portion of Ramius' own capital in real estate and has achieved strong investment results. Feil brings the type of real estate investment and management capabilities that can only be derived from over 50 years of expertise as a multi-generational real estate family.

## WELL-DEFINED STRATEGIES

The Fund will pursue equity-oriented real estate investments in specific, opportunistic situations where timing, market knowledge, or management expertise give the GP Members an advantage over other potential investors. One of the main motivations for the formation of the Fund is to seize opportunities employing this strategy that Ramius and Feil have been making for their own accounts that do not meet the investment mandates of the Discrete Ramius Funds, but do meet the investment objectives of the Fund. Currently, the GP Members are pursuing these opportunities for their own accounts, however they could invest significantly larger amounts if they had such discretionary third-party funds available.

Utilizing a multi-strategy approach, the Fund will pursue primarily four sub-strategies: (i) value-add multi-family acquisitions; (ii) residential development; (iii) distressed opportunities; and (iv) predictable growth of current income from retail and office acquisitions. However, the Fund may also pursue other attractive investment strategies that fit the investment objectives of the Fund. Each of these strategies is discussed in more detail below.

**Value-Add Multi-Family Acquisitions**. Opportunities exist to create value by managing a property more efficiently or bringing local expertise not possessed by current ownership. In addition to Feil's management capability, Ramius has a select roster of multi-family operating partners in various geographies. Moreover, Ramius' Urban American property management platform brings a special expertise to targeted multi-family markets.

The GP Members have learned from experience that a focused, disciplined, hands-on property management will yield lower expenses, higher occupancy levels and lower tenant turnover than owners who practice absentee management. This active attention to detail is the primary reason the GP Members have been successful in their value-add multi-family investments.

At this point in the investment cycle, there appears to be two additional factors that make value-add multi-family housing an attractive opportunity. First, there is strong recent evidence that the single-family housing boom is slowing. In the GP Members' existing portfolios, the single largest reason its renters vacate is to purchase a home for the first time. As migration away from rental housing slows, it has a positive effect on occupancy and retention levels, pushing profitability higher. Second, over the last five years, there has been a proliferation of multi-family buyers using floating rate debt to finance acquisitions. As interest rates have recently risen, and as operating costs climb higher, the expected returns that investors have anticipated will be lowered, generating opportunities for respected managers to acquire properties at more realistic prices.

Ramius has extensive experience in making multi-family acquisitions, and works with knowledgeable operating partners who have a breadth of experience and local expertise. One of Ramius' operating partners specializes in managing garden style apartment complexes in the Southern and Midwestern U.S. markets. The partner's operating strength and value-add capabilities lie in tailoring management techniques to each individual market that it manages. By contrast, other large institutional owners largely centralize operations and therefore apply the same management style and techniques to each market, not recognizing the subtle differences between cities/markets.

**Residential Development**. Residential development projects can generate very attractive returns on a risk-adjusted basis for investors possessing reliable construction expertise. Feil's extensive development expertise together with Ramius' development partners combine to give the Fund the capabilities to mitigate the risks associated with delivering projects on time and on budget. Ramius and Feil closely align their interests with the interests of their development partners because these partners are often required to contribute a substantial amount of equity to the project. In addition, to mitigate market risk, the General Partner will evaluate a project's long-term investment potential to determine if the project is viable as a for-sale property and/or a rental property.

The Fund will look for opportunities with the following characteristics:

- Dense, urban infill areas with good access to public transportation.
- Areas where land costs are relatively low and entitlements are already in place or where the General Partner has the inside track on obtaining the necessary entitlements.

Given the recent increases in land prices, the GP Members are extremely selective when choosing sites to develop. However, there exist opportunities to acquire sites at reasonable per-unit prices within the New York/New Jersey area. These sites are generally within waterfront redevelopment zones and urban renewal areas where local government has made commitments to enhance critical infrastructure and transportation. In each instance, where zoning is not as-of-right, management will use its well-placed contacts and professional team to procure the necessary entitlements.

**Distressed Opportunities**. Investors who are well-capitalized, have a longer-term orientation, and possess the operating expertise to create and maintain value stand to benefit from the inevitable stress that results from overheated market conditions and increasing interest rates.

In today's current real estate market, pricing levels are squeezing profit margins to fundamentally precarious levels. Investors who lack direct operating expertise are more likely to encounter problematic situations. In a rising interest rate environment, aggressive buyers who have relied upon low, floating-rate debt will also be squeezed from a financing perspective. In the CMBS market, mark-to-market issues and the refinancing risk associated with certain vintages coming due may force buyers of subordinated tranches who have less stringent underwriting criteria to liquidate positions.

It is difficult to under-emphasize the importance of possessing an in-house management, leasing, and construction capability when evaluating an opportunity to invest in a distressed real estate asset. The GP Members have accumulated many assets through foreclosure and workouts, making them acutely aware of these opportunities when presented; the Fund will benefit directly as it is not forced to rely upon third-parties to opine on and execute a plan to stabilize an asset.

**Predictable Growth of Current Income from Retail and Office Acquisitions**. In the current real estate market environment, many investors are paying high prices for traditional stabilized retail and office properties compared to historical levels, and may be utilizing high leverage levels to achieve underwritten returns in the face of low going-in cap rates. Utilizing floating rate acquisition debt, purchasers face the risk that near-term increases in interest rates can outpace property income growth and force liquidation at unattractive valuations.

In contrast to other capital providers, Feil and Ramius have an alternative philosophy less dependent on interest rate movement. Central components of this strategy include:

- Acquiring properties that have either below-market leases that roll over to market terms within a predictable time frame (5–7 years) or have built-in contractual rent increases.
- Employing prudent leverage levels; typically 70 – 80% debt relative to value (a maximum 70% debt relative to value on a stabilized basis).
- Using fixed-rate financing for the investment term (5–10 years).

With a longer investment horizon and utilizing predominantly fixed-rate debt, the GP Members intend to lower the risks associated with rising interest and cap rates, which allows full income growth to be realized.

Feil's in-house property management and leasing capabilities enable the property to be managed more efficiently by utilizing economies of scale and leveraging its existing portfolios to reduce operating expenses. This will help ensure a stable, growing income stream.

## MANAGEMENT OF THE FUND

**Peter A. Cohen**, Managing Member and Founding Partner of Ramius, has participated directly in all major decisions regarding the acquisition, financing and disposition of Ramius' prior real estate investments. From 1971–1990, Mr. Cohen held various positions with Shearson Lehman, most recently as Chairman of the Board and Chief Executive Officer. As an active real estate investor in the 1980s, Shearson acquired the Balcor Company in Chicago, one of the country's largest buyers and syndicators of residential real estate. After joining Republic National Bank of New York in 1990, Mr. Cohen served as Vice Chairman of Republic New York Corporation, a bank holding company for Republic, from 1992 to 1994, after which he founded Ramius. He has served on a number of corporate and philanthropic boards including: The New York Stock Exchange, The Federal Reserve International Capital Markets Advisory Committee, The Ohio State University Foundation, The American Express Company and Telecom Italia S.p.A. He is currently a Director of The Mount Sinai – NYU Medical Center and Health System, Scientific Games Corporation, and L-3 Communications Corporation. Mr. Cohen holds a Bachelor of Science degree from Ohio State University and a Master of Business Administration from Columbia University School of Business Administration.

**Michael D. Boxer**, Ramius Partner, joined Ramius in 1994, its year of formation. He is responsible for all of Ramius' real estate-related investments, which has historically been Ramius' largest asset allocation category, as well as other specialized investment products. He represents Ramius in its real estate development activities and in its role as a general partner of Longview Debt and Urban American. Before joining Ramius, he negotiated and structured the disposition of real estate and real estate-related assets on behalf of institutional lenders at Victor Capital Group. While at Victor Capital, Mr. Boxer also assisted clients in the identification, pricing, negotiation and acquisition of assets from the RTC and the FDIC. Mr. Boxer began his career as a real estate attorney and practiced at Shea & Gould until 1993, where he represented owners and lenders in the structuring and consummation of real estate development, leasing and financing transactions. He holds a Bachelor of Arts degree from Franklin & Marshall College and a JD from New York University School of Law.

**Jeffrey J. Feil**, President and Chief Executive Officer of Feil, is responsible for one of the most diverse real estate companies in the United States. He has been the CEO of the organization for the last 15 years and during his tenure has purchased over 30 properties and coordinated construction and redevelopment projects in excess of $500 million. One of the many redevelopment projects included the repositioning and renovation of the successful Lakeside Shopping Center, a one million square foot regional mall in Metairie, Louisiana. He is a member of the Board of Overseers of the Joan and Sanford Weill Medical College and Graduate School of Medical Sciences of Cornell University, as well as a trustee of Brooklyn Law School and Yeshiva University. Mr. Feil serves as a member of the Board of Governors of the Real Estate Board of New York and the Realty Foundation of New York. Mr. Feil holds a Bachelor's degree from the University of Cincinnati as well as a JD from Brooklyn Law School.

**Jay I. Anderson**, Chief Operating Officer, Feil. Together with Mr. Feil, Mr. Anderson has been the lead investment professional of many of the Feil investments over the last 15 years. He has purchased over $3 billion of property during his 26 year tenure. He is also responsible for the lending and investment activities of the firm's non-real estate activities, which has included a pulp manufacturing company, a tire recycling and manufacturing facility, a savings and loan, as well as a large portfolio of liquid assets. Mr. Anderson also oversees the in-house financing, accounting and management at Feil. In 1998, he was one of the founding partners of Longview Debt which has originated almost $700 million of loans during the past 8 years.

Before joining Feil, he spent four years in both audit and tax at Deloitte Haskins and Sells, servicing such clients as Merrill Lynch and Rapid American Corporation. He also worked in the finance department of W. R. Grace & Company's Consumer Services Group. Mr. Anderson currently serves on the real estate advisory board of M&T Bank, the board of a laser tool manufacturer and is a trustee to the Starlight Children's Foundation. Mr.

Anderson is a Certified Public Accountant and holds a Master's degree in taxation and finance from New York University. He earned his Bachelor's degree in accounting at Brooklyn College.

**Jonathan M. Estreich**, President, Estreich & Company, founded his full service commercial mortgage brokerage firm in New York. Since its inception in 1986, Estreich & Company has placed more than $15 billion in debt and equity financing. From 1978 to 1985, Mr. Estreich served as the manager of the New York City Real Estate Division at National Westminster Bank USA. In this capacity, he was responsible for real estate lending activities, participation with institutions and liaison with developers and investors. As a credit analyst at Mellon Bank from 1977 to 1978, Mr. Estreich monitored credit quality of the assigned corporate loan portfolio. He is also a co-founding member of the general partner entities of Longview Debt. Mr. Estreich holds a Bachelor's degree from Trinity College.

**Morton L. Olshan**, Chairman of the Board and President of Mall Properties, Inc., has been a leading figure in New York City real estate for over 40 years. As the founder and sole owner of Janoff & Olshan, Inc., Olshan Management, Inc., and Olshan Hotel Management, Inc., he heads one of New York's leading apartment ownership and management groups. Through Mall Properties Inc., he has formed one of a handful of firms capable of developing major real estate projects on a national level. These projects include regional shopping centers, power centers, multi-use developments, hotels and special developments such as The Savoy, a 42-story luxury residential condominium, and 99 Hudson Street, a 16-story office building for public service institutions. He is also a co-founding member of the general partner entities of the Longview Debt series. Mr. Olshan has had considerable experience with civic and social service organizations, including trustee of the Horace Mann School, more than 30 years experience with the Williamsburg YM & YWHA, and past President of Jewish National Fund's Fraternal Organization, among many others. He is a graduate of City College and New York University.

**Richard L. Gorsky,** Ramius Director, joined Ramius' real estate group in March 2003. Mr. Gorsky's responsibilities at Ramius include deal origination and underwriting negotiations of acquisitions, dispositions, joint ventures and financings, and asset management. Since joining Ramius, he has been involved in acquisition, financing, and disposition transactions in excess of $750 million. Prior to joining Ramius, Mr. Gorsky was Vice President at Belvedere Capital Management, LLC, working on all aspects of various real estate transactions. Previously, he was an analyst and controller at Scott Cove Capital Management, LLC, an investment manager. Mr. Gorsky was also a senior auditor with Ernst & Young LLP. He has a Master of Business Administration in finance from New York University and a Bachelor of Science degree in accounting from the State University of New York at Albany. Mr. Gorsky is also a Certified Public Accountant.

## CONCLUSION/RECOMMENDATION

Based upon the successful track record and experience of the principals and the recommendation of PSERS' consultant, Courtland Partners, Ltd., staff recommends that the Board invest an amount equal to 25 percent of the committed capital, but not to exceed $125 million plus reasonable normal investment expenses, in RCG Longview Equity Fund, L.P. The final terms and conditions of the investment must be satisfactory to the Investment Office, the Office of Chief Counsel, and the Executive Director.