



THE POLICE RETIREMENT SYSTEM OF ST. LOUIS

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To: Members of the Police Retirement System of St. Louis

Re: *Charles Lane and Johnny E. McCrary v. Police Retirement System of St. Louis, City of St. Louis and State of Missouri*, Cause No. 2122-CC000751

Dear Members:

This letter is to advise you of a lawsuit filed by Charles A. Lane and Johnny McCrary ("Plaintiffs") against the Police Retirement System ("PRS"), the City of St. Louis ("City") and the State of Missouri ("State"). A PDF of the lawsuit is on the PRS website, www.stlouisprs.org.

In the lawsuit, the Plaintiffs seek an order from the Court declaring five (5) state statutes that provide and/or enhance benefits to members of the PRS as unconstitutional. These provisions are:

- A. the refund of member contributions to the System (*i.e.*, the "lump sum"), § 86.253(4), RSMo;
- B. institution of the DROP program, §§ 86.320(4) and 86.251, RSMo;
- C. an increase in the maximum cost of living allowance from twenty-five percent (25%) to thirty percent (30%), § 86.253(3), RSMo;
- D. an increase in the maximum service retirement allowance from seventy percent (70%) to seventy-five percent (75%), § 86.253(1), RSMo; and
- E. a change in the formula for average final compensation serving as the basis for calculating pensions from three (3) years to two (2) years, § 86.200(3), RSMo.

The Plaintiffs also seek declarations and orders from the Court that, in essence, the State and not the City must pay for these benefits and that the State must reimburse the City for the City's prior payments, over an unstated time period, that funded the PRS to provide these benefits.

The Board of Trustees of the PRS believes it is *not* in the best interests of its members for a Court to declare the above cited statutes unconstitutional. Further, the Board believes there are strong and viable defenses to the constitutional challenges brought by the Plaintiffs.

While for obvious reasons the Board cannot discuss publicly its legal theories or strategies in relation to this suit, the Board intends to vigorously pursue on its members' behalf all claims and defenses that support the constitutionality of these statutes and the important benefits they provide to those who have protected and served the citizens of the City.

Respectfully,

A handwritten signature in black ink, appearing to read "Wallace K. Leopold".

Wallace K. Leopold, Chair, Board of Trustees
Police Retirement System of St. Louis