September 11, 2007

FOR PUBLIC DISTRIBUTION

Ms. Mickey Martin
Township Supervisor
Williamstown Township
4990 Zimmer Road
Williamston, MI 48895

Re: Internal Review of Township Pension Plan

Dear Ms. Martin:

As you know, we have been retained by the Township Board ("Board") to conduct an internal review of certain concerns or allegations relating to "irregularities" in administration of the Township Pension Plan ("Plan"). We understand that those concerns or allegations have been raised by the Township Clerk and have been addressed by the Clerk to the Board, the Plan's Third Party Administrator, Burnham & Flower Insurance Group, Inc. ("Burnham & Flower") and the Michigan State Police ("MSP"). Those allegations, which are described in detail below, relate to the eligibility to participate in the Plan, contributions to the Plan, and Plan administration. This constitutes the report of our review. As explained below, we have reached the conclusion that while there have been certain misunderstandings and mistakes in the implementation and administration of the Plan, there has been no intent by any official of the Township to engage in improper or criminal conduct.

In conducting our review, we have been provided with, or obtained, the following information:

1. Administrative Services Agreement of August 31, 2006, Burnham Flower Group, Inc. and Williamstown Township.
2. Clerk's Report, by Cindy Davis, November 2006;
3. Correspondence of January 16, 2007 from Dahlstrom to Township Board;
4. Correspondence of February 1, 2007 from Dahlstrom to Township Board;
5. Correspondence of February 1, 2007 from Howes to Dahlstrom;
6. Resolution regarding employee contribution to a 401a Plan of March 6, 2007;