

MINUTES

Louisiana Deferred Compensation Commission Meeting July 17, 2012

The Monthly Meeting of the Louisiana Deferred Compensation Commission was held on Tuesday, July 17, 2012, in the offices of the Plan Administrator, 2237 South Acadian Thruway, Suite 702, Baton Rouge, Louisiana 70808.

Members Present

Emery Bares, Chairman, Designee of the Commissioner of Insurance
Robert Henderson, Participant Member
Andrea Hubbard, Designee of the Commissioner of Administration
Whit Kling, Vice-Chairman, Designee of the State Treasurer
Len Riviere, Designee of Commissioner of Financial Institutions
Troy Searles, Participant Member

Members Absent

Virginia Burton, Secretary, Participant Member

Others Present

Perry Christie, VP PNP Major Accounts, Denver GWRS, *By Conference Call*
Lindsey Hunter, Louisiana Attorney General's Office
Randall Thomas, Louisiana Attorney General's Office
Connie Stevens, Director, Client Relations and Plan Consultants, Baton Rouge GWRS
Beau Bordelon, Retirement Plan Consultant, North Louisiana GWRS
Jo Ann Carrigan, Lead Office Coordinator, Baton Rouge GWRS

Call to Order

Chairman Bares called the meeting to order at 10:04 a.m.

Approval of Commission Meeting Minutes of June 19, 2012

The minutes of June 19, 2012 were reviewed. Mr. Kling motioned for acceptance of the minutes. Ms. Hubbard seconded the motion. The Commission unanimously approved the minutes.

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Acceptance of Hardship Committee Report of July 13, 2012

Ms. Hubbard asked for clarification of one case in relation to hardship withdrawal parameters from the IRS. Ms. Susan Allsup of Great-West joined the meeting to explain the situation in question. Mr. Kling motioned for acceptance of the Hardship Committee Report of July 13, 2012. Ms. Hubbard seconded the motion. The Commission unanimously approved the report.

Public Comments: There was no one from the public in attendance. Randall Thomas attended the meeting from the Attorney General's Office. Beau Bordelon attended the meeting from GWRS.

Election of Commission Officers

A vote was held among Commission members for officers to serve through June 30, 2013. Emery Bares was re-elected as Chairman; Whit Kling was re-elected as Vice-Chairman, Virginia Burton was re-elected as Secretary. Mr. Kling motioned for acceptance of the election results. Mr. Henderson seconded the motion. The Commission unanimously approved the motion.

Mr. Kling motioned that the Hardship Committee members and the Evaluation Committee members be reappointed. Ms. Hubbard seconded the motion. Members of the Hardship Committee are: Susan Pappan, Kent LePlace and Tinka McFarland. Members of the Evaluation Committee are: Virginia Burton, Len Riviere and Troy Searles. Members of the Nominating Committee are named at the first of each year. The Commission unanimously approved the motion.

Administrator's Report

Plan Summary as of June 30, 2012 was presented by Ms. Stevens. Assets as of June 30, 2012: \$1.15 Billion. Asset change YTD: \$62.77 Million. Contributions YTD: \$51.49 Million. Distributions YTD: \$42.55 Million. Net Investment gain YTD: \$53.83 Million. Ms. Stevens noted that distributions are at a record level due to participants who are retiring and participants requesting Purchase of Service Credit distributions.

Participation by Asset Class and Investment Option report was reviewed overall with the confirmation that the Black Rock LifePath 2055 Fund J was added to the Plan and the Ariel Appreciation Fund Retail share class was replaced with Ariel Appreciation Fund Institutional share class – both changes were recommended by Wilshire.

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The mapping of American Funds Growth Fund of America to T. Rowe Price Growth Fund and the mapping of Legg Mason Capital Management Value Trust to the Black Rock Target Date Fund (by date of birth) will take place on September 5, 2012. A fund change letter was included in the second quarter statements that were mailed the week of July 16, 2012.

Stable Value: No securities were sold in May from this portfolio.

Commission Activity Fund (CAF): Beginning balance: \$2.918 Million. The ending balance as of June 30, 2012 was \$2.922 Million. For the month of June, deductions included the elections expenses that Great-West covers for the Commission.

Marketing Report and Website Update: There were 314 new applications received during the month of June averaging \$3,281 per application. There were 243 increases and restarts at an average of \$6,820. Many of the increases reflect 300 Hours request and Standard Catch Up requests. New enrollment activity included LSU Med Centers and Livingston Parish Sheriff's Office.

Website Update: The revised website is scheduled to be up-and-running in July 18, 2012. Posters designed to make participants aware of the new website are being mailed/mailed to payroll departments. There is also a notice in the newsletter announcing the new website.

Fiduciary Checklist: Ms. Stevens recommended that Commission members review the Fiduciary Checklist under Tab 5 of the binder.

Other Business:

Plan Financial Audit Results: A summary letter from Hienz & Macaluso LLC, Certified Public Accountants, was reviewed. There were no findings reported.

NAGDCA Conference Update: Registration forms were made available for all Commission members. Registration deadline: August 20, 2012.

Recordkeeping Contract Negotiation Update: Ms. Hunter reviewed two outstanding items that the Commission requested:

- (1) A termination clause (both for cause and for convenience); and
- (2) More clarification on how to pass on savings for efficiency as described on page 16 in GW's response to question 25 on the RFP.

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A letter signed by Ms. Stevens agreeing on behalf of Great West was submitted with the following statements: Great-West is agreeable for including both termination provisions into the new contract. Great-West is agreeable to define the type of efficiencies that may be gained in the contract and reimburse the Plan for any expense reductions that result from such gains in efficiencies.

Ms. Stevens stated that Great-West is revising the old contract, editing the contract to establish the new contract document. The new contract should be ready in a couple of weeks to be reviewed by the Attorney Generals' office. The final contract must be signed by the end of 2012.

Adjournment

With there being no further items of business to come before the Commission, Chairman Emery Bares declared the meeting adjourned at 10:42 a.m.

Virginia Burton, Secretary