

MINUTES

Louisiana Deferred Compensation Commission Meeting June 19, 2012

The Monthly Meeting of the Louisiana Deferred Compensation Commission was held on Tuesday, June 19, 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
Doug Buras, Designee of Commissioner of Financial Institutions
Virginia Burton, Secretary, Participant Member
Andrea Hubbard, Designee of the Commissioner of Administration
Troy Searles, Participant Member

Members Absent

Robert Henderson, Participant Member
Whit Kling, Vice-Chairman, Designee of the State Treasurer
Len Riviere, Designee of Commissioner of Financial Institutions

Others Present

Felicia Bennett, Consultant, Wilshire Associates, Inc., *By Conference Call*
Lindsey Hunter, Louisiana Attorney General's Office
Theresa Myers, Vice President, PNP Client Relations, Denver GWRS
Connie Stevens, Director, Client Relations and Plan Consultants, Baton Rouge GWRS
Jo Ann Carrigan, Lead Office Coordinator, Baton Rouge GWRS

Call to Order

Chairman Bares called the meeting to order at 10:06 a.m.

Approval of Commission Meeting Minutes of May 15, 2012

The minutes of May 15, 2012 were reviewed. Ms. Burton 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 May 31, 2012

Ms. Hubbard motioned for acceptance of the Hardship Committee Report of May 31, 2012. Ms. Burton seconded the motion. The Commission unanimously approved the report.

Public Comments: There was no one from the public in attendance.

Administrator's Report

Plan Summary as of May 31, 2012 was presented by Ms. Stevens. Assets as of May 31, 2012: \$1.131 Billion. Asset change YTD: \$39.33 Million (mostly due to market gains). Contributions YTD: \$42 Million. Distributions YTD: \$36 Million. Net Investment gain YTD: \$33.5 Million.

Ms. Stevens reported that there has been a marked increase in Purchase of Service distribution requests. Purchases of Service requests have increased 102% over the last six months alone as compared to the entire 12 months in 2011.

Stable Value Fixed Income Fund: Ms. Stevens commented that the Lehman Brother notes appeared on the "Securities Sold" list during the month of April, 2012. This was not truly a "sell" but rather a change in CUSIP # because of bankruptcy.

Fund Change Update: Fund changes recommended by Wilshire were implemented on June 4, 2012. The LifePath Index 2055 was added and the Ariel Retail was mapped to the Ariel Appreciation Institutional shares. Phase II: The mapping of American Funds Growth Fund of America to T. Rowe Price Growth Stock Fund and the mapping of Legg Mason Capital Management Value Trust to the Black Rock Target Date Fund (by date of birth). Phase II should occur in early September. A fund change letter will be included in the second quarter statements.

Commission Activity Fund (CAF)-May, 2012: The ending balance as of May 31, 2012 was \$2.918 Million. For the month of May, deductions included the Great-West Life & Annuity recordkeeping fee and the LA Dept of Justice (two quarters charged in arrears).

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Department of Labor Fee Disclosures Requirements: Ms. Myers reviewed Department of Labor fee disclosure requirements and Great-West's response to the requirements. A summary will be provided to Plan Sponsors in September and on an annual basis thereafter.

Marketing Report and Website Update: There were 99 new applications received during the month of May averaging \$6,333 per application. There were 105 increases and restarts at an average of \$4,083. Political sub-divisions had the most activity during this reporting period. DOTD has begun allowing "regular access" to meetings prompted primarily by the last Legislative Session and its focus on retirement. Penetration rates have been reviewed with various state agencies on a one-on-one basis with the goal for more access.

Website Update: The revised website is scheduled to be up-and-running in July, 2012.

Other Business

Election Results: Duplantier, Hrapmann, Hogan & Maher, LLP completed the ballot count for the Commission election of the Participant Member position with results tabulated on June 4, 2012. Ms. Virginia Burton was re-elected for a 3-year term beginning July 1, 2012.

NAGDCA Conference Update: Registration forms were made available for all Commission members.

Audit Update: The financial audit is complete. The exit interview is scheduled for Tuesday, 26, 2012.

RFP Discussion: The Commission discussed RFP progress. Great-West personnel were not present during this portion of the meeting.

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RFP Decision: Great-West personnel rejoined the meeting. The Commission unanimously approved the following motions:

1. Ms. Burton motioned to accept Wilshire's recommendation to award contract to Great-West. Mr. Buras seconded the motion.
2. Ms. Burton motioned to enter into ten year contract with Great-West subject to legal counsel being able to come to an agreement with Great-West to include the following in the contract:
 - (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

Mr. Buras seconded the motion.

Adjournment

With there being no further items of business to come before the Commission, Chairman Emery Bares declared the meeting adjourned at 11:19 a.m.

Virginia Burton, Secretary