MINUTES

PCF OVERSIGHT BOARD

April 4, 2013

OUR LADY OF THE LAKE REGIONAL MEDICAL CENTER
BATON ROUGE, LA.

Mr. Clark Cossé, Chairman convened the meeting of the Patient's Compensation Fund Oversight Board at 6:30 PM on Thursday, April 4, 2013.

The following Board Members were in attendance:

Mr. Clark Cossé, Chairman
Mr. Kent Guidry
Mr. Joe Donchess
Dr. Patrick Breaux
Mr. James Hritz
Dr. Melanie Firmin-McMullen
Dr. Katharine Rathbun
Dr. Van Culotta
Mr. Manuel DePascual

There were no board members absent.

Others present:

Mr. Ken Schnauder
Ms. Barbara Woodard
Ms. Shelly Fowler
Ms. Betty Patrick
Mr. Dave Woolridge
Mr. Greg Waddell
Mr. Adam Thames
Mr. Larry Warren
Mr. Tom McCormick
Mr. Ward Blackwell
Mr. Matt Padberg
Ms. Ann Wiesler

Mr. Cossé called the meeting to order and asked that the record reflect nine Board Members were in attendance and a quorum was present. Mr. Cossé welcomed the guests to the meeting and asked all present to introduce themselves.

Mr. Cossé asked for public comments or questions. No public comments were made.

Mr. Cossé called for the approval of the March 7, 2013 minutes. Dr. Culotta moved for the minutes to be approved and Dr. Breaux seconded the motion. By verbal vote, the minutes were adopted with no dissenting votes.

Mr. Cossé asked for discussion of the July Board meeting date as the first Thursday of the month will be July 4, 2013. Dr. Breaux motioned for the July Board meeting to be moved to July 11, 2013 and the motion was seconded by Mr. DePascual. By verbal vote, the minutes were adopted with no dissenting votes.

Mr. Cossé asked for update and discussion on the PCF Investment Portfolio. Mr. Matt Padberg of Cardinal Investments advised the Board that the search for temporary investments in core fixed income and high-yield bank loans, both of which will be implemented using mutual funds through the Patient's Compensation Funds Cooperative Endeavor Agreement with the State Treasurer's Office, now has to be decided upon. For the core fixed income mutual funds, Cardinal recommended five mutual funds: John Hancock Core Bond, Lord Abbett Core Fixed Income, PIMCO Total Return, Vanguard Total Bond Market and Wells Fargo Care Bond. Dr. Firmin-McMullen motioned for approval of utilizing all five mutual funds, splitting up equal amounts to three of the funds and 1½ amount for Vanguard and ½ amount for PIMCO, and Mr. Donchess seconded the motion. By verbal vote, the motion was adopted with no dissenting votes. Regarding high-yield bank loans, Cardinal Investments recommended three managers: Deutche, John Hancock and Oppenheimer. Dr. Firmin-McMullen motioned to split the mandate equally between John Hancock and Oppenheimer and Dr. Breaux seconded the motion. By verbal vote, the motion was adopted with no dissenting votes. There were no questions asked and no public comments.

Mr. Cossé asked for the financial reports. Ms. Woodard informed the Board that the fund balance for the FY to date was approximately $809,214,970, the total net collected in surcharge payments to date was approximately $141,129,780, the total net filing fees collected to date were $187,400, the total interest earned to date was $7,808,285, the total operating expenses to date were $3,060,958, and the claims expenses to date were $71,112,151. Mr. Schnauder advised the Board that Mr. Jim Hurley, PCF Actuary, has all the information needed to complete the actuarial reports and that Mr. Hurley is planning to attend the July Board meeting. Mr. Schnauder also advised that two tax attorneys have been hired, Mr. Hilton Bell and Mr. Robert Casey, to review PCF's federal tax status. There were no questions asked and no public comments.

Mr. Cossé asked for the claims report. Mr. Schnauder informed the Board that March had been a good month. He advised that there were 99 claims opened and 140 claims closed, ending the month with a total pending claim count of 4,820, the lowest pending number of claims in decades, and that 326 claims had been filed to date. He advised that the total judicial interest paid for the month was $126,708, and that $182,785 in legal fees and expenses were paid. Mr. Schnauder presented 22 claims for settlement approval for the month in the amount of $5,907,535. There were no questions asked and no public comments made.

Mr. Cossé asked if there were any questions or comments from the public. There were none. Mr. Cossé thanked the guests for attending the meeting. There being no further general business to discuss, General Session was adjourned. Mr. Hritz then made a motion for the Board to move into the Executive Session and Dr. Rathbun seconded the motion. The verbal vote was unanimous and the Board moved into Executive Session to discuss matters of litigation.

Clark L. Cossé

Mr. Clark Cossé III, J.D., Chairman

May 2, 2013

Date