MINUTES

PCF OVERSIGHT BOARD

February 6, 2014

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, February 6, 2014.

The following Board members were in attendance:

Mr. Clark Cossé, Chairman	Dr. Patrick Breaux	Mr. Manuel DePascual
Mr. Kent Guidry	Mr. James Hritz	Mr. Joe Donchess
Dr. Katharine Rathbun		

The following Board members were absent:

Dr. Van Culotta	Dr. Melanie Firmin-McMullen

Others present:

Mr. Ken Schnauder	Ms. Betty Patrick	Mr. Jeff Williams
Ms. Barbara Woodard	Mr. Dave Woolridge	Mr. Mike Dziadus
Mr. Kurt Loup	Ms. Megan Bice	Mr. Keith Chambers
Ms. Shelly Fowler	Mr. Larry Warren	

Mr. Cossé called the meeting to order and asked that the record reflect seven 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 January 9, 2014 minutes. Dr. Rathbun 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 update on the investment portfolio. Mr. Mike Dziadus and Mr. Keith Chambers of Cardinal Investments were present to provide an update and discuss the investment portfolio's performance report. Mr. Dziadus advised the Board the investments did fairly well in 2013. He said that PCF is still in the process of transitioning to the new custodian, Wells Fargo, selected last year by the Board, from the Treasurer's Office. Mr. Donchess made a motion to give Mr. Schnauder and Wells Fargo permission to move all assets from the Treasurer's Office once implementation of Wells Fargo as new PCF custodian has been completed; Dr. Rathbun seconded the motion. By verbal vote, the motion was approved with no dissenting votes. Next, Mr. Dziadus recommended the Board transfer from the current portfolio to the new strategic

asset allocation over time once assets are transferred to Wells Fargo. Dr. Rathbun moved to adopt the new strategic asset allocation Implementation Plan recommended by Cardinal; Dr. Breaux seconded the motion, and by verbal vote, the motion was approved with no dissenting votes. Mr. Dziadus then presented the recommended guidelines for the fixed income manager. Dr. Rathbun moved to approve the guidelines; Dr. Breaux seconded the motion, and by verbal vote, the motion was approved with no dissenting votes. Mr. Chambers then presented research performed to find a U.S. large cap value equity fund for the PCF. The review process began with 802 mutual funds; that number was narrowed down to 6 which passed the review process. Of the six mutual funds, Cardinal recommended Vanguard Russell 1000 Value Index Fund. Mr. Hritz made a motion to purchase the Vanguard Russell 1000 Value Index Fund for the large cap value allocation; Dr. Breaux seconded the motion and by verbal vote, the motion was approved with no dissenting votes. Mr. Chambers presented research performed to find a small cap equity fund for the PCF which began with 1,922 mutual funds and was narrowed down to 5 passing the review process. Of the five funds, Cardinal recommended DFA paired with Diamond Hill. Mr. Donchess moved to purchase DFA and Diamond Hill funds for the small cap allocation; Mr. DePascual seconded the motion. By verbal vote, the motion was adopted with no dissenting votes.

Mr. Cossé asked for the financial reports. Ms. Woodard informed the Board the fund balance for the FY to date was approximately $863,678,818, the total net collected in surcharge payments to date was approximately $116,797,225, the total net filing fees collected to date were $164,400, the total investment income to date was $10,968,967, the total operating expenses to date were $2,560,677, and the claims expenses to date were $68,310,135. There were no questions asked and no public comments made.

Mr. Cossé asked for the claims report. Mr. Loup informed the Board that, for the month of January, there were 107 panels filed, 94 panels closed, 96 claims opened and 92 claims closed, ending the month with a total pending claim count of 4,811. He advised that $173,462 in judicial interest was paid for the month and that $219,031 in legal fees and expenses were paid. Mr. Loup presented 13 claims for settlement approval for the month of January in the amount of $6,420,219. 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. Dr. Breaux then made a motion for the Board to move into 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.

Mr. Clark R. Cossé III, J.D., Chairman

March 6, 2014
Date