

**Missouri Higher Education Savings Program  
Minutes of the MO\$T Board Meeting**

State Capitol Building, Room 227  
Jefferson City, MO  
April 4, 2006

Chairperson Steelman called the meeting to order at 11:00 a.m.

Board members present were Sarah Steelman, Rep. Sally Faith, Thomas Baumgardner via conference call, Greg Fitch, John Klebba via conference call and Greg Steinhoff via conference call. Other attendees included:

- Jim Matchefts of the Department of Higher Education
- Doug Gaston and Mark Mathers of the State Treasurer's Office

Ms. Steelman thanked Board members for their cooperation in holding the meeting so quickly. She then reviewed the current status of the conversion and the continuing discussions with TIAA-CREF, Upromise and Vanguard regarding issues related to Guaranteed Option accounts. Ms. Steelman explained that TIAA-CREF and Upromise had recently exchanged term sheets regarding procedures and policies for these accounts but they have been unable to come to resolution regarding a fee to reimburse Upromise for the servicing of Guaranteed Option accounts.

Ms. Steelman then referred to the proposed resolution that had been distributed to the Board authorizing an annual fee to Guaranteed Option account owners of not more than \$50 per account, which would be assessed to reimburse Upromise and its subcontractors for their costs of servicing and providing administrative support for these accounts and account holders. Mr. Klebba inquired whether there would be notification to these account holders before the fee was charged. Ms. Steelman responded that they would and proposed that the resolution include wording that the fee would be charged "beginning as soon as practicable and after a suitable number of notifications have been made to account owners."

Mr. Klebba also inquired how the level of the fee would be determined. Mr. Gaston responded that Upromise would be required to submit information documenting their costs. He noted that Upromise had in fact submitted this information this morning. Ms. Steelman also noted that the fee would probably be less than the maximum allowable annual fee of \$50 per account.

There was further discussion regarding the wording of the resolution pertaining to the reason for such a fee. Mr. Klebba proposed modifying the wording to explain that the reason for such a fee was due to the inability to agree to reasonable provisions between the parties for the servicing of these accounts and administrative assistance to the account holders. Ms. Steelman agreed that this wording was appropriate. Mr. Gaston noted that

while Upromise has indicated that it can agree to the revised terms for other conversion issues submitted by TIAA-CREF, TIAA-CREF has not yet signed a term sheet.

Mr. Baumgardner moved to accept the resolution with the changes noted. Mr. Klebba seconded the motion. A roll call of votes was taken and the motion passed unanimously.

The meeting was adjourned at 11:25 a.m.