

- I. Call to Order- delivered by Sarah Steelman
- II. Roll Call- called by Denise Chapel
 - a. Attendees:
 - i. Board Members: Sarah Steelman, Robert Stein, Thomas Baumgardner, John Kleeba, Rich Aubuchon (Proxy for Mike Keathley) and Rhonda Meyer (proxy for Greg Steinhoff)
 - ii. STO Staff: Doug Gaston, Jane O'Toole, Mark Mathers, Denise Chapel, Kelly Gunderson
 - iii. Upromise/Vanguard: James Polinsky, Liz Robinson, Jeff Howkins, Temeka Easter, Janet Kottman, Nancy ?, Derek Delorenzo, Tricia Brady
- III. Approval of Minutes- approved the minutes from the previous board meeting held on March 30, 2007. Motion was passed unanimously.
- IV. Legislative Update-
 - a. Question from Commissioner Stein regarding when legislative initiative would be revisited for the upcoming year.
 - b. S. Steelman discussed that legislative agenda will be discussed in September meeting
- V. Discussion of Pending Ownership Change of SLM Corp.
 - a. Jeff Howkins (Upromise CAO) stated the Upromise Agenda
 - i. All current commitments will be honored
 - ii. Expect to stay where we are
 - iii. Commitment to relationships/partnerships
 - iv. Committed to relationship with Central Bank (CD Contract)
 1. Tricia Brady taking the lead on the CD Contract
 - b. Per Stein, what's the anticipated target for finalization?
 - c. Liz Robinson responded, no absolutes, however, do have ongoing contract drafts
 - d. O'Tool responded, roll-out of pilot (Late Summer) and based on those results the totality of the roll-out will be determined
 - e. Stein, Will the board be presented the final contract for approval?
 - f. Steelman, Emergency meeting will be called once contract finalized for approval
 - g. Kleeba asked question regarding regulatory issues.
 - h. Gaston, replied there is a very specific set of criteria/milestones during the pilot program
 - i. **Robinson, Upromise will help create a list of criteria and dates for roll-out to present to the board**
 - j. **Stein, Requested contract highlights (via bullet points) regarding commitments, severability clauses, terms, etc. to gain a better understanding**
 - k. **O'Toole will attain that information for Stein and get it to all board members**
- VI. American Century Proxy Vote
 - a. Overview from Mark Mathers-
 - b. Received vote from American Century in error; error on proxy voting card

- c. Modification to fees does not apply to us and there is no requirement for the board to take a vote on the 2 items listed (Board of Directors approval and modification of real estate fund)
 - d. Mathers recommended approval of both items 1 & 3
 - e. Stein moved to approve the recommendation. Aubuchon seconded the motion and the motion passed unanimously/
- VII. Investment Policy
- a. Presented by Mark Mathers
 - b. Formalized MOST RFP of 2005- gives more choices, lower cost options, etc.
 - c. Most board never had a formal investment policy but deemed prudent based on over \$1Billion in assets
 - d. Not looking at Qtr to Qtr performance but looks more at 1-3 year returns
 - e. Baumgardner moved to approve the recommendation. Stein seconded the motion and the motion passed unanimously
- VIII. Proposed Advisor Plan Lineup Changes
- a. Presented by Mathers and Delorenzo
 - b. Addressed issue of lowering fees; combing through investment options
 - c. Went page by page of Powerpoint
 - i. Page 3- Morningstar Rating, Style, and Expenses review
 - ii. Page 7- Stein, Is there a ceiling?
 - iii. Page 7- Delorenzo asked we review plan average at .64%
 - iv. Page 7- Kleeba, what about those with 3 star rating?
 - v. Page 7- Delorenzo, Measured not just by pure performance; only get so high with an index fund regardless
 - vi. Page 7- Stein requested Morningstar rating criteria**
 - vii. Page 8- Baumgardner, requested info on the size of the fund?
 - viii. Page 8- Delorenzo, fund starting from scratch
 - ix. Delorenzo stated the goal for the lineup to be completed by Sept. 2007
 - x. Stein moved to approve the recommendation. Meyer seconded the motion and the motion passed unanimously
- IX. Quarterly Report
- a. Presented by Robinson, Delorenzo, and Polinsky
 - b. Ensure Representative Faith receives copies of all handouts
 - c. Liz Robinson expressed gratitude to both Mathers and Delorenzo in working so diligently to create this advisor plan investments structure. Believes they did a fine job and have something that will truly benefit all. She also noted that MOST crossed \$1Billion mark in the Direct Plan.
 - d. In response to Stein question in last board meeting, Robinson reported that there are 400 crossover accounts and 102 individual contributors (as some individuals have multiple accounts). She also noted that approx. 71% of new accounts enrolled online
 - e. Stein questioned whether Upromise can determine the social class of participants in MOST, especially being that boards focus is on creating participation for lower to middle income families. **Robinson promised to**

bring a graph to the next board meeting of income level research. As of today, the 71% that enrolled online, there is not way to denote social class. However, 66% of Upromise sourced Most accounts have less than \$300 account balance.

- f. Polinsky reviewed the agreed upon creative concept and noted the photo shoot in June 2007 went extremely well and reviewed the call center numbers in detail.
- g. Robinson continued by reviewed the MOST communication calendar as well as the events that have been participated in incl. Parents as teachers and the working women's survival show in which they got 180 leads out of 500 participants. She also revealed the advisor plan direct mail program in which she showed marketing trends to the effect that brokers prefer print versus email campaign letters
- h. Upromise closed with the handout depicting a new relationship with Oprah.com stating their year long partnership to promote college savings.

X. Adjournment