

**MINUTES OF THE
OREGON 529 COLLEGE SAVINGS BOARD
MEETING OF January 28, 2010**

Members Present: Ben Westlund, Chair (By phone)
Lyn Hennion
Paul Kelly
Scott Sandbo (By phone)
Carl Vance

Network Staff: Michael Parker, Executive Director
Stephanie Swetland, College Savings Specialist
Lynn Nagasako, Legal Counsel

Treasury Staff: Darren Bond, Deputy Treasurer
Curt Hartinger, Office of the Treasurer
Robert Johnson, Office of the Treasurer
Tom Lofton, Office of the Treasurer
Ben Mahon, Office of the Treasurer
James Sinks, Office of the Treasurer

Others Present: Kerry Alexander, TIAA-CREF
Doug Calnek, TIAA-CREF
Doug Chittenden, TIAA-CREF
Kim Collins, MFS Investment Management (By phone)
David Connelly, MFS Investment Management
Tim Findlay, TGF Productions, Inc.
Bill Finnegan, MFS Investment Management (By phone)
Kathleen Griffin, TIAA-CREF
Ryan Harvey, RVKuhns & Associates
Renee Hill, TIAA-CREF
Kate Ives, OppenheimerFunds, Inc. (By phone)
Susan Kay, MFS Investment Management
Keith Ketterling, Stoll Berne
Pam McNulty, TIAA-CREF
Corrie Oliva, RVKuhns & Associates
Colleen Rooney, MFS Investment Management
Adrienne Ruffle, OppenheimerFunds, Inc. (By phone)
Bruce Sheinhaus, OppenheimerFunds, Inc.
Scott Shorr, Stoll Berne
Ben Taylor, RVKuhns & Associates
Katie Walther, Run Spot Run Media
Robb Walther, Run Spot Run Media
Chris Werner, OppenheimerFunds, Inc. (by phone)

Chair Ben Westlund convened the meeting at 1:02 p.m. He requested that Board Member Lyn Hennion function as Chair for the meeting, as he was attending by phone.

Network Director Michael Parker clarified that during the November 19, 2009 Board meeting, in describing part of the settlement agreement related to the issues arising out of the program management agreement with Oppenheimer (OFI), it was stated that the Board would agree to use good faith efforts to facilitate discussions between OFI and MFS about the payment of the CDSC charge. However, MFS is not party to the program management agreement and did not

make and did not intend to make any statement about MFS having liability for the CDSC charge. What the Board agreed to do is to make good faith efforts to see if the CDSC charge is something that MFS is willing to discuss with Oppenheimer.

Board Member Carl Vance moved to approve the minutes as clarified, seconded by Board Member Scott Sandbo. All approved.

The first action item for the Board's consideration was the resolution of the attorney fees incurred in relation to the Oppenheimer Core Bond Fund litigation and settlement. Mr. Parker stated that the Attorney General's Office (AG) hired Stoll Berne (Stoll) as a special assistant Attorney General to help with the litigation, and the Network was able to negotiate the attorney fees at a very reasonable rate.

Keith Ketterling of Stoll explained that Stoll had agreed to take the case on behalf of the AG on a contingent fee, meaning that Stoll's fees would only be paid, if ever, out of any recovery that was obtained from Oppenheimer. Typically, contingent fee agreements in plan securities cases can range anywhere from 20% to one-third of the recovery. Stoll agreed to start out at a fee of 10% if the case settled prior to September 1, 2009. The fee then went up to 17.5% of the total recovery after September 1 and 25% if the case actually went to court. Additionally, Stoll agreed that no matter what their percentage recovery was, it would never be more than two times their hourly rate, so they would never recover more than two times the amount of time that they put into the case. In contingent fee litigation, it is typical to evaluate whether to take a case based on whether it offers an upside of at least three to four times a multiplier on the hourly rate. This helps offset the cost of unsuccessful cases in which much time is spent. Stoll gave the state a substantial discount by capping their fees at two times their hourly rate. When it became apparent that the case may be settled at \$20 million, Stoll reduced their fees to one and one half times their hourly rate. When the tentative settlement was reached with Oppenheimer in November 2009, Stoll reduced their fees again to their regular hourly rate going forward. Under their original agreement with the State, Stoll would have been entitled to \$2,000,000.

Mr. Parker stated that staff and the Board's attorney, Lynn Nagasako, recommend that the state pay Stoll Berne \$640,000 from the Oppenheimer litigation settlement.

Board Member Scott Sandbo commented that he feels the \$640,000 fee is very reasonable and appropriate, and he's pleased that it came in where it did. Chair Westlund agreed, considering the amount and quality of work that was done by Stoll, and the rate at which contingency cases are typically compensated. He feels the fee is beyond reasonable for the state and plan participants.

Chair Westlund moved that the fees be paid to Stoll, seconded by Mr. Sandbo.

Mr. Vance requested discussion regarding why payment of the fees was coming from the settlement funds.

Mr. Parker explained that, from when the investigation first started through to the present, the Board has also been paying attorney fees in relation to this case for attorneys in the AG's office. The Board has already paid nearly \$300,000 and will continue paying AG fees until all issues surrounding the matter are resolved and completed. In total, the Network will be in the range of \$1,000,000 paid for attorney fees to settle the issue with Oppenheimer. The \$640,000 only represents a certain point in time when the state went to a contingent arrangement with Stoll. Additionally, because a good portion of investors weren't affected by the Core Bond problem, the State feels it's reasonable to have those who participate in the settlement shoulder a larger burden of the legal fees.

Ms. Hennion and Board Member Paul Kelly agreed that it is appropriate for the fees to come out of the settlement funds for the reasons stated.

Mr. Kelly asked if the Board had paid some of Stoll's fees to which the \$640,000 was being added, or if the balance of \$1,000,000 that Mr. Parker referred to was being paid to the AG's office.

Mr. Parker stated that the Board has paid approximately \$300,000 to the AG and Stoll. The \$640,000 represents when the Board went to the contingent fee arrangement with Stoll to settle out the case. Mr. Ketterling further explained that Stoll received approximately \$150,000 to do the initial investigation and pursue settlement opportunities with Oppenheimer. The AG didn't want to pay a contingent fee of some percentage if the case could be settled quickly. Stoll was paid by the hour until it became apparent that the case couldn't be settled, at which time they went to a contingent fee.

Ms. Hennion read the following motion into the record:

RESOLVED, THAT the Board hereby approves and directs payment of attorneys fees and costs in the amount of \$640,000 to Stoll Berne out of the funds due to the Oregon College Savings Plan Trust as a result of settlement of the Oregon v. OppenheimerFunds, Inc., Marion County Case No. 09-14018.

Chair Westlund moved, seconded by Mr. Sandbo. All approved.

Mr. Vance inquired if a motion was needed relating to the remaining attorneys fees regarding the settlement.

Mr. Ketterling stated that Stoll has agreed that whatever is required to complete the settlement will be done without billing any additional fees, so \$640,000 is all that the Board will be paying to Stoll. Although the AG's office will continue to be paid for any work they do for the Board, Mr. Ketterling believed that Stoll would be handling any settlement issues going forward.

The next order of business was in regard to Oppenheimer transition planning. Mr. Parker explained the letter agreement that had been agreed upon by Oppenheimer and Network staff. Oppenheimer owed the Board marketing payments in the amount of \$525,000, and the Board owed Oppenheimer \$205,000 for the 2008 audit of both Oppenheimer plans. Oppenheimer was holding back the marketing payment because the Vanguard portfolio costs had not been settled out as required by contract. Oppenheimer has agreed to pay the Board the full \$525,000 and the Board will pay Oppenheimer the full \$205,000, which nets out at \$320,000.

The second piece of the letter agreement relates to the contractual requirement that the Board pay Oppenheimer for the transition costs they incur to transition the program(s) out. Ms. Nagasako and Mr. Parker tentatively agreed, pending Board approval, that the Board will pay Oppenheimer \$220,000 to transition the Oregon College Savings Plan (OCSP) to TIAA-CREF (TFI) and the OppenheimerFunds 529 Plan (Opp529) to MFS. The \$220,000 will come out of the \$320,000 Oppenheimer still owes the Board, and the Board will receive the remaining \$100,000.

Additionally, the Board will pay Oppenheimer \$25,000 if the transitions have to be split into two separate weekends instead of both plans transferring on the same weekend.

Lastly, Oppenheimer agrees not to assert against the Board any claim or charge any account owner for the outstanding CDSC charges in the advisor Oppenheimer Plan. The Board agrees to use good faith efforts to assist Oppenheimer in recouping some outstanding costs with MFS if MFS so agrees.

Ms. Hennion read the following motion into the record:

WHEREAS, certain disputes have arisen under the Program Management Agreement dated as of June 4, 2004, between the Board and OppenheimerFunds, Inc. and certain of its affiliates (collectively

“OppenheimerFunds”), and subject to Board approval, the Board and OppenheimerFunds have agreed to resolve these issues on the terms set forth in the letter agreement presented to the Board.

RESOLVED, THAT the Board hereby approves the above-described letter agreement and authorizes the Chair or his delegate to execute the letter agreement.

Chair Westlund moved, seconded by Mr. Vance. All approved.

Mr. Parker explained that changes had been made to the Network’s administrative rules. The most significant change made is in regards to how duplicate accounts are determined. The State has allowed a beneficiary to be in either an MFS or an Oppenheimer plan only, due to Federal rules that require aggregation across plans when distributions are made. After working with attorneys for Oppenheimer, MFS and TFI, the State now believes that both the owner and the beneficiary must be match in order for an account to be considered a duplicate account. This allows the same beneficiary to be in multiple Network plans if the account owner is different, which will increase the flexibility of the program and greatly reduce the number of duplicate accounts.

The other main change involves the rules regarding minimum account contributions, as that will differ between TFI and MFS. Therefore, the administrative rules have been changed to allow each plan to set account minimums, etc., in accordance with their current policies and procedures.

Ms. Hennion read the following motion into the record:

WHEREAS, in preparation for the conversion to the Oregon College Savings Plan to the management of TIAA-CREF Tuition Financing, Inc. (“TFI”) and the transfer of assets of the OppenheimerFunds 529 Plan to the MFS 529 Savings Plan, the Executive Director has consulted with TFI and MFS Fund Distributors, Inc. regarding updating OAR chapter 173 and as a result of those discussions has drafted a proposed revision of OAR chapter 173.

RESOLVED, THAT, the Board hereby approves the revised OAR chapter 173 that was presented to the Board, and the Executive Director is hereby authorized and directed to file these revised OAR chapter 173 as temporary rules.

RESOLVED, FURTHER, THAT the Executive Director is hereby authorized to do and perform such other acts and things, and to execute and deliver such other documents, as may be in his or her discretion deemed reasonable, necessary or proper in order to carry into effect any of the provisions of these resolutions.

Chair Westlund moved, seconded by Mr. Kelly.

Mr. Kelly asked for clarification of the primary changes in OAR chapter 173 that the Board is adopting. Mr. Parker explained that the Designated Beneficiary section 173-006-0005(4) was the main change in the rules, which now reads as follows:

(4) Unless the board directs otherwise, if an account is established by an account owner for a designated beneficiary in a plan when an account already exists in that plan or in another plan under the network having that same designated beneficiary and same account owner, then the subsequently established account will be closed and the current market value of the account, along with any fee that has been paid with respect to that account, will be returned to the account

owner as soon as administratively reasonable following discovery of such subsequently established account.

The other change was regarding the contributions section, which is Division 9 of the rules. This section has been made more generic, so MFS and TFI can set their own rules regarding how people can contribute money to the plan.

Lynn Nagasako, legal counsel for the Board and the Network, clarified that these rules were being filed as temporary rules. The temporary rules will be in place at the time of the conversion and, by statute, permanent rules must be filed within six months. During the six-month timeframe, if the Board wants to make any revisions it will have the opportunity to do so.

Ms. Hennion noted that the cash contributions only section will need to be modified to remove money orders, as they are not allowed under anti money-laundering regulations.

All approved the motion.

The next order of business involved the newly revised Network Investment Policy Statement. Formerly, both MFS and Oppenheimer had their own investment policy statements. Mr. Parker, Treasury investment staff and RV Kuhns (RVK) have worked together to create a comprehensive and updated statement that applies to both of the Network's plans. Mr. Parker provided a summary of what is in the proposed statement, which includes an outline of the investment structure of both of the plans, a list of permissible investment options and styles, descriptions of each approved investment option, including the objectives and style of each fund, the primary investment holdings, primary expected source of return, expected risk range, expected return range and investment vehicle. The policy statement also provides descriptions of the benchmarks and peer universes to be used to monitor and compare each investment option, the standards of prudence and minimum qualifications for selecting investment options and a watch list policy.

Ms. Hennion noted that primary investments throughout the Investment Policy Statement are stated very generically. However, on page 8, the Principal Protection option specifically names TIAA-CREF. It has been suggested that "sponsoring insurance company (the company)," be used to replace the reference to TIAA-CREF.

Mr. Vance had a couple of definition concerns about the Investment Policy Statement. He felt that the term "risk profile" on page 4 would be clearer if a definition is provided. He also wondered if the "Principal Protection" asset class listed in sections A and B is an actual asset class and could be better defined or replaced with a more appropriate naming convention. Of more concern to Mr. Vance were the series of fund categories that are listed as available in the Advisor Sold plan on page 7, because the Board had not discussed underlying fund holdings for them. For example, the Board had never discussed a high-yield investment fund.

Ben Taylor of RVK clarified that the funds listed include any underlying asset class that RVK monitors, and there is a high-yield fund that they monitor as a component of the performance report. The intent of including the high-yield fund is to provide authorization for every asset class currently in use as well as some that may potentially be in use, as available but not necessarily something that must be offered. Therefore, the policy statement is not restrictive, but open to other potential asset classes and can provide RVK with standards of monitoring.

Mr. Vance commented that since the product names aren't generic investment strategies, it makes it very difficult to track them in the policy statement.

Ryan Harvey of RVK suggested that an appendix be referenced for this section which would provide a table aligning names of asset classes with names of funds in the two plans. Doing so would avoid revision of the entire Investment Policy Statement if there is a fund change.

Mr. Vance felt that this change would be very helpful.

Board Member Scott Sandbo, who was attending the meeting by phone, needed to leave the Board meeting for other commitments.

There was discussion regarding if the investment policies could be adopted as presented and the suggested edits could be brought before the Board at its next meeting. It was agreed that a redlined version showing those edits would be presented to the Board prior to the April 29, 2010 Board meeting. It was also agreed that the edit regarding the specificity of TIAA-CREF would be done immediately.

Ms. Hennion read the following motion into the record, which was moved by Chair Westlund. Mr. Kelly suggested the bolded language as an amendment to the motion, after which he seconded it.

WHEREAS, in preparation for (1) the conversion ("Conversion") of the Oregon College Savings Plan from the management of OppenheimerFunds, Inc. and its affiliates (collectively "OppenheimerFunds") to TIAA-CREF Tuition Financing, Inc. ("TFI") and (2) the transfer ("Transfer") of the assets of the OppenheimerFunds 529 Plan to the MFS 529 Savings Plan, the Board wishes to revise its investment policies governing the Oregon College Savings Plan and the MFS 529 Savings Plan;

RESOLVED, THAT the Board hereby approves the revised investment policies governing the Oregon College Savings Plan and the MFS 529 Savings Plan as presented to the Board **and subject to the amendments discussed at the January 28, 2010 Board meeting**, said policies as they apply to the Oregon College Savings Plan to be effective as of the effective date of the Conversion, and said policies as they apply to the MFS 529 Savings Plan to be effective as of the effective date of the Transfer.

All approved.

The next order of business was the Oregon College Savings Plan asset allocation change for the Diversified Fixed Income Portfolio. Mr. Parker explained that the Diversified Fixed Income Portfolio as approved by the Board at its October Board meeting consisted of four underlying funds from four investment managers: PIMCO, Dreyfus, Wells Capital Management (Wells) and TCW Asset Management (TCW). It was discovered in December 2009 that both TCW and Wells had some significant changes to their funds, which is resulting in a recommendation that those funds be removed from the portfolio prior to launch.

Mr. Harvey of RVK explained that Wells and TCW have experienced portfolio manager turnover to the degree that leaves RVK uncomfortable with the Plan proceeding with those two managers as part of the Diversified Fixed Income Portfolio. A memo to the Board from RVK further explaining the turnover issues is part of the Network's records for this Board meeting. RVK recommends launching the Diversified Fixed Income Portfolio with a 50/50 allocation between PIMCO and Dreyfus, as doing so will result in a nearly identical tracking error risk as would have been experienced with all four funds. This change will result in marginally lower fees for the portfolio. RVK will look for additional replacement funds to further diversify the portfolio after launch.

There was discussion regarding the fact that the selling agreement between TFI and PIMCO hadn't been signed yet due to certain certifications and indemnifications that PIMCO was seeking from TFI that are not certifications and indemnifications that the Board has granted TFI. There was the possibility that PIMCO would not allow its fund to be in the Plan. Therefore, if the Board agrees to the 50/50 split and the selling agreement comes through in enough time to put the Diversified Fixed Income Portfolio on the system before launch, it will be included. If not, the portfolio will be pulled from the platform.

Ms. Hennion read the following motion into the record:

RESOLVED, THAT the Board hereby approves and authorizes the following changes to the Diversified Fixed Income Portfolio of the Oregon College Savings Plan, effective as of the date of the conversion of the Oregon College Savings Plan to the management of TIAA-CREF Tuition Financing, Inc. ("TFI"):

- (i) Termination of the Wells Fargo Advantage TR fund (MBFIX) and termination of the TCW Core Fixed Income fund (TGCFX).
- (ii) Change of the asset allocation of the Diversified Fixed Income Portfolio to 50% PIMCO Total Return fund (PTTRX) and 50% Dreyfus Bond Market Index Fund Basic (DBIRX).

RESOLVED, FURTHER, THAT if TFI does not enter into a selling agreement with PIMCO Total Return fund (PTTRX) on terms acceptable to TFI by the conversion date, the Board hereby authorizes and directs the Executive Director to remove the Diversified Fixed Income Portfolio as an investment portfolio in the Oregon College Savings Plan.

Chair Westlund moved, seconded by Ms. Hennion. All approved.

Mr. Parker introduced the next order of business, which was the TFI contract. Mr. Parker touched on key points of the contract, including:

- TFI will be the sole plan manager for the Oregon College Savings Plan
- Details regarding the term (time period) of the contract
- Handling of duplicate accounts and the maximum contribution limit per beneficiary between TFI and MFS
- Details regarding the 0.25% (25 basis points) management fee that TFI will receive of the average daily net assets of the Trust, as well as a provision for a 0.03% fee reduction after the Trust's assets reach \$1 billion
- Reporting to the Board regarding service measurements, plan statistics and performance
- Yearly audits that will be provided at TFI's expense
- Full ownership of all Plan Materials by the Board
- Preparation of the Plan Disclosure Booklet and any necessary supplements, over which the Board has full review prior to distribution to investors
- Details regarding the \$500,000 annual payment TFI will make to the Board to facilitate its public outreach and education campaigns
- Provisions for TFI to pay for a local public relations firm and to cover all costs related to preparation, printing, production and mailing of all disclosure, regulatory and enrollment materials.
- Provisions regarding TFI developing and maintaining the website, both the marketing side of the site and the secure on-line access part of the site
- Termination terms wherein TFI agrees to provide services for up to 16 months if a transition must take place

The contract is part of the Network's records for this Board meeting.

Mr. Vance inquired if there was contractual language dealing with loss of confidential electronic data. Ms. Nagasako stated that there is a confidentiality provision on page 15 that outlines both the State's and TFI's obligations to protect confidential data. The contract doesn't specify what the damages will be if there is a breach of that duty. Doug Chittenden of TFI stated that TFI is subject to a number of regulations regarding data confidentiality. Mr. Vance requested that TFI provide a letter to staff outlining what their obligations and policies are in the case of a breach of data.

Chair Westlund stated that he is comfortable with the contract as it reads.

Ms. Hennion read the following motion into the record:

RESOLVED, THAT the Board hereby approves the Management Agreement between the Board and TIAA-CREF Tuition Financing, Inc. governing the Oregon 529 College Savings Plan ("TFI Agreement") that was presented to the Board.

RESOLVED, FURTHER, THAT the Board hereby authorizes the Chair or his or her delegate to execute the TFI Agreement and to do and perform such other acts and things, and to execute and deliver such other documents, as may in his or her discretion be deemed reasonable, necessary or proper in order to carry into effect any of the provisions of these resolutions.

RESOLVED, FURTHER, THAT the Board hereby authorizes and directs the Executive Director to carry out the intent of the TFI Agreement and to act on behalf of the Board in all administrative and operational matters in regard hereto; provided, however, the Board expressly reserves to itself the authority to (i) amend the TFI Agreement, (ii) approve the investment policies and any Investment Option, Underlying Fund or allocation for the Oregon College Savings Plan Trust and any modifications thereto, and (iii) modify and approve OAR chapter 173 and other policies and procedures.

Chair Westlund moved, seconded by Paul Kelly. All approved.

Mr. Parker introduced the next order of business, which was an amendment to the MFS Program Management Agreement. The amendment is the result of changes that were needed in order for MFS to take the assets in the Oppenheimer advisor plan as agreed. Mr. Parker directed the Board to a few key points in the amendment:

Section 7.7, which deals with the duplicate account change where duplicate accounts are now determined at the account owner/beneficiary level.

Section 8.5, regarding annual audits. This change shifts the cost for the audits from the Board to MFS, as MFS is already auditing the funds in their Oregon offering to comply with the requirements of other partners using the same funds and portfolios. MFS has agreed to provide those audits to the Board at no cost.

Section 10.1, wherein the section referencing a 0.15% administrative fee paid to MFS has been removed, as MFS is no longer taking that fee.

Sections 13.12 & 14.7, which address the transition from Oppenheimer to MFS. MFS is authorized to accept the assets in the form of cash and make other negotiations as needed if the transition is done with in-kind securities.

Ms. Hennion read the following motion into the record:

WHEREAS, MFS and the Board desire to amend the MFS Program Management Agreement in connection with the transfer of assets from the OppenheimFunds 529 Plan and to update certain provisions related to duplicate accounts, program contribution limit, annual audits and program management fee.

RESOLVED, THAT the Board hereby approves amendment of the Program Management Agreement governing the MFS 529 Savings Plan on the terms presented to the Board.

RESOLVED, FURTHER, THAT the Board hereby authorizes the Chair or his or her delegate to execute an amendment substantially in the form that was presented to the Board, with such changes as he or she deems in the best interest of the Board and to do and perform such other acts and things, and to execute and deliver such other documents, as may in his or her discretion be deemed reasonable, necessary or proper in order to carry into effect any of the provisions of these resolutions.

Chair Westlund moved, seconded by Mr. Vance. All approved.

Mr. Parker explained the TFI Privacy Policy, which was the next order of business. It will be included in the Disclosure Booklet that investors will see when signing up to participate in the Plan. The Policy explains how investor information is being used and that it isn't shared and discusses online security when conducting online transactions.

Ms. Hennion read the following motion into the record:

RESOLVED, THAT the Board hereby approves the TIAA-CREF privacy policy in the form presented to the Board, with the completion of the last sentence.

RESOLVED, FURTHER, THAT the Executive Director is hereby authorized to do and perform such other acts and things, and to execute and deliver such other documents, as may in his or her discretion be deemed reasonable, necessary or proper in order to carry into effect any of the provisions of these resolutions.

Chair Westlund moved, seconded by Paul Kelly. All approved.

The next order of business was regarding Amendment No. 2 to the Oregon College Savings Plan Program Management Agreement with Oppenheimer. The amendment states that the contract will continue and Oppenheimer will continue to provide services to the State until such time as the programs are transitioned to TFI and MFS. Mr. Parker explained that the document was executed in January in order to ensure that Plan materials could be sent out to plan participants regarding the movement to TFI and MFS. That couldn't be done until participants were informed that the contract would be extended, which the amendment accomplished. Staff was now seeking Board ratification of the amendment.

Ms. Hennion read the following motion into the record:

WHEREAS, the Board and OppenheimerFunds, Inc. and certain of its affiliates (collectively "OppenheimerFunds") wish to amend the Program Management Agreement dated as of June 4, 2004, between the Board and OppenheimerFunds to extend said Program Management Agreement through the period required for the conversion of the Oregon College Savings Plan and the transfer of the assets of the OppenheimerFunds 529 Plan and to clarify certain duties and responsibilities of the parties.

RESOLVED, THAT the Board hereby ratifies Amendment 2 to the Program Management Agreement that was presented to the Board.

Chair Westlund moved, seconded by Ms. Hennion. All approved.

Mr. Parker introduced Kathy Griffin to the Board. She is the in-state representative hired by TFI to work with the Network and coordinate public outreach campaigns. She will be reporting regularly to the Board.

TFI prepared a Public Outreach and Education PowerPoint presentation, a copy of which is part of the Network's records for this Board meeting. Mr. Parker explained the first slide of the presentation, which covered the pre-conversion communications that will be sent to investors and the expected timeframes for each communication. Kathy Griffin of TFI explained the 10 key tenets of the TFI marketing philosophy. TFI overlays their marketing philosophy with the goals and objectives of each State they work with to arrive at a specific set of recommendations or initiatives to take on for the year. For Oregon, the marketing campaign will kick off with the "You can get there" launch tour. Ms. Griffin explained the tour and TFI's other marketing recommendations for the Network going forward.

Ms. Griffin spoke to the rebranding of the Oregon College Savings Plan, explaining the new enrollment materials, the Welcome Kit that participants will receive after transition to TIAA-CREF, and the website and some of its special features. A new feature is a webcast that will be available, which will allow people to listen to pertinent information regarding the Plan.

Tim Findlay of TGF Productions, Inc., detailed the statewide television and radio campaign that will launch on March 22, 2010, when the Oregon College Savings Plan transitions to TIAA-CREF. The campaign will run for four consecutive weeks and will be a very strong campaign, reaching the target audience numerous times.

Ryan Harvey of RVK gave a high level overview of the general markets for the quarter ended December 31, 2009. The information he provided is included in RVK's investment performance analysis report for the Network, a copy of which is part of the Network's records for this Board meeting. Mr. Harvey stated that the dramatic rally in risk assets that characterized mid-2009 continued through the fourth quarter of the year. Markets were up, but not uniformly so, which differed from the second and third quarters of 2009. Although 2009 was a great year, the markets haven't returned to where they were prior to the 2008 crisis.

Corrie Oliva of RVK noted that the total assets of the Network are now over \$1 billion. She then gave an in-depth explanation of the performance of the various funds in the MFS plan and both Oppenheimer plans. Individual fund performance details are also included in the investment performance analysis report prepared by RVK.

Colleen Rooney and Dave Connelly of MFS presented the MFS quarterly report. Ms. Rooney noted that total sales and assets were up, the number of accounts have increased, and contributions have increased. MFS was just named by Edward Jones as a preferred partner, which is a great opportunity for MFS to increase sales through their broker dealers. A gifting campaign ran during the fourth quarter, and MFS is currently in the midst of their contract with the PAC 10 for calendar year 2010-11. In addition, the MFS national TV campaign will run through the spring. As of September 30, 2009, Joe Hurley, of the nationally recognized website Savingforcollege.com, ranked the MFS 529 Savings Plan number three for the three-year time period and number five for the five-year time period. Mr. Connelly explained the fourth quarter performance of the asset allocation portfolios, noting that risk was rewarded and equity markets drove performance. A copy of the quarterly report is part of the Network's records for this meeting.

Chris Werner and Bruce Sheinhaus of OppenheimerFunds presented the OFI quarterly report. Mr. Werner gave a quick review of the blended portfolios in the Opp529 Plan and OCSP and the indexes in the OCSP, stating that RVK and MFS had already done a good job of explaining the market dynamics during the quarter. Mr. Sheinhaus commented on the growth and successes of the OCSP and Opp529 plans since their launch with OFI in 2004 and thanked the Board on behalf of OFI for the opportunity to serve the State of Oregon.

Douglas Calnek of TFI presented the Oregon College Savings Plan Transition Plan Update to the Board, a copy of which is part of the Network's records for this Board meeting. Mr. Calnek stated that the transition date had been moved from the original target date of February 20, 2010 to March 19, 2010. This was due to delays in receipt of sample data from OFI. The data was necessary so TFI's record keeper, BFDS, could code for the mapping of the data onto their platform. The delay would have resulted in at least one test cycle being forfeited, which was decided would be too risky, since there would not be enough recovery time for the transition to be made as scheduled if problems requiring resolution were encountered. Therefore, all parties to the transition agreed that it was best to push out the date. TFI was currently in the middle of the MOCK 1 testing phase, which was going remarkably well. The data OFI provided to TFI was very clean. Mr. Calnek explained the remaining testing required prior to conversion.

Colleen Rooney of MFS stated that their experience has been very similar to TFI's in relation to the transition of the Opp529 Plan to MFS. MFS is waiting on some information it needs from OFI in order to proceed with a communication from MFS to the dealers of record.

Mr. Findlay of TGF Productions wanted to acknowledge the tremendous efforts of Katie Walther of Run Spot Run in procuring the media buys for the Network. She is able to get very good rates because of her experience working with the media community.

Chair Westlund adjourned the meeting at 5:00 p.m.