

**STATE COMPENSATION INSURANCE FUND  
BOARD OF DIRECTORS**

**MINUTES OF OPEN SESSION MEETING**

**January 7, 2015**

The Board of Directors of the State Compensation Insurance Fund met on January 7, 2015 at the State Fund Corporate Office, 333 Bush Street, 7<sup>th</sup> floor, San Francisco, CA.

**January 7, 2015**

**AGENDA ITEM 1: CALL TO ORDER AND ROLL CALL**

The meeting was called to order on January 7, 2015 at 10:05 a.m.

Ms. Chalupa requested Ms. Padua to call roll. The following were present: Sheryl A. Chalupa (Chair); Robin Baker; Daniel M. Curtin; Marvin Kropke; Sen. Michael J. Machado (Ret.); Lawrence E. Mulryan; Jack Neureuter; Steven L. Rank; Thomas E. Rankin; Scott Reid; William Zachry; and Christine Baker (non-voting member).

There was a quorum.

Also present: President and CEO Vernon L. Steiner; Chief Financial Officer Peter Guastamachio; Acting Chief Operating Officer Richard Law; Board Liaison and Interim Corporate Secretary Hilda B. Padua; Counsel and Assistant Corporate Secretary Judith D. Sapper; and Randall Keen of Manatt, Phelps & Phillips, LLP.

**AGENDA ITEM 2: ANTITRUST ADMONITION**

Ms. Chalupa called attention to and requested confirmation that the Board members read State Fund's Antitrust Admonition, which is included in each Board member's meeting materials.

**AGENDA ITEM 3: CONSENT CALENDAR**

**3a. Ratification of Appointment of Chief Operating Officer**

Ms. Chalupa noted that agenda item "Ratification of Appointment of Chief Operating Officer" would be approved under agenda item 8.

**AGENDA ITEM 4: PUBLIC COMMENT ON APPROPRIATENESS OF CLOSED SESSION FOR ITEMS 6-7**

Ms. Chalupa requested public comment on the appropriateness of closed session for items 6-7, of which there was none.

**AGENDA ITEM 5: PUBLIC COMMENT**

Ms. Chalupa requested further public comment.

## **AGENDA ITEM 8: CALL TO ORDER AND ROLL CALL**

The meeting reconvened at 2:30 p.m. following the conclusion of the Closed Session and the following Members were present: Sheryl A. Chalupa (Chair); Robin Baker; Daniel M. Curtin; Marvin Kropke; Sen. Michael Machado; Lawrence E. Mulryan; Jack Neureuter; Steven L. Rank (joined at item 9); Thomas E. Rankin; Scott Reid; William Zachry; and Christine Baker (non-voting member).

There was a quorum.

Also present: President and CEO Vernon L. Steiner; Chief Financial Officer Peter Guastamachio; Board Liaison and Interim Corporate Secretary Hilda B. Padua; and Randall Keen of Manatt, Phelps & Phillips, LLP.

Ms. Chalupa called out agenda item 3a from the Consent calendar, "Ratification of Appointment of Chief Operating Officer" and requested a motion to ratify the Appointment of Richard Law as Chief Operating Officer effective January 2, 2015.

MOTION: Mr. Zachry

SECOND: Mr. Kropke

To ratify the appointment of Richard Law as Chief Operating Officer effective January 2, 2015 as presented on Resolution No. 2043 as attached hereto.

YES: 10

NO: 0

Motion carried.

## **AGENDA ITEM 9: PROPOSALS AND SUGGESTIONS FOR FEBRUARY 19-20, 2015 AGENDA**

Ms. Chalupa requested additional items for the February 19-20, 2015 Open Board meeting of which there were none.

Ms. Chalupa requested public comment, of which there was none, and she noted that the next Board meeting is scheduled for February 19, 2015 at the State Fund Corporate Office, 333 Bush Street, San Francisco, California unless noticed for a new date and time.

Ms. Chalupa adjourned the meeting at 2:35 p.m.

Respectfully submitted,

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Hilda B. Padua  
Board Liaison and Interim Corporate Secretary



**Resolution No. 2043**

**BOARD OF DIRECTORS  
STATE COMPENSATION INSURANCE FUND**

**RESOLUTION RATIFYING AND AUTHORIZING APPOINTMENT  
of the CHIEF OPERATING OFFICER**

WHEREAS, the State Compensation Insurance Fund requires the services of a Chief Operating Officer; and

WHEREAS, Insurance Code section 11785(a) authorizes the Board of Directors of the State Compensation Insurance Fund to appoint and set the salary for certain exempt officer positions including a Chief Operating Officer; and

WHEREAS, the Board of Directors of the State Compensation Insurance Fund has delegated to the President of the State Compensation Insurance Fund, subject to conditions that the Board of Directors may from time to time prescribe, the powers, functions, and duties conferred by law on the Board of Directors in connection with the administration, management, and conduct of the business and affairs of the State Compensation Insurance Fund.

NOW, THEREFORE,

IT IS RESOLVED, that the Board of Directors hereby appoints Richard J. Law to serve as the Chief Operating Officer, effective as of January 2, 2015, at a base annual salary of \$373,750; a one-time sign-on bonus of \$75,000; and a potential at-risk compensation differential of up to 30% of annual salary, subject to approval by the Board, and based upon factors including but not limited to, the overall performance of State Fund as determined by the Board of Directors, and on the Chief Operating Officer's achievement of specifically defined metrics and performance goals; and

IT IS FURTHER RESOLVED, that the President of State Fund is hereby granted the authority to enter into an employment agreement with Richard J. Law and any amendments that may be necessary from time to time except that any change in compensation must be presented to the Board of Directors for approval; and

IT IS FURTHER RESOLVED, that the Board of Directors hereby ratifies and approves all actions taken by the President of the State Compensation Insurance Fund as were necessary to appoint Richard J. Law to serve as the Chief Operating Officer of the State Compensation Insurance Fund.

PASSED AND ADOPTED at the meeting of the Board of Directors of the State Compensation Insurance Fund held on this 7<sup>th</sup> day of January, 2015 by the following vote:



**Resolution No. 2043**

<u>MEMBER</u>	<u>VOTE</u>
Sheryl A. Chalupa, Chair	Yes
Robin L. Baker	Yes
Daniel M. Curtin	Yes
Marvin P. Kropke	Yes
Sen. Michael J. Machado (Ret.)	Yes
Lawrence E. Mulryan	Yes
Jack L. Neureuter	Yes
Steven L. Rank	Absent for vote
Thomas E. Rankin	Yes
Scott K. Reid	Yes
William M. Zachry	Yes