

BOARD OF DIRECTORS (OPEN)

AGENDA ITEM 3a

ATTACHMENT 3a-I, II

CONSENT CALENDAR

Approval of September 9-10, 2010 Open Meeting Minutes

Approval of October 12-14, 2010 Open Meeting Minutes

PRESENTED BY: Jeanne Cain

November 18, 2010

**STATE COMPENSATION INSURANCE FUND
BOARD OF DIRECTORS**

**MINUTES OF OPEN SESSION MEETING
October 12 and 14, 2010**

The Board of Directors of the State Compensation Insurance Fund met on October 12 and 14, 2010 in the Napa Valley Marriott Hotel, Napa, California.

October 12, 2010

AGENDA ITEM 1: CALL TO ORDER AND ROLL CALL

The meeting was called to order on October 12, 2010 at 11:05 a.m. and the following were present: Jeanne L. Cain, Chair; Sheryl A. Chalupa; Daniel M. Curtin; Donald E. Garcia; Sen. Michael J. Machado (Ret.); Lawrence E. Mulryan; Francis E. Quinlan; James S. Richardson; and William M. Zachry. Absent: Steven L. Rank and Thomas E. Rankin (by prior arrangement); and non-voting member John C. Duncan.

There was a quorum.

Also present: President and CEO Thomas E. Rowe and General Counsel and Corporate Secretary Carol R. Newman.

AGENDA ITEM 2: ANTITRUST ADMONITION

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

AGENDA ITEM 3: RATIFICATION OF APPOINTMENT OF ACTING CHIEF FINANCIAL OFFICER

President Tom Rowe reported that Mr. Jay Stewart, Chief Financial Officer, had resigned effective October 15, 2010 and that Mr. Daniel Sevilla had been engaged as Acting Chief Financial Officer effective October 4, 2010 to December 31, 2010. Mr. Rowe requested the Board ratify the engagement of Mr. Sevilla. After discussion, Mr. Richardson moved and Mr. Zachry seconded the following resolution:

Resolution No. 942

RESOLUTION of the BOARD of DIRECTORS of STATE COMPENSATION
INSURANCE FUND RATIFYING and APPROVING the ENGAGEMENT of
ACTING CHIEF FINANCIAL OFFICER

WHEREAS, Jay H. Stewart resigned his position as Chief Financial Officer of the State Compensation Insurance Fund, effective October 15, 2010; and

WHEREAS, the State Compensation Insurance Fund requires the services of an Acting Chief Financial Officer while conducting a search for a new Chief Financial 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; and

WHEREAS, State Compensation Insurance Fund entered into an agreement on or about October 4, 2010 with Dan Sevilla to act as Acting Chief Financial Officer at a contract rate of \$26,500 per month while State Compensation Insurance Fund conducts a search for a new Chief Financial Officer;

NOW, THEREFORE,

IT IS RESOLVED, that the Board of Directors hereby ratifies and approves the agreement entered into between State Compensation Insurance Fund and Dan Sevilla to act as Acting Chief Financial Officer at a contract rate of \$ 26,500 per month; 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 to enter into the agreement with Mr. Sevilla to act as the Acting Chief Financial Officer of the State Compensation Insurance Fund; and

IT IS FURTHER RESOLVED, that, notwithstanding anything to the contrary set forth in the agreement with Mr. Sevilla, the President of the State Compensation Insurance Fund is hereby granted the authority to establish policies and procedures pursuant to which Mr. Sevilla, in his capacity as Acting Chief Financial Officer, shall be permitted to act on behalf of the State Compensation Insurance Fund (including, but not limited to, entering into agreements, signing documents and certificates, making representations, or incurring obligations or expenses on behalf of the State Compensation Insurance Fund) and that the President of the State Compensation Insurance Fund is hereby permitted, in establishing such policies and procedures, to grant Mr. Sevilla, in his capacity as Acting Chief Financial Officer, no more or greater powers, authorities and responsibilities than are granted to the Chief Financial Officer of the State Compensation Insurance Fund in the ordinary course; and

IT IS FURTHER RESOLVED, that the President of the State Compensation Insurance Fund is hereby granted the authority to enter into any amendments to the agreement with Mr. Sevilla necessary or deemed advisable to carry out the foregoing, and that the Board of Directors hereby approves and ratifies any such

amendment authorized by the President except any change in compensation must be presented to the Board of Directors for approval.

Ms. Cain requested any public comment of which there was none and she called for the vote.

AYES: 9 NOES: 0 Resolution adopted.

AGENDA ITEM 4: DELEGATED AUTHORITY FOR MANAGEMENT OF BANK SIGNATURES

Ms. Cain reported that the Bank Signatures for Bank of America and Union Bank needed to be amended to allow Ms. Ethel Wang, Senior Vice President of Finance and Ms. Stephanie Chan, Treasury and Strategic Analysis Manager authority to execute bank documents. Ms. Chalupa moved and Mr. Quinlan seconded the following resolutions:

Resolution No. 943

RESOLUTION OF THE BOARD OF DIRECTORS OF STATE COMPENSATION
INSURANCE FUND APPROVING FACSIMILE SIGNATURES-
BANK OF AMERICA MERRILL LYNCH

WHEREAS, pursuant to Section 11800 of the Insurance Code, the Board of Directors (the "Board") of the State Compensation Insurance Fund ("State Fund"), may deposit all moneys in excess of current requirements and not otherwise invested in financial institutions authorized by law to receive deposits of public moneys; and

WHEREAS, the Board desires to authorize the use of facsimile signatures for the signing or countersigning of certain checks, drafts, or other orders for the payment of money on behalf of State Fund, and to enter into such agreements as Bank of America Merrill Lynch, including any and all affiliate and subsidiary banks (collectively, "Bank of America"), customarily requires as a condition for permitting the use of facsimile signatures.

NOW, THEREFORE, BE IT RESOLVED, THAT:

Bank of America Merrill Lynch, in its capacity as a designated depository of State Fund, be and it is hereby requested, authorized and directed to honor all checks, drafts or other orders for the payment of money drawn in State Fund's name on its several accounts, including, without limitation, those drawn to the individual order of any person or persons whose names appear thereon as signer or signers thereof, when bearing or purporting to bear the facsimile signature of either of the following:

E. Wang
or
S. K. Chan

FURTHER RESOLVED, that Bank of America Merrill Lynch shall be entitled to honor and to charge State Fund reasonable processing fees for all such checks, drafts or other orders for the payment of money, regardless of by whom or by what means the actual or purported facsimile signature or signatures thereon may have been affixed thereto, if such facsimile signature or signatures resemble the bank signature card forms on file and/or facsimile specimens from time to time filed with Bank of America Merrill Lynch by the Senior Vice President of Finance of State Fund or the Treasury and Strategic Analysis Manager of State Fund; and

FURTHER RESOLVED, that all previous authorizations for the signing and honoring of checks, drafts or other orders for the payment of money drawn on State Fund's accounts at Bank of America Merrill Lynch are hereby continued in full force and effect as amplified hereby; and

FURTHER RESOLVED, that State Fund's Senior Vice President of Finance and/or the Treasury and Strategic Analysis Manager be, and hereby are, authorized and directed to complete, execute and/or certify any customary printed bank signature card forms and/or other facsimile specimens filed or required to be filed with Bank of America Merrill Lynch in order conveniently to exercise the authority granted by this resolution.

Resolution No. 944

**RESOLUTION OF THE BOARD OF DIRECTORS OF STATE COMPENSATION
INSURANCE FUND APPROVING FACSIMILE SIGNATURES—UNION BANK**

WHEREAS, pursuant to Section 11800 of the Insurance Code, the Board of Directors (the "Board") of the State Compensation Insurance Fund ("State Fund") may deposit all moneys in excess of current requirements and not otherwise invested in financial institutions authorized by law to receive deposits of public moneys; and

WHEREAS, the Board desires to authorize the use of facsimile signatures for the signing or countersigning of certain checks, drafts, or other orders for the payment of money on behalf of State Fund, and to enter into such agreements as Union Bank, including any and all affiliate and subsidiary banks (collectively, "UB"), customarily requires as a condition for permitting the use of facsimile signatures.

NOW, THEREFORE, BE IT RESOLVED, that UB, in its capacity as designated depository of State Fund, be and it is hereby requested, authorized and directed to honor all checks, drafts or other orders for the payment of money drawn in State Fund's name on its several accounts, including, without limitation, those drawn to the individual order of any person or persons whose names appear thereon as authorized signer or signers thereof, when bearing or purporting to bear the facsimile signature of either of the following:

E. Wang

or

S. K. Chan

FURTHER RESOLVED, that UB shall be entitled to honor and to charge State Fund reasonable processing fees for all such checks, drafts or other orders for the payment of money, regardless of by whom or by what means the actual or purported facsimile signature or signatures thereon may have been affixed thereto, if such facsimile signature or signatures resemble the bank signature card forms on file and/or facsimile specimens from time to time filed with UB by the Senior Vice President of Finance of State Fund or the Treasury and Strategic Analysis Manager of State Fund; and

FURTHER RESOLVED, that all previous authorizations for the signing and honoring of checks, drafts or other orders for the payment of money drawn on State Fund's accounts at UB are hereby continued in full force and effect as amplified hereby; and

FURTHER RESOLVED, that State Fund's Senior Vice President of Finance and/or the Treasury and Strategic Analysis Manager be, and hereby are, authorized and directed to complete, execute and/or certify any customary printed bank signature card forms and/or other facsimile specimens filed or required to be filed with UB in order conveniently to exercise the authority granted by this resolution.

Ms. Cain asked for public comment of which there was none and she called for the vote.

AYES: 9

NOES: 0

Resolutions adopted.

AGENDA ITEM 5: PUBLIC COMMENTS ON THE APPROPRIATENESS OF CLOSED SESSION AGENDA ITEM 6.

Ms. Cain requested public comment of which there was none and the meeting immediately moved into Closed Session.

OCTOBER 14, 2010

AGENDA ITEM 7: CALL TO ORDER AND ROLL

The meeting was called to order on October 14, 2010 at 10:30 a.m. and the following were present: Jeanne L. Cain, Chair; Sheryl A. Chalupa; Daniel M. Curtin; Donald E. Garcia; Sen. Michael J. Machado (Ret.); Lawrence E. Mulryan; Francis E. Quinlan; Steven L. Rank; Thomas E. Rankin; James S. Richardson; and William M. Zachry. Non-voting member John C. Duncan was absent by prior arrangement. There was a quorum.

Also present: President and CEO Thomas E. Rowe and General Counsel and Corporate Secretary Carol R. Newman.

AGENDA ITEM 8: PUBLIC COMMENT

Ms. Cain requested public comment of which there was none.

AGENDA ITEM 9: ADJOURNMENT

There being no further business, Chair Cain adjourned the meeting at 10:30 a.m.

The next regularly scheduled Board of Directors meeting will begin on Thursday, November 18, 2010 at 2 p.m. at the Milton Marks Conference Center, 455 Golden Gate Avenue, San Francisco.

Respectfully submitted,

Carol R. Newman
Corporate Secretary