

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
BOARD AD HOC COMMITTEE MEETING**

Monday - September 20, 2004

The Louisiana School Employees' Retirement System's Board Ad Hoc Committee convened in the board room (Room 100) of the Louisiana School Employees' Retirement System Building, located at 8660 United Plaza Boulevard., Baton Rouge, Louisiana. Mr. Wilmer called the meeting to order at 11:01 a.m. The Roll was called by Mrs. Stark.

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Members Present: Mr. Larry Wilmer, Chairman, Ms. Betty Jacobs, Mr. Joe Seymour, Ms. Lori Pierce - State Treasurer's Office, and Mr. Ty Larkins - Secretary of State's Office.

Staff Present: Mr. Patrick Cospser - Director, Mrs. Debra Dudley - Assistant Director, Mr. Randy Roche - General Counsel, Mr. Warren Ponder (General Counsel in Training), Mrs. Julia LeBlanc - Chief Investment Officer, Mrs. Josie Meche - Investment Manager I, Ms. Judy Wright - Public Information Director I and Mrs. Laurie Stark - Executive Services Assistant.

Others Present: Mr. Jeffrey Faulk, Ms. Betty Crain, Mr. Earl Richard, Jr. Ms. Sylvia Myers, Mr. Rich Ranallo - Segal Advisors, Inc., Mr. Robert Kiesel, Mr. Don Powers and Mr. Jay Plourde - SCIUS Capital Group.

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EDUCATIONAL SEMINAR BY SPIRE CAPITAL GROUP, LLC.

Mr. Robert Kiesel along with Mr. Don Powers and Mr. Jay Plourde with SCIUS Capital Group began their presentation to the committee by describing their Louisiana Third Century Fund One (1) as being a \$30 million Louisiana Technology Commercialization Fund. He said that they are in the process of raising the \$30 million. They have received a \$1 million dollar commitment from the Baton Rouge Area Foundation (BRAAF) who is their anchor investor and are looking for additional investors. His fund invests in formation stage companies located within Louisiana. These opportunities are mainly in the areas of industrial technology, life sciences and information technology. It is a seven year fund with a 10% preferred return, 3.0% management fee and 20.0% carried interest. SCIUS Capital Group's employees consist of former CEO's, entrepreneurs, senior technology executives and investment professionals with experience in the various technologies that their plan considers. SCIUS Capital Group differs from traditional venture capitalists because they are investing in companies at their earlier stages.

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DISCUSSION WITH CONSULTANT.

Mr. Ranallo commented on the presentation by SCIUS Capital Group. This company invests in pre-venture capital which is essentially ideas. This type of investment is extremely risky. The majority of these ideas will be unsuccessful. He feels the fee is very high, but due to the nature of the investment makes them not necessarily out of line. Mr. Ranallo said he would rather see a lower fee and higher participation. If the Act 788 legislation requirement was not making this system look at other investments, he would not consider this type of investment for this system.

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ON MOTION OF MS. JACOBS, SECONDED BY MR. SEYMOUR AND CARRIED, the committee agreed to adjourn.

The meeting adjourned at 12:26 p.m.

Patrick Cospers, Director

Larry Wilmer, Chairman