

**College Savings Plans of Maryland Board  
FINAL MINUTES**

**May 19, 2015  
10:00 AM – 11:00 AM**

**Held Via Conference Call  
217 E. Redwood Street, Suite 1350  
Baltimore, MD 21202**

**Board Members and Designees Present**

Nancy K. Kopp, State Treasurer and Board Chair  
Helene Grady, Board Vice-Chair  
Steven Serra, Superintendent of Schools' Designee  
Len Foxwell, Comptroller's Designee  
John Kenney  
Geoff Newman, Secretary of Higher Education's Designee  
Pamela Purcell, Chancellor of University System of Maryland's Designee  
Russell Kelley

**Board Member Absent**

Lewis Robinson, Board Secretary

**Staff, Representatives and Guests**

Andrew Friedson  
Joshua Fretz  
Lara Hjortsberg, Assistant Attorney General  
William Chen, Assistant Attorney General  
Bernadette Benik, Chief Deputy Treasurer  
Susanne Brogan, State Treasurer's Office

- Discussion of Board and Audit & Finance Committee Vacancies

Treasurer Kopp announced that Gary Dorsch had resigned from the Board and took a moment to highlight his many contributions to CSPM and to the Plans over the years and to thank him for his service. With Mr. Dorsch's departure, the Treasurer also announced that Mr. Kenney agreed to become the Chair of the Audit and Finance Committee. Treasurer Kopp also stated that Mr. Dorsch had the authority to sign checks on behalf of the agency, along with Joan Marshall and Carol Kaiser. She noted that Ms. Marshall's and Ms. Kaiser's signing authority has been transferred to Mr. Friedson and Ms. Benik. After discussion,

the consensus of the Board was to authorize Ms. Grady with check signing authority in place of Ms. Benik.

- Open Meetings Act Compliance

At the request of Treasurer Kopp, Ms. Hjortsberg reported on the actions taken by the Board during the closed session on May 6, 2015. The summary of the information provided by Ms. Hjortsberg as to the date, time, place and record of the vote to close the session are attached to these minutes as Exhibit 2. Ms. Hjortsberg reported that the Board voted to approve the transition plan for the agency, which included a change in the Executive Director and the Chief Investment and Operating Officer and the appointment of Andrew Friedson as the Interim Executive Director until the Board appoints a permanent successor. Ms. Hjortsberg noted that all of the Board members voted in favor of the motions made and seconded at the meeting, except for Mr. Dorsch, who voted against.

- Management Update Regarding SunTrust Bank Accounts

Mr. Friedson summarized the status of the fraud issues with the SunTrust accounts. He noted that eight fraudulent checks had been presented to SunTrust to date, with the amounts of such checks ranging from \$2,490 and \$6,000. He stated that SunTrust had credited back to CSPM's account the amounts of seven of the checks and that he expected the final check to be credited back that day. He noted that the two accounts with SunTrust had been emptied and frozen for withdrawals. He explained that approximately 100 account holders are still making ACH payments to the account via payroll deduction but that a letter had been sent to these account holders asking them to switch their ACH instructions to Wells Fargo. He noted that phone calls have also been placed to these same account holders, and that for the time being the funds deposited into the SunTrust accounts via ACH are being manually moved from SunTrust to Wells Fargo as it arrives. In response to a question from the Treasurer regarding the location of the account holders, he noted that they included Prince George's, as well as Anne Arundel, Howard, and Montgomery Counties.

Treasurer Kopp asked for a motion to close the meeting to discuss the preliminary findings provide to the agency by the Office of Legislative Audits, to discuss a personnel matter affecting one or more specific individuals and to consult with legal counsel in connection with these two matters. Ms. Hjortsberg noted that the Treasurer had signed the *Presiding Officer's Written Statement for Closing a Meeting* (the "Statement to Close") to this effect and that the statutory basis for closing the session were §§ 3-305(13) (to comply with a specific statutory requirement that prevents public disclosure), 3-305(b)(1) (to discuss personnel matters affecting one or more specific individuals), and 3-305(b)(7) (to obtain the advice of counsel with respect to these matters). The Statement to Close is attached to these minutes as Exhibit 3.

Upon motion duly made and seconded, it was unanimously

**RESOLVED**, that the CSPM Board move into a closed session in accordance with §§3-305(b)(13), (1) and (7) of the General Provisions Article of the Maryland Annotated Code, to (a) discuss the preliminary findings of the Office of Legislative Audits; (b) discuss a personnel matter affecting one or more specific individuals; and (c) to obtain the advice of counsel with respect to these matters.

All Board members, Mr. Friedson, Ms. Hjortsberg, Mr. Chen, Ms. Benik and Ms. Brogan remained present for the closed session. Mr. Fretz left the meeting at this time.

The closed session concluded and the regular session resumed at 11 a.m. At the Treasurer's request, Ms. Hjortsberg noted that the Board had not taken any actions during the closed session.

Treasurer Kopp asked if there were any further items to be addressed. There being no further business, and upon duly moved and seconded, it was unanimously,

**RESOLVED**, that the meeting is hereby adjourned.

Approved: \_\_\_\_\_



Andrew Friedson  
Interim Executive Director – for Board Secretary

Date: \_\_\_\_\_

8/27/15

#### EXHIBIT LIST

1. Agenda for the May 19, 2015 Board Conference Call
2. Information that Must be Disclosed in the Minutes of the Next Open Meeting (for May 6, 2015 Closed Session)
3. Presiding Officer's Written Statement for Closing a Meeting under the Open Meetings Act (§§3-305(b)(13), (1) and (7))