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Alabama Prepaid Affordable College Tuition Program

Presentation of September 30, 2008

Draft Financial Statements,
Reports and Other Deliverables



Presented by:
Miller Edwards
Wade Sansbury

Draft Financial Statements & Reports

- **Report Opinion on Financial Statements**
- **Statement of Fiduciary Net Assets**
- **Statement of Changes in Fiduciary Net Assets**
- **Footnotes**
- **Supplementary Information**
- **Reports on Internal Control and Compliance**

Annual Audit Agenda

- **Mauldin & Jenkins – *Who We Are***
- **Audit Report – *Standards, Principles and Results***
- **Required Communications – *Information to be Shared with Governing Board***
- **Other Matters – *New Audit Standards & New Reporting Standards***

Thank You !!

*We appreciate PACT officials taking
the time to allow us to meet with
you and discuss this years draft
financial statements and information.*



March 2009 Board Meeting

Annoesjka West
Consultant

March 24, 2009



February 2009 Performance

	Last Month	Last 3 Months	Last 6 Months	Last 9 Months	Last 12 Months
Domestic Equity	(10.14%)	(15.86%)	(43.56%)	(47.56%)	(43.83%)
Russell 3000	(10.48%)	(16.42%)	(42.63%)	(46.97%)	(43.51%)
Large Cap Equity	(9.69%)	(15.84%)	(42.46%)	(47.02%)	(43.67%)
INTECH	(7.65%)	(11.25%)	(41.95%)	(46.33%)	(42.29%)
RhumbLine Advisers	(10.31%)	(16.13%)	(41.98%)	(46.78%)	(43.69%)
CS McKee	(11.13%)	(20.05%)	(43.61%)	(48.10%)	(45.12%)
Russell 1000 Growth	(7.52%)	(10.38%)	(39.90%)	(44.70%)	(40.03%)
Blended Benchmark*	(10.34%)	(16.34%)	(42.25%)	(47.01%)	(43.96%)
Russell 1000 Value	(13.36%)	(22.26%)	(44.71%)	(49.34%)	(47.35%)
Russell 1000	(10.34%)	(16.34%)	(42.25%)	(46.94%)	(43.62%)
S&P 500 Index	(10.65%)	(17.31%)	(41.82%)	(46.41%)	(43.32%)
Small Cap Equity	(12.17%)	(15.95%)	(48.18%)	(49.93%)	(44.53%)
EARNEST Partners	(15.57%)	(20.45%)	(49.72%)	(52.14%)	(46.32%)
Turner Investment Partners	(9.34%)	(12.10%)	(46.94%)	(48.06%)	(43.09%)
Russell 2000	(12.15%)	(17.39%)	(46.91%)	(47.35%)	(42.38%)
Russell 2000 Value	(13.89%)	(21.65%)	(47.16%)	(47.40%)	(43.03%)
Russell 2000 Growth	(10.35%)	(12.68%)	(46.70%)	(47.44%)	(41.94%)
International Equity	(9.32%)	(12.93%)	(44.99%)	(53.55%)	(50.86%)
Acadian Asset Mgmt.	(11.49%)	(15.12%)	(48.69%)	(57.15%)	(54.55%)
MSCI EAFE Index	(10.26%)	(14.20%)	(44.58%)	(52.74%)	(50.22%)
Domestic Fixed-Income	(2.38%)	3.46%	(3.84%)	(5.75%)	(6.25%)
Sterne Agee	(0.98%)	3.18%	1.91%	(0.65%)	(0.14%)
Western Asset Mgmt.	(3.27%)	3.66%	(7.13%)	(8.69%)	(9.72%)
BC Aggregate Index	(0.38%)	2.43%	1.88%	2.68%	2.06%
Cash & Equivalents	0.04%	0.15%	0.56%	1.07%	1.65%
Cash & Equivalents	0.08%	0.32%	0.93%	1.45%	3.67%
Regions STIFF	0.00%	0.01%	0.27%	0.73%	1.28%
Treasury Bills 90 Day	0.02%	0.02%	0.53%	1.04%	1.41%
Total Fund	(7.03%)	(8.81%)	(32.94%)	(38.00%)	(35.03%)
Total Fund Target	(7.51%)	(10.73%)	(32.33%)	(36.74%)	(33.91%)



MTD Performance as of March 20, 2009

	March MTD as of 3/20/09
Large Cap Equity	
INTECH	4.04
R1000G	5.04
Rhumblin	4.59
R1000	4.65
CS Mckee	5.18
R1000V	4.20
Small Cap Equity	
Earnest Partners	4.60
R2000V	3.10
Turner Investment	2.69
R2000G	2.90
R2000	3.02
International Equity	
Acadian	5.20
EAFE IMI	5.80
Principal	4.26
MSCI ACWI ex-US	6.98
Domestic Fixed Income	
Sterne Agee	n/a
Western Asset	0.47
BC Aggregate	1.06



PACT Program

- **Prepaid College Tuition plans are similar to pension plans.**
- **Participants' contributions are pulled together and invested with the objective of growing the assets to meet future obligations (tuition payments).**
- **Investment decisions for these plans are long-term and strategic in nature.**
- **The PACT portfolio is invested with nine different institutional asset managers who each have a different investment mandate. The objective is to create a portfolio diversified by asset class and investment manager.**
- **The portfolio is currently invested as follows:**
 - 42% Large Cap Domestic Equity
 - 9% Small Cap Domestic Equity
 - 21% International Equity
 - 28% Fixed Income
- **Over the long-term, it is expected that stocks will outperform bonds. As a result, a higher than average allocation to equity investments was adopted to maximize the chances of meeting the actuarial discount rate and the high expected tuition inflation.**



Manager Updates

- **Rhumblin - Russell 1000 Index Mgr**
 - No Changes
- **INTECH - Large Cap Growth Mgr**
 - No Changes
- **CSMcKee - Large Cap Value Mgr**
 - Maintains underweight to financial sector and has reduced the number of names in the portfolio. Growth bias within the value universe.
- **Turner Investment Partners - Small Cap Growth**
 - Benchmark neutral portfolio therefore energy weight is down and healthcare weight is up. Increased focus on companies' balance sheet.
- **Earnest Investment Partners - Small Cap Value**
 - Portfolio has reduced its weight to financial, consumer discretionary and health care stocks.
- **Acadian Asset Management - International Equity**
 - Increased the number of names in the portfolio to reduce security specific risk. Shifted from energy, financials and materials sectors to healthcare, telecommunications and consumer staples sectors. Exposure to major European countries has been reduced in favor of Japan and Singapore.
- **Principal Global Investors - International Equity**
 - New manager. Funded February 2009. Exposure to Emerging Markets has been reduced. Underweight banks and financial stocks.
- **Sterne Agee Asset Management - Core Fixed Income**
 - Reduced its weight to treasuries and agencies. Increased exposure to Collateralized Mortgage Obligations, most recently agency CMOs.
- **Western Asset Management - Core Plus Fixed Income**
 - Increased allocation to Investment Grade Corporate securities by reducing the weight in Mortgage Backed Securities. Underweight CMBS sector and added FDIC bank paper.



PACT Historical Returns

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
PACT - Total Fund	(31.04)	6.92	13.96	5.41	9.01	22.08	(12.30)	(5.31)	1.35	14.24	17.62	20.99	16.41	24.67	(2.23)	12.63	10.25	21.71
<i>S&P 500 Index</i>	<i>(37.00)</i>	5.49	15.79	4.91	10.88	28.68	<i>(22.10)</i>	<i>(11.89)</i>	<i>(9.11)</i>	21.04	28.58	33.36	22.96	37.58	1.32	10.08	7.62	30.47
<i>MSCI EAFE Index</i>	<i>(43.38)</i>	11.17	26.34	13.54	20.25	38.59	<i>(15.94)</i>	<i>(21.44)</i>	<i>(14.17)</i>	26.96	20.00	1.78	6.05	11.21	7.78	32.57	<i>(12.18)</i>	12.14
<i>Barclays Aggregate</i>	5.24	6.97	4.33	2.43	4.34	4.10	10.26	8.43	11.63	(0.82)	8.70	9.64	3.64	18.46	(2.92)	9.75	7.40	16.00

- **The PACT program has been around for over 18 years and has made tuition payments in the amount of \$401 million during that time.**
- **Fourteen of those eighteen years were positive in terms of investment performance.**
- **The program experienced another difficult period from 2000 – 2003 as a result of the tech bubble.**



2009 Capital Market Assumptions

Return and Risk

Summary of Callan's Long-Term Capital Market Projections

Asset Class	Index	Projected Return		Projected Standard Deviation (Risk)	Projected Yield	2008 Projections	
		Geometric	Real				
Equities							
Broad Domestic Equity	Russell 3000	9.50%	6.75%	16.40	2.10	9.00%	16.90
Large Cap	S&P 500	9.20%	6.45%	15.25	2.20	8.85%	16.40
Small/Mid Cap	Russell 2500	10.00%	7.25%	22.60	1.20	9.85%	22.70
International Equity	MSCI EAFE	9.25%	6.50%	19.30	2.00	9.00%	19.20
Emerging Markets Equity	MSCI EMF	10.10%	7.35%	27.00	0.00	9.60%	31.20
Non-US Equity	MSCI ACWI (ex-US)	9.60%	6.85%	19.60	1.80	9.10%	18.90
Fixed Income							
Domestic Fixed	BC Aggregate	5.25%	2.50%	5.00	5.25	5.25%	4.50
Defensive	BC Gov't 1-3 Year	4.00%	1.25%	2.30	4.00	4.00%	2.30
TIPS	BC TIPS	4.90%	2.15%	6.00	4.90	4.90%	6.00
High Yield	CSFB High Yield	7.00%	4.25%	11.70	7.45	7.00%	11.50
Non US\$ Fixed	Citi Non-US Gov't	4.85%	2.10%	9.60	5.15	5.15%	9.60
Other							
Real Estate	Callan Real Estate	7.60%	4.85%	16.10	6.00	7.60%	16.50
Private Equity	VE Post Venture Cap	11.60%	8.85%	37.00	0.00	12.00%	34.00
Absolute Return	Callan Hedge FoF	6.90%	4.15%	10.00	0.00	6.50%	9.70
Cash Equivalents	90-Day T-Bill	3.00%	0.25%	0.80	3.50	3.50%	0.80
Inflation	CPI-U	2.75%		1.40		2.75%	1.40

Source: Callan Associates Inc.



2009 Capital Market Expectations

- All asset classes repriced in the recent market dislocation. Value opportunities are emerging throughout the capital markets. General theme: this revaluation suggests better potential returns going forward, and a steeper capital market line.
- We held our inflation expectation at 2.75%. Inflation topped 5% in mid-2008 yet finished the year with a decline. A recession solved our inflation problem over the short term, and the reversal in oil prices played a large role. Inflation could easily resume, especially given the massive monetary and fiscal stimulus in the pipeline.
- Cash is projected to generate a slight positive real return (3.0%). We do not expect the current negative real rate to persist over a five- to ten-year time horizon.
- Bond returns held at 5.25%. Current measures of the broad market are very unusual. We expect Treasury rates to rise, but spreads will come in and opportunities abound in the non-Treasury portion of the market.



2009 Capital Market Expectations

- **Project an upward sloping yield curve, with a risk premium for bonds over cash (2.25%).**
- **Building equity returns from long-term fundamentals gets us to about 9%: 3-4% real GDP growth, which means 5.75%-6.75% nominal earnings growth, 2% dividend yield, 0.5%-1.0% “buyback yield”. Shorter term, these fundamentals may look weak, but equity looks cheap relative to longer-term valuations. Equity markets tend to perform well after substantial declines, and typically lead the economy out of recession. Broad U.S. equity expectations are increased 50 bps, from 9.0% to 9.5%. Non-U.S. equity returns are increased by a similar amount.**
- **Real estate return held at 7.6%; returns may not recover as quickly as liquid equity markets.**
- **Private equity return held at 12%, narrowing its premium over public equity markets.**



An Overview of Callan

Independent & Focused



Established in 1973
Investment consulting is our primary focus
100% Employee owned
Third generation of private ownership
60 current owner- employees
Offices in San Francisco, Atlanta, Chicago, Denver and New Jersey

Experienced



Provide investment consulting services to 333 funds
Client focused consultants with 8-10 clients each
Consultant Tenure – Average 11 Yrs Callan/17 Industry
Client Tenure – Average of 9 years

Fully Resourced



167 Employees – 31 CFA's, 25 Advanced Degrees
23 Research specialists in every area of need
Proprietary Systems and Databases



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I. EXECUTIVE SUMMARY

The following are the key findings of our analysis.

Status of the Fund

As of September 30, 2008, the Fund's liabilities exceed its assets by \$306,246,491.

Item	Value as of September 30, 2008
Total Assets	\$771,725,841
Total Liabilities	\$1,077,972,332
Actuarial Deficit	(\$306,246,491)
Funding Ratio	67.2%

Key economic assumptions are listed below.

Key Assumptions	
Yield on Investments	
All years	8.02%
Tuition Inflation	
2-Year colleges	7.25%
4-Year colleges & universities	7.25%

The assumption for investment returns is based on the recommendation of the Fund's investment consultant, Callan Associates, Inc. The tuition inflation assumptions are based on a combination of statistical models of tuition increases and on actuarial judgment. Our statistical models also use information from the past 25 years. The rates shown in the table above represent our long-term average estimate of tuition inflation



**ACTUARIAL RESOURCES
CORPORATION**
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Annual Change of Status	
Status at September 30, 2007	(\$19,741,680)
Projected Change to September 30, 2008	(1,593,154)
Effect of New Contracts	(246,424)
Loss from Unfavorable Tuition Inflation	(42,468,617)
Loss due to Unfavorable Investment Experience	(194,004,783)
Change in Assumptions	(39,570,183)
Other	<u>(\$8,621,650)</u>
Actuarial deficit at September 30, 2008 ¹	<u>(\$306,246,491)</u>

VIII. SENSITIVITY TESTING

We investigated the effect of variances in inflation, variances in investment yield, variance in bias toward higher-cost institutions and variance in expenses from those anticipated by the reported assumptions. For these projections, we assumed no future contract sales. These scenarios are described below.

- 1) Tuition inflation lower than baseline assumptions by 0.25% every year.
- 2) Tuition inflation higher than baseline assumptions by 0.25% every year.
- 3) Investment yields higher than baseline assumptions by 0.25% every year.
- 4) Investment yields lower than baseline assumptions by 0.25% every year.
- 5) Tuition inflation higher and investment yields lower than baseline assumptions by 0.25% every year.

The deficit for each of these scenarios is shown below.

Sensitivity Testing Results		
<u>Scenario</u>	<u>Actuarial Deficit</u>	<u>Change From Reported</u>
1	(293,548,704)	\$12,697,787
2	(319,201,418)	(\$12,954,927)
3	(293,197,356)	\$13,049,135
4	(319,625,310)	(\$13,378,819)
5	(332,881,863)	(\$26,635,372)



IX. BREAK-EVEN RATES

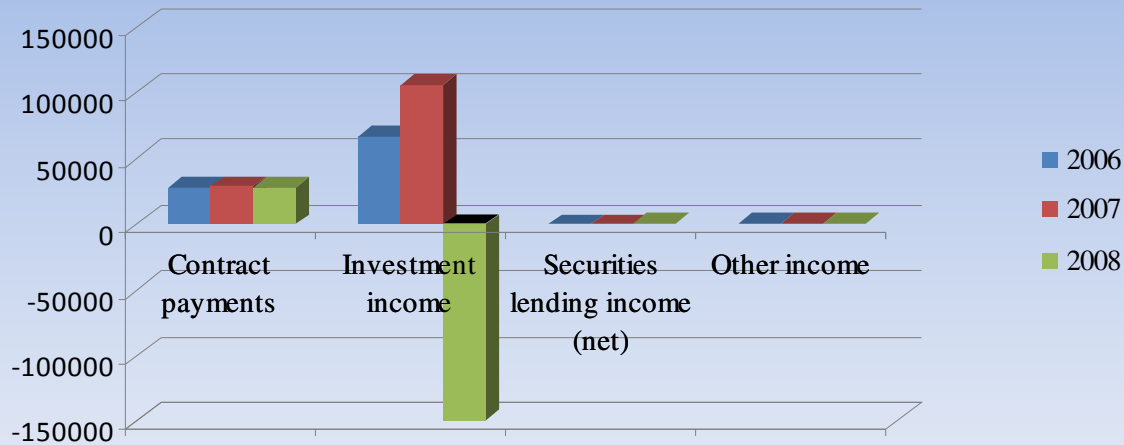
Another way to characterize the existing deficit is to quantify the rate of investment income or the rate of tuition inflation that would produce break-even (that is, zero-deficit, zero-surplus). The investment break-even rate assumes that inflation remains at 7.25% in all years, while the tuition inflation break-even rate assumes that investment returns will be 8.02% for years.

Investment return break-even rate:	16.35%
Tuition inflation break-even rate:	(0.77%)

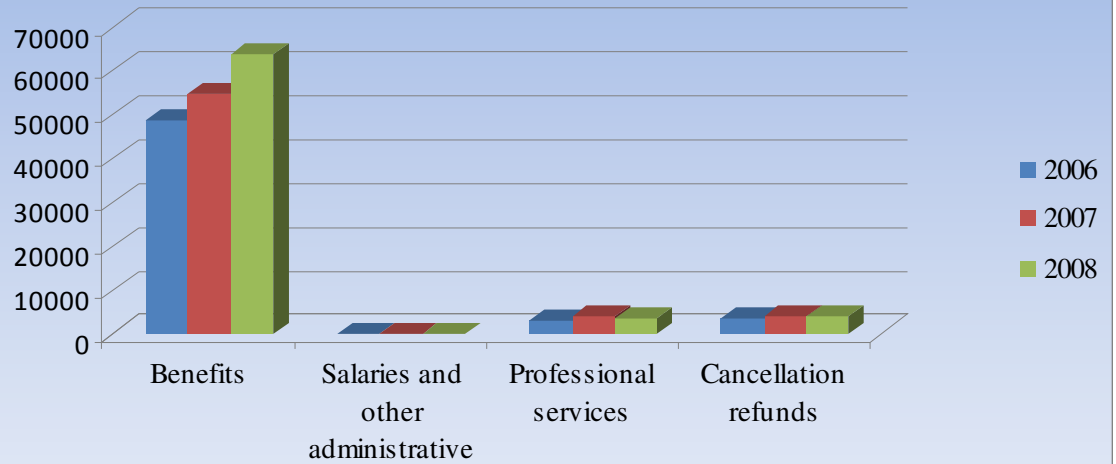
Summary – All Categories

School	Number of Enrollments	Semester Hours	% of Total Hours	Fees Paid	Tuition Paid	Total of Tuition and Fees Paid	Average Paid Per Semester Hour	
							Actual	Projected
Alabama 4-Year Universities	19,001	223,621	66%	653,458.80	43,642,394.35	44,295,853.15	198.08	167.17
<i>Alabama 2-Year Schools</i>								
Community Colleges	4,998	48,430	14%	896,380.98	3,532,968.94	4,429,349.92	91.46	92.53
Technical Schools	86	879	0%	12,815.00	63,120.00	75,935.00	86.39	92.53
Total 2-Year Schools	5,084	49,309	15%	909,195.98	3,596,088.94	4,505,284.92	91.37	92.53
<i>Out of State Schools</i>								
Community Colleges	247	2,233	1%	16,509.59	198,012.06	214,521.65	96.07	92.53
Technical Schools	133	1,482	0%	9,140.36	203,741.77	212,882.13	143.65	92.53
Public Universities	2,570	32,894	10%	182,019.93	4,989,887.59	5,171,907.52	157.23	167.17
Private Colleges	442	6,064	2%	33,491.45	993,410.54	1,026,901.99	169.34	167.17
Total Out of State	3,392	42,673	13%	241,161.33	6,385,051.96	6,626,213.29	155.28	160.67
<i>Alabama Private Schools</i>								
Community Colleges	10	85	0%	540.96	13,433.27	13,974.23	164.40	92.53
Technical Schools	67	502	0%	3,506.92	79,407.76	82,914.68	165.17	92.53
Universities	50	451	0%	2,212.79	71,141.06	73,353.85	162.65	167.17
Colleges	1,388	19,833	6%	99,946.11	3,097,671.09	3,197,617.20	161.23	167.17
Total Alabama Private	1,515	20,871	6%	106,206.78	3,261,653.18	3,367,859.96	161.37	165.07
Total 4-Year	23,451	282,863	84%	971,129.08	52,794,504.63	53,765,633.71	190.08	167.17
Total 2-Year	5,541	53,611	16%	938,893.81	4,090,683.80	4,816,828.48	89.85	92.53
Grand Total	28,992	336,474	100%	1,910,022.89	56,885,188.43	58,582,462.19	174.11	155.28

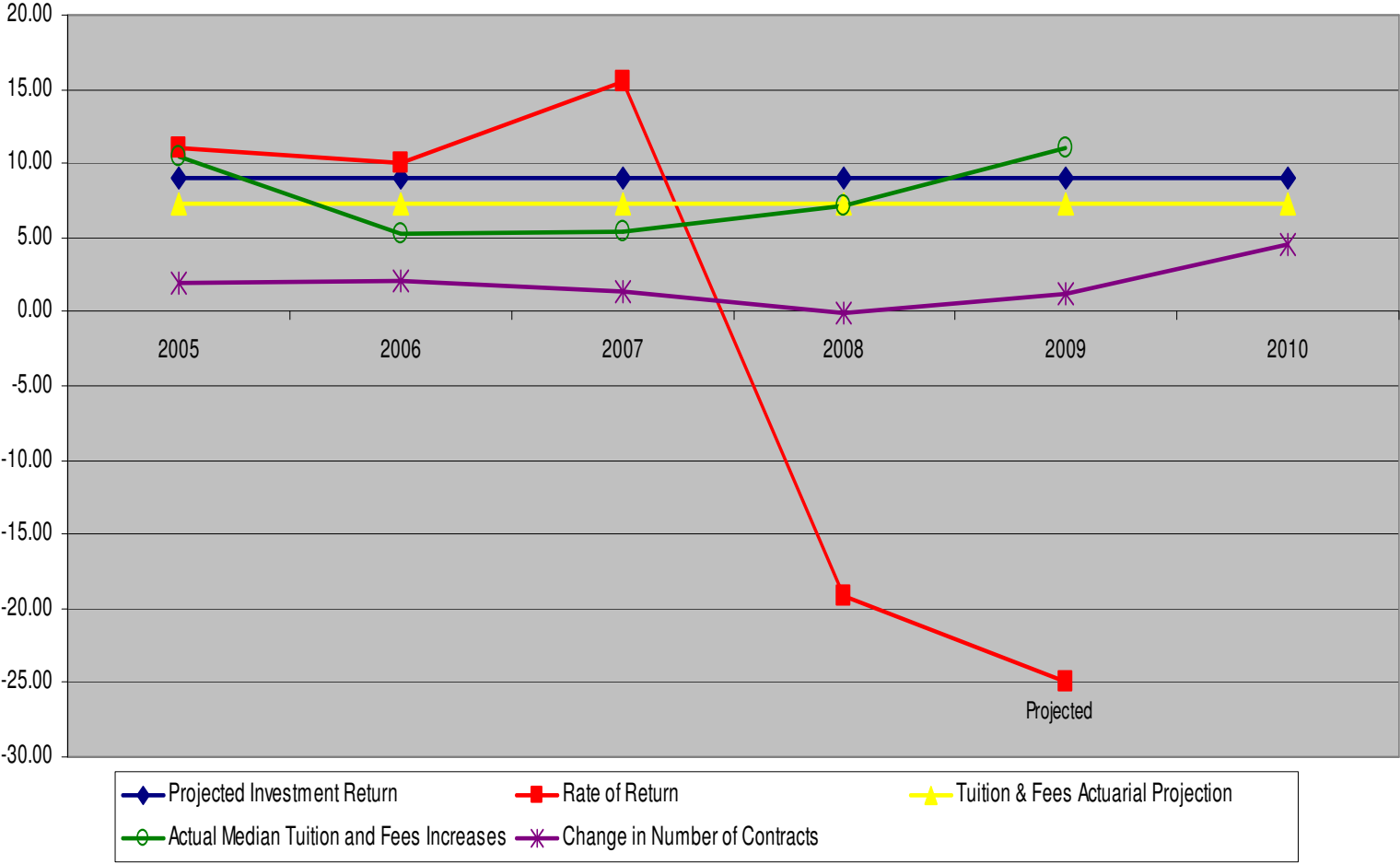
PACT Additions (in thousands)



PACT Deductions (in thousands)



Equity Asset Model



Contributing Factors:

- (1) Down Turn in Market
- (2) Rising Cost of Education
- (3) Higher Demand beginning in 2006-2010 (student enrollment)

Options Considered

1. Stimulus monies
2. Issue bonds
3. Partnership with colleges and universities
4. Revise tuition/fee payments:
 - Pay average of 4-year tuition
 - Redeem contract monies for children age 5 and under

Option 1 – Dissolve PACT Program

Action:

- Liquidate assets and refund money to outstanding PACT contracts.
- Tuition and fee payments would cease.

Pro:

- Provides redemption of initial investment to purchasers.

Con:

- No refund provided to purchasers if tuition/fee payments exceed initial investment amount.
- PACT students must secure monies for payment of tuition/fees.
- Potential individual tax implications.
- Possible litigation.

Financial Impact:

- As of 3/16/09, amount needed for refunds = \$394 million.

Timeframe:

- Four months

Assumptions:

- Trust fund assets are adequate to pay refunds.
- Phone calls, emails, and comments from PACT participants state this option is least desirable.

Option 2 – Secure Stable Funding Source

Action:

- Introduce legislation to provide an annual appropriation to PACT.
- Suspend PACT enrollment.
- Deposit balance of \$1.3 million from Opportunity Enhancement Fund into PACT.

Pro:

- Tuition/fee payments will be made.
- Stabilizes the financial status of PACT.

Con:

- Requires significant long-term financial commitment from Legislature and Governor.
- State's ability to fund PACT is limited.

Timeframe:

- Legislation passed by May 18, 2009.

Financial Impact:

- Dependent on funding level.

Actuarial Assumptions:

- Rate of return: -20% 2009/2010; 8.21% thereafter
- Tuition increases: 7.25% annually

Funding Level Scenario #1 as of March 1, 2009

- Deficit: \$ 481.3 million
- Assumptions:
 - 0% for March – September 2009
 - 8.21% return each year thereafter
 - 7.25% tuition increase each year

Scenario: Maintain tuition/fee payments at 2008/2009 level for life of program, i.e. 2037

Resulting deficit = \$176.6 million

Funding Level Scenario #2 as of March 1, 2009

- Deficit: \$ 481.3 million
- Assumptions:
 - 0% for March – September 2009
 - 8.21% return each year thereafter
 - 7.25% tuition increase each year

Scenario: Receive monies to fund tuition/fee payments for PACT.

Resulting deficit:

- \$35 million for 10 years = deficit of \$233.6 million
- \$45 million for 10 years = deficit of \$162.9 million

Funding Level Scenario #3 as of March 1, 2009

- Deficit: \$ 481.3 million
- Assumptions:
 - 0% for March – September 2009
 - 8.21% return each year thereafter
 - 7.25% tuition increase each year

Scenario: Restructure tuition payments to be average of 4-year Alabama universities as provided by Alabama Commission on Higher Education.

Resulting deficit:

- \$25 million for 10 years = deficit of \$181.8 million
- \$30 million for 10 years = deficit of \$146.4 million



BOARD DISCUSSION

**Proposed Resolution by the
PACT Board of Trustees at its meeting on March 24, 2009
Topic: Viability of PACT Program**

WHEREAS, the Legislature has created the Wallace-Folsom College Savings Investment Plan pursuant to Title 16, Chapter 33C of the Code of Alabama; and,

WHEREAS, the Board of Trustees (“Board”) is created and charged with the oversight of the PACT Trust Fund by Section 16-33C-4, with powers enumerated in Section 16-33C-5(1)-(12); and,

WHEREAS, the actuarial consultant, Robert B. Crompton, Actuarial Resources Corporation, has provided his annual actuarial report and advice to the Board, and the Board has had substantial discussion and consideration thereof;

WHEREAS, the Board has rejected dissolving the PACT Program as one option, and has discussed the need for statutory changes to maintain the viability of the PACT Program as a second option;

THEREFORE, BE IT RESOLVED, that the Board directs the Chairman to appoint a committee of the Board to work with the Legislature to develop a solution for PACT; and,

BE IT FURTHER RESOLVED, that the Board directs PACT staff to pay summer tuition/fee invoices as received.

**Proposed Resolution by the
PACT Board of Trustees at its meeting on March 24, 2009
Topic: Opportunity Enhancement Fund**

WHEREAS, the Legislature has created the Wallace-Folsom College Savings Investment Plan pursuant to Title 16, Chapter 33C of the Code of Alabama, which consists of two alternatives to assist individuals in saving money to pay the expenses of attending a higher education institution; and these plans are the Prepaid Affordable College Tuition Plan, known as PACT, and the Alabama College Education Savings Program, known and marketed as the Alabama Higher Education 529 Fund; and,

WHEREAS, both plans are considered qualified tuition programs as defined under Internal Revenue Code Title 26, Section 529; and,

WHEREAS, the Alabama Higher Education 529 Fund ("529 Fund"), managed by Van Kampen Investments, offers a direct sold program to Alabama investors with a reduced fee structure and a financial advisor sold program to all U.S. citizens; and,

WHEREAS, the advisor sold product includes a state administration fee of 10 basis points which equates to approximately \$41,000 monthly that is deposited in the Opportunity Enhancement Fund of the 529 Fund; and,

WHEREAS, the current balance of the Opportunity Enhancement Fund is approximately \$1.3 million; and,

WHEREAS, the Opportunity Enhancement Fund was created within the 529 Fund for the purpose of enhancing and providing higher education opportunities and programs, as the board deems necessary and appropriate; and,

WHEREAS, the Board of Directors of the Wallace-Folsom College Savings Investment has discussed plans to utilize these monies to establish a grant/scholarship program for Alabama students; now,

THEREFORE BE IT RESOLVED, that given the dire situation with PACT, the Board deems an appropriate use of the Opportunity Enhancement Fund monies is to transfer such monies into PACT to assist with the immediate cash flow needs for PACT, and to support payment of benefits for PACT students; and,

BE IT FURTHER RESOLVED, that the future monthly payment of monies received into the Opportunity Enhancement Fund will be transferred to PACT until the Board deems differently; and,

BE IT FURTHER RESOLVED, that the Board will delay the establishment of a grant/scholarship program to aid future Alabama students in order to meet an immediate need to provide higher education opportunities to PACT students.

**Proposed Resolution by the
PACT Board of Trustees at its meeting on March 24, 2009**

Topic: Selection of External Counsel

WHEREAS, the Prepaid Affordable College Tuition Board of Trustees (the “Board”) has the power to contract for necessary services pursuant to Section 16-33C-5(7), Code of Alabama (1975); and,

WHEREAS, the Board has received information that numerous PACT contract purchasers have stated the intention and possibility of filing lawsuits in regard to existing PACT Contracts and it has been reported in the media that a lawsuit has been filed in Calhoun County Alabama; and

WHEREAS, the Treasurer’s office has but one attorney who is presently designated as Attorney for the PACT Board and the attorney is not supported by legal secretaries or paralegal assistants; and

WHEREAS, as a result of the foregoing, there is an apparent and obvious need for legal representation from external sources, either the Office of the Attorney General or from private law firms; and

NOW THEREFORE, be it resolved that the Board Attorney shall be, and hereby is, authorized to explore external counsel for the stated purposes from either the Office of the Attorney General or from private law firms, or both, as needed to defend the PACT Program in all litigation related to the above described circumstances; and

BE IT FURTHER RESOLVED, that the Treasurer, as Chairman of the Board, is authorized to seek the approval and execution of such professional legal services contracts from the Governor.



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