

MINUTES OF THE March 13, 2009
403(b) RETIREMENT SECURITY PLAN INVESTMENT REVIEW COMMITTEE
SCOTTSDALE HEALTHCARE

Call to Order The meeting was called to order by Carol Henderson in the Training & Development Room B (9201 E. Mountain View Road, Suite 140).

Present Moe Bell, Michael Biddick, Evonda Copeland, Michael Cyll, Debi Ewing, Jacqueline Franklin, Mary Gossett, Darrell Hargis, Carol Henderson, Steve Hill, Ellen Koukoudeas, Tom Luzny, Carlos Najarro, Esther Rojas, Tom Strache, Eric Summers and Mark Wilson

Guests Frank Picarelli, Segal Advisors; Jess Kravitz, Securus Financial Group; Jennifer Nichols, Prudential Financial; Brian Steines, VP Finance, SHC

General Discussion Carol Henderson called the meeting to order.

Michael Cyll moved the Committee approve the changes to the 403(b) Committee Bylaws Section 5 regarding terms of general membership. The motion, seconded by Tom Strache, passed unanimously.

Michael Cyll moved for the approval of one-year extensions for the following members' term on the Committee: Evonda Copeland, Jacqueline Franklin, Darrell Hargis and Ellen Koukoudeas. The motion, seconded by Dr. Moe Bell, passed unanimously.

Carol Henderson asked for approval of the December 5, 2008 Committee meeting minutes. Michael Cyll moved the meeting minutes as amended be approved. The motion, seconded by Ellen Koukoudeas, passed unanimously.

Carol Henderson reviewed the changed in eligibility for matched contributions.

Investment Performance Frank Picarelli reviewed the investment performance through December 31, 2008 with the committee.

A discussion ensued regarding Prudential Financial's current financial stability. While Prudential has experienced some rating declines, they are maintaining their AA rating. Like other financial organizations, Prudential continues to be challenged during these difficult times but continues to be a viable provider for Scottsdale Healthcare.

Frank Picarelli led a discussion on the stable value accounts. Scottsdale Healthcare's guaranteed income fund is valued at \$25 million and currently is earning 3.30 percent annually. At the last meeting, the committee expressed an interest in adding a bond fund, but this option, according to Frank Picarelli and Jennifer Nichols of Prudential indicated that this not an available option of our current

plan.

Several funds continue to be on the watch list –Fidelity Advisors High Income Advantage T, Goldman Sachs High Yield A, Van Kampen Equity and Income R, Van Kampen Comstock R, Fidelity Advisors Leverage Co. Stock A, Fred Alger Mid Cap Growth. Oppenheimer Main Street Small Cap A and the Alliance Bernstein International Value A. At Frank Picarelli's recommendation no funds changes were made, but Frank agreed to present possible alternatives for consideration at the next regularly scheduled meeting.

Adjournment Michael Cyll moved the meeting be adjourned. The motion, seconded by Dr. Bell was unanimously and the meeting adjourned at approximately 11:30 a.m.

Next Meeting **Friday, June 12, 2009.**

Respectfully submitted,

Carol Henderson
Vice President, Human

Resources