

**MINUTES OF A MEETING**  
**OF THE**  
**ILLINOIS STUDENT ASSISTANCE COMMISSION**

**James R. Thompson Center**  
**Room 9-034**  
**100 W. Randolph St.**  
**Chicago, IL**

**January 10, 2014**

**COMMISSIONERS PRESENT:** Kym Hubbard, Chair  
Miguel del Valle  
Mark Donovan  
Kendall Griffin  
Kevin Huber  
Paul Roberts  
Kim Savage

**COMMISSIONERS ABSENT:** Verett Mims

**STAFF PRESENT:** Eric Zarnikow, Executive Director  
Kent Custer, Chief Investment Officer  
Karen Salas, Interim General Counsel and Senior Regulatory Counsel

**PUBLIC ATTENDANCE:** Mary Pat Burns, Burke, Burns and Pinelli, Ltd

### Closed Session

Ms. Burns noted for the record this is a closed session to discuss two potential litigation matters that arose out of one investment of the Prepaid Tuition Fund. She stated that changes to the Open Meetings Act now requires that you be in open session for investment matters, but not litigation involving investment matters so in her legal opinion, the Commission is entitled to be in closed session.

Mr. Custer stated that Commissioners had received memorandums from General Counsel, Karen Salas regarding the Camelot investment. He noted that this investment is the main fund, not the co-investment which was the Fisker Automotive. He updated the Commission on the value of the fund, which is unaudited and valued by the General Partner at \$15.7 million at the end of September 2013.

Mr. Custer stated that the General Partner, Lawrence Penn, has not been able to provide audited financial statements for 2012 and ISAC has since received a letter from the auditor stating that they have been terminated and highlighting related issues. He stated that two demand letters have been sent to Camelot with no response. He noted that one of the other large investors has also sent demand letters with no response.

Mr. Custer stated that ISAC along with the five other Limited Partners are coordinating actions to remove the General Partner.

Ms. Burns stated that to take legal action to remove the General Partner would require additional funds and felt it necessary to bring to the Commission for approval. She stated that it is her recommendation and the recommendation of Kutak Rock that ISAC pursue this action. She stated with the size of the fund it would be imprudent not to take steps to protect those assets and make sure the fund continues to abide by the terms of the limited partnership agreement that was originally signed.

Mr. Burns informed the Commission of actions being taken by the Securities and Exchange Commission (SEC) relating to Lawrence Penn and the Camelot Fund. She then discussed ISAC's legal considerations relating to confidentiality provisions in the limited partnership agreement. ISAC's best protection relating to the confidentiality provisions is to not discuss the fund or provide information unless required in order to comply with a subpoena.

After discussion, Chair Hubbard suggested Ms. Burns bring the Governor's office up to date on the Camelot fund and that she also be in attendance at any meetings representing ISAC. Discussion was held on any action that will be taken by the Commission in open session.

Let the record show that Ms. Burns left the closed session.

Seeing nothing further to be brought to the Commission in closed session, Chair Hubbard asked for a motion to return to open session. Ms. Savage **SO MOVED**, Mr. Huber seconded the motion, which was approved unanimously.

The Commission returned to open session at 2:00 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Debora A. Calcara". The signature is written in dark ink on a light-colored background.

Debora A. Calcara  
Secretary to the Commission