

**MCKNIGHT BRAIN RESEARCH FOUNDATION
BOARD OF TRUSTEES CONFERENCE CALL MINUTES
September 5, 2001**

The McKnight Brain Research Foundation Conference Call was called to order at 1:00 p.m.

The following members were present:

Dr. Lee Dockery, Trustee
Dr. Michael Dockery, Trustee
Dr. Nina Ellenbogen Raim, Trustee
Mr. Henry Raattama, Legal Counsel
Ms. Teresa Borcheck, SunTrust Bank Endowment & Foundation Trust Services Group
Ms. Judith Sanborn, SunTrust Bank Endowment & Foundation Trust Services Group

Alternative Investment/Hedge Funds

At the 8/8/01 Trustee's meeting, the Trustees agreed to engage a consultant to perform an alternative investment manager search. The Trustees also agreed that this search would include the Lighthouse Diversified Fund, L.P., a fund of funds approach to alternative investments. At the Trustee's direction, Mr. Raattama, Ms. Sanborn and Ms. Borcheck discussed consultants about whom each was knowledgeable, and telephone contact with six firms. Two of the organizations were not asked to make a formal response. Callan Associates did not respond to telephone calls prior to the deadline, and Cambridge Associates, works only with retainer business. Subsequently, a letter was sent to the other four firms outlining the Trustees desire to participate in an alternative investment program, and what would be expected from them, by the Trustees should they choose to respond to this request for information, and the fees associated with this service

All four of the firms contacted responded to Ms. Borcheck at SunTrust Bank. The respondents were as follows: Russ LaMore, Director of Consulting Services, Hammond Associates, St. Louis MO; Jeanne B. Murphy, Senior Consultant, Watson Wyatt Investment Consulting, Atlanta, GA; Joe Meals, Executive Vice President, Consulting Services Group, Memphis, TN; Fran M. Coopersmith, Vice President, Fund Evaluation Group, West Palm Beach, FL.

Copies of all four responses were forwarded to Dr. J. Lee Dockery, Trustee, Dr. Nina Ellenbogen Raim, Trustee, Dr. Michael Dockery, Trustee and Mr. Henry Raattama, Legal Counsel, for their review prior to the 9/5/01 conference call.

Ms. Borcheck and Ms. Sanborn reviewed each proposal to determine the following items: When the company was founded, the number of clients they serve and the asset size, suggested approach, familiarity with Lighthouse, alternative focus, number of alternative searches done, number of managers in their data base, and the fees associated with this project. This analysis is attached to and made a part of these minutes.

The call was convened at 1:00 p.m. Ms. Sanborn opened the discussion with the results of hers and Ms. Borcheck's review of the four proposals received. In that analysis, it was pointed out that the Consulting Services Group proposal provided for a rebate of the search fees if we chose to use one of Consulting Services Group's proprietary funds. The remaining proposals provided for a base fee, with the addition of travel and out-of-pocket expenses.

Ms. Borcheck and Ms. Sanborn advised the Trustees that SunTrust's Florida Endowment and Foundation Trust Services Group have clients working with Fund Evaluation Group and Watson Wyatt. Ms. Sanborn

indicated that Watson Wyatt is the largest of the four groups, representing over 1000 organizations in the nation-wide market. Fran Coopersmith with Fund Evaluation Group is located in West Palm Beach Florida, and works predominately with Florida clients.

Mr. Raattama advised the Trustees that he was familiar with Hammond Associates and Consulting Services Group, and felt they were similar in size and approach. He was not familiar with Fund Evaluation Group, but indicated he had mentioned them to Dr. Ed Moses, who was aware of them, and felt they did good work. Mr. Raattama's suggestion, in concurrence with Ms. Sanborn and Ms. Borcheck, was to engage Ms. Fran Coopersmith with Fund Evaluation Group to conduct the search for an alternative investment manager as she outlined in her letter of August 31, 2001.

The Trustees discussed the proposal made by Mr. Raattama, Ms. Sanborn and Ms. Borcheck. There was concern regarding the total cost for the project outlined in Ms. Coopersmith's letter. The fee proposal was a base fee of \$8,000 with additional costs for travel and out-of-pocket expenses. There is not a specific dollar amount or limit given for these additional expenses. There was also discussion about any ongoing expenses should the Trustees determine that they would want Fund Evaluation Group to monitor the manager selected, and provide them with a periodic report. Additionally, the Trustees were concerned that they did not know Ms. Coopersmith, and would like to have an opportunity to meet her face-to-face prior to contracting with Consulting Services Group for this project.

A motion was made that Ms. Borcheck would extend the Foundation's invitation to Ms. Coopersmith, to visit with the Trustees at their next quarterly meeting on October 16 in Miami. Ms. Coopersmith will be asked to come prepared to discuss how she would propose to search for this manager, the time frame within which she could realistically conduct the search, and the type of costs above the \$8,000 project fee which might be incurred during the search. Ms. Borcheck was also asked to confirm any charges that would be associated with Ms. Coopersmith's attendance at the October 16, 2001 meeting. Ms. Sanborn indicated she would call Ms. Coopersmith to extend the invitation and would address costs with her at that time. Motion was seconded, and approved unanimously.

Action – Ms. Borcheck will contact Ms. Coopersmith to invite her to the October 16 trustee's meeting to discuss her approach to the alternative investment manager search.

Agenda for October 15 and 16 meeting

The Trustees reviewed the proposed agenda for the two-day meeting to be held in Miami on October 15 and 16. It was determined that Mr. Ronchetti and Mr. Morrissey would be limited to a one-hour time slot to present the investment review for the account. Ms. Borcheck was asked to advise Mr. Ronchetti and Mr. Morrissey of this shortened time slot, and ask them to forward the completed presentation materials to the Trustees and Mr. Raattama by October 12, 2001 so they could be reviewed prior to the meeting.

The Trustees also discussed the scope of the presentation to be made by Dr. Ed Moses, and asked Mr. Raattama to outline the Foundation's expectations for Dr. Moses, and determine the fee to be charged for his services. The Trustees also asked that Mr. Raattama advise Dr. Moses that they would like him to attend all of the investment discussions on the 16th, so that he could be informed about the proposals the Foundation is reviewing, and the potential effect on the Foundation's investments.

Action – Mr. Raattama will invite Dr. Moses to join the Trustees at the October 16, 2001 meeting in Miami.

Summary of Action Items

Action – Ms. Borcheck will contact Ms. Coopersmith to invite her to the October 16 trustee's meeting

Action – Mr. Raattama will invite Dr. Moses to join the Trustees at the October 16, 2001 meeting

There being no further business, the meeting was adjourned at 2:30 p.m.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Teresa W. Borcheck".

Teresa W. Borcheck
SunTrust Bank, Corporate Trustee

Final 10/18/01