

**ITEM 148-103-C0810**

**Montana Family Education Savings Plan, Conversion of Equity Accounts to Vanguard Group, Inc.**

---

**THAT**

The Board of Regents of Higher Education hereby acknowledges its approval of the upcoming conversion of Montana's FESP equity accounts now invested in Pacific Life Funds investment products to Vanguard Group, Inc. investment products and confirms the authority of the commissioner of higher education to give the approvals and take the steps as may be necessary to the success of this conversion.

---

**EXPLANATION**

Following Board of Regents' approval of investment products offered by the Vanguard Group, Inc. (Vanguard) in January of 2010, the Family Education Savings Plan (FESP) staff, with the help of the FESP Oversight Committee, Mary Anne Busse (our program's § 529 Plan consultant), and FESP's program manager, College Savings Bank (CSB), has worked toward the conversion of Montana's FESP equity accounts from Pacific Life to Vanguard. Many steps have been involved, including the identification of comparable Vanguard accounts and the mapping of the account conversion, and the regents have provided necessary approvals on March 31, 2010 and May 28, 2010. Since May, CSB has engaged a service provider, Upromise, to service the new Vanguard accounts. CSB, Upromise and Pacific Life Insurance Company (Pacific Life Funds' service provider) are negotiating a three-way agreement for the actual conversion of the Montana FESP accounts to Upromise. The conversion date (originally planned for September) will likely be set for late October, 2010.

This item memorializes Board of Regents' acknowledgement and approval of the conversion and the arrangements which have been made to accomplish the transfer and authorizes the commissioner of higher education to give such additional approvals and take such additional steps as may be necessary to complete the final arrangements and effect the conversion.