

MINUTES
OF THE
EXECUTIVE COMMITTEE
BOARD OF TRUSTEES
UNIVERSITY OF SOUTH ALABAMA

A conference call of the members of the Executive Committee of the Board of Trustees was held Friday, June 7, 1985, in the President's Office, University of South Alabama, commencing at 11:00 a.m.

There were present: Messrs. Otha Lee Biggs, Ernest Cleverdon, Aubrey D. Green, Mayer Mitchell, Arthur Tonsmeire, Jr., Charles Woods, Mrs. Earl Goodwin and President Frederick P. Whiddon. Also attending: Ms. Maxey Roberts, Messrs. Wayne Davis and Doyle Dillard.


Dr. Whiddon stated that the purpose of the conference call is to inform the Executive Committee of recent developments regarding the Health Maintenance Organization (HMO). He related details of events leading to the present, noting specific concerns regarding the chairman of the Board of Mobile Health Plan, the contract that was signed between the HMO and Prime Health of Alabama, ownership and interest in the property leased by Prime Health of Alabama for use by the HMO or leased by the HMO, employment of the Executive Director for the HMO without a legally approved meeting of the HMO Board of Directors, possible utilization of time of University employee for marketing activities of the HMO, as well as certain expenses paid by the HMO to Prime Health of Alabama. Dr. Whiddon observed that dissolution of the contract between HMO and Prime Health of Alabama could result in the invoking of a \$1,000,000 penalty clause by Prime Health of Alabama. This penalty is guaranteed by the Health Services Foundation under a guarantee agreement; however, this agreement was never approved by the Health Services Foundation and was not attached and never presented to the Health Services Foundation for approval.

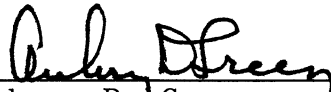
Lengthy discussion followed and it was the consensus of the committee that a joint meeting of the Executive Committee of the Board of Trustees, representatives of the Health Services Foundation and representatives of the HMO Board of Directors be arranged for the purpose of informal discussion regarding matters as they relate to current concerns. Following further discussion, it was agreed that the Executive Committee will convene Wednesday, June 12, 1985, at 10 a.m., followed by an informal discussion with representatives from the Health Services Foundation and HMO Board at 11 a.m.

There being no further business, the meeting adjourned
at 11:50 a.m.

Respectfully submitted:

ATTEST:


Otha Lee Biggs
Secretary


Aubrey D. Green
Chairman