



January 15, 2008

Ms. Shelly Schueller
Deferred Compensation Director
801 W. Badger Road
Madison, WI 53707

Dear Ms. Schueller:

In Great-West's quarterly reconciliation of the Wisconsin Deferred Compensation (WDC) Program records compared to the various fund companies' records, we identified an error in the total number of shares currently held by WDC participants in the BGI EAFE Equity Index – Collective "T" fund. This error occurred on October 1, 2007, when the merger of the BGI EAFE Equity Index "W" into the BGI EAFE Equity Index "T" occurred. At the time it was not realized that a reduction in shares (a ratio of 1 to 0.977136 from the "W" share to the "T" share) was necessary, as the price of the "T" share class was higher than the "W" share class. Therefore, we left the number of shares in the "T" fund as they were in the "W" fund. This, along with the higher price, resulted in an overstatement of the balance in the BGI EAFE Equity Index "T" fund by approximately \$1.4 million.

Great-West has identified approximately 7,750 WDC participants that were affected by this error. Great-West has further determined that approximately 138 WDC participants with BGI EAFE accounts have taken total withdrawals and approximately 170 participants have made transfers out of the BGI accounts. Great-West is proposing to take no action regarding the 138 closed accounts, but will be making corrections to the accounts of the 170 participants who made trades in their BGI accounts. Because Great-West cannot cost effectively trace all transactions over 3 months time in 170 accounts, these corrections will be pro-rated across the funds held in each participant's account.

To remedy this error, Great-West has corrected WDC participants' BGI EAFE accounts by calculating the number of shares that should have been converted on October 1, 2007 and adjusting each account balance appropriately. For many WDC participants, this may result in a reduction in their total account balance.

A letter explaining what happened and how account balances were corrected will be sent the week of January 21, 2008 to all WDC participants affected by this error. For your reference, I have attached a copy of the explanation letter to this correspondence.

WDC participants will soon receive their statements for the period October 1, 2007 through December 31, 2007. This statement will be generated after corrections have been made to BGI



EAFE account balances and thus will reflect the correct beginning and ending balances for each participant. The WDC Call Center and local office staff have been briefed on the error and are prepared to discuss and explain it with any participants who may question what has happened with their BGI EAFE account balances.

As a result of discovering this error, we have reviewed our current procedures and identified ways to improve upon our internal communication and processes governing this type of change. Specifically, Great-West has redefined the criteria for determining when a fund elimination is needed in relation to a fund merger and outlined the proper flow of information and information requirements between our Investment and Recordkeeping systems and staff. We believe these improvements will ensure a coordinated effort by all departments within Great-West and prevent this type of error from occurring in the future.

We sincerely apologize for any inconvenience this may have caused you and want to assure you that we have made every effort to protect against this type of error in the future. If you have any questions regarding the error or its resolution, please contact me at 303-737-4648.

Sincerely,

Michelle Williams
Relationship Manager