



STATE OF WISCONSIN
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CORRESPONDENCE MEMORANDUM

DATE: May 20, 2013
TO: Wisconsin Deferred Compensation Board
FROM: David Nispel, Chief Legal Counsel
SUBJECT: Float Lawsuits Update

This memo is for informational purposes only. No Board action is required.

During its March 21, 2013, meeting, the Investment Committee of the Deferred Compensation Board requested I provide the Board with an update on the float income lawsuits involving Fidelity Investments. That request followed my presentation to the Committee about the status of those lawsuits as of that date.

On April 25, 2013, a lawsuit was filed in U.S. District Court in Massachusetts. The lawsuit accuses Fidelity Investments of breaching its fiduciary duties and improperly using interest income from 401(k) funds that are moved into overnight accounts for General Motors' hourly employees. The suit seeks class action status. Fidelity has responded that it neither retained any float income nor earned any fees for managing the float. The company said that net float income was paid to the relevant investment options.

Department staff will continue to monitor the situation and will update the Board on the situation at future Board meetings.

Staff will be available at the June 5, 2013, meeting to discuss the information in this memo.

Reviewed and approved by Robert J. Marchant, Deputy Secretary

Electronically Signed 5/29/13

Board	Mtg Date	Item #
DC	6.5.13	7b