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RETIREMENT SOLUTIONS FOR REAL PEOPLE

WDC

Reality InvestingSM
Board Fiduciary Responsibilities –
A DOL Model

January 15, 2008



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DOL – Bulletin 2007-01



Field Assistance Bulletin 2007-01 Statutory Exemption of Investment Advice

Provides clarification on the role of plan fiduciaries with respect to the selection and monitoring of fiduciary advisers

Selection of Fiduciary Advisers



With regard to the prudent selection of service providers generally:

- Objective process that elicits necessary information to assess provider's qualifications, quality of service, and reasonableness of fees
- Selection process must avoid self-dealing, conflicts of interest, or other improper influence

Selection of Fiduciary Advisers



With regard to the selection of investment advisers for plan participants specifically:

- Examine experience and qualifications of the investment adviser
- Examine adviser's registration with applicable federal and/or state securities law
- Examine adviser's willingness to assume fiduciary status with respect to advice furnished to participants
- Examine the extent to which advice furnished will be based upon generally accepted investment theories

Monitoring of Fiduciary Investment Advisers



Monitoring fiduciary investment advisers requires the periodic review of:

- Extent to which there have been any changes in the information that served as the basis for initial selection of the adviser
- Compliance of the investment adviser with contractual provisions of the engagement
- Utilization of the investment advice services by the participants in relation to the cost of those services
- Participant comments and/or complaints about the quality of the furnished advice

Monitoring of Fiduciary Investment Advisers



Periodic monitoring of fiduciary investment advice providers:

- Plan Sponsors do NOT have a duty to monitor the specific investment advice provided to plan participants
- Plan Sponsors would only have need to examine specific investment advice in the consideration of a participant comment/complaint with respect to quality of investment advice



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Thank you for your time!

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