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Re: New DOL Proposed Regulation – Service Provider Fee Disclosures

Dear Clients and Other Friends:

The Department of Labor published a much anticipated proposed regulation in yesterday's *Federal Register* providing fee disclosure guidance to qualified plan service providers. The proposed effective date for these regulations is 90 days after the final regulations are published in the *Federal Register*. Comments on the proposed regulations are requested by February 11, 2008. In addition to the proposed regulations, the DOL also proposed a prohibited transaction class exemption to provide relief to plan fiduciaries that unknowingly enter into deficient contracts with service providers who fail to comply with their disclosure obligations.

This proposed regulation is one of several DOL initiatives to provide guidance regarding direct and indirect fees received by plan service providers. Indirect fees include mutual fund revenue sharing arrangements, which have been highlighted at recent Congressional hearings and are the focus of a number of lawsuits filed against plan sponsors and service providers. Other DOL initiatives involving fee disclosures include recent revisions of Form 5500 reporting and yet-to-be-issued guidance on fee disclosures to plan participants.

We will provide an overview of the service provider fee disclosure proposed regulations in the coming weeks. Please see the following Web links for information about this important proposed regulation and the related proposed class exemption.

DOL News Release:

<http://www.dol.gov/ebsa/newsroom/07-1903-NAT.html>

DOL Fact Sheet:

<http://www.dol.gov/ebsa/pdf/fs408b2.pdf>

Proposed Regulations:

<http://www.dol.gov/ebsa/regs/fedreg/proposed/2007024064.pdf>

Proposed Class Exemption:

<http://www.dol.gov/ebsa/regs/fedreg/notices/2007024063.pdf>

Please contact us if you have any questions about this information.

Sincerely,

Theodore K. Rice

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