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DALBAR ANNOUNCES ONLINE FIDUCIARY RISK ESTIMATOR

New Tool Calculates Financial Exposure to 408(b)(2) ERISA Fee Disclosure Compliance

(Boston, MA, July 18, 2012) DALBAR announces the introduction of its new online tool that estimates the likelihood of a regulatory examination and the penalty associated with an excessive fee finding from such an examination. The [Risk/Exposure](#) tool is part of an array of resources available on www.ERISAFeeDisclosure.com.

The greatest risk associated with 408(b)(2) fee disclosure is not the failure to report some minor expense and is not the service provider exposure. The responsible plan fiduciary (plan sponsor) is the most likely to be examined and to face penalties for excessive fees. Most importantly, plan sponsor risk is not uniform across all plans but varies over a wide range based on the specific facts and circumstances.

The [Risk/Exposure](#) tool produces estimates for individual plans, based on specific circumstances and what regulators are looking for (see [Webinar and Transcripts](#) on this subject). Plan sponsors will learn if their plan is at high risk of examination and what excessive fee reimbursement to their plan could cost.

“The goal of the estimate is to moderate exaggerations about fiduciary risk by adding a quantitative element” said Louis S. Harvey, DALBAR’s CEO and inventor of the tool. He added that “The Risk/Exposure evaluator is not intended to be a precision tool, but instead to shed a little light where total darkness exists today.”

During the beta test period the [Risk/Exposure](#) is available for no charge for online use, after which there will be an hourly usage fee. Beta testing ends August 1, 2012.

Service providers, advisors and TPAs may offer Risk/Exposure estimates to plan sponsor clients through an automated interface that is also available. For more information on the automated interface contact ERISAFeeDisclosure@DALBAR.com.

Risk of examination is based on the variance of fees from plan norms and whether or not the plan is subject to 5500 Schedule C reporting. Due to uncertainties, such as the actual capacity of regulators to expand examination staff and the capacity of the new staff, risk is expressed as a relative measure, on a scale of zero to 100. Financial exposure is based on the fees being paid and the period of time they have been in effect. While additional



penalties and fines may arise in an excessive fee finding, there is no attempt to calculate what these additional charges might be.

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