

United States Senate

SPECIAL COMMITTEE ON AGING

WASHINGTON, DC 20510-6400

(202) 224-5364

December 2, 2010

Dear

The Senate Special Committee on Aging, which I chair, has Congressionally-mandated responsibilities to protect the interests of the nation's seniors and elderly. Today, many American workers bear the burden of managing their 401(k) retirement plans. Unlike those covered by traditional defined benefit pension plans, participants in 401(k) plans personally contribute to their individual accounts and are responsible for selecting from an array of investment options, such as various mutual funds, offered by plan sponsors. Ultimately, however, plan sponsors are responsible for selecting and monitoring 401(k) plan investments options, even though 401(k) plan participants bear the risk of loss from each investment option chosen.

I was troubled to learn that in recent months some plans sponsors were limited in withdrawing money from their stable value funds (SVFs). Therefore, I am very interested in learning more about SVFs within qualified retirement plans.

The Committee requests that submit written documentation in response to the following questions and requests for information. The attachment to this letter will specify in full detail what materials are to be included in response to the Committee's request.

1. How many wrap contracts do you have and what is the amount of defined contribution plan assets that these wrap contracts cover? Please provide this information for 2006, 2007, 2008, 2009 and 2010.
2. What percentage of your wrap contracts is "evergreen?" Has this increased or decreased in the last five years?
3. What percentage of your wrap contracts has a set duration? What is the standard duration?
4. What are the stipulations in your wrap contracts for service providers and/or plan sponsors (e.g., what are the situations which would invalidate the wrap contract)?
5. Does your wrap contract stipulate that the SVF provider has to restrict withdrawals before you will make a payout on a contract?

6. Have you ever made a payout on any wrap contract?
7. What is the fee you charge to provide the wrap contract? Please provide this information for 2006, 2007, 2008, 2009, and 2010.
8. Please provide a copy of your standard wrap contract with SVF providers.

Please furnish this documentation to the Committee offices by electronic mail, fax, or hand delivery, no later than close of business on December 23, 2010. Any questions concerning this request may be directed to Kara Getz of the Committee staff at (202) 224-5364. Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Herb Kohl". The signature is written in a cursive, slightly slanted style.

Herb Kohl
Chairman

Attachment

GENERAL INSTRUCTIONS

1. The terms _____ and "your firm" mean its corporation, or one or more of its divisions, subsidiaries or affiliates, or related entities, including any other companies or corporations with which _____ entered into a partnership, joint venture or any other business agreement or arrangement.
2. In complying with this document request, produce all responsive documents that are in your possession, custody, or control, whether held by you or your past or present agents, employees, and representatives acting on your behalf. In addition, produce documents that you have a legal right to obtain, documents that you have a right to copy or have access to, and documents that you have placed in the temporary possession, custody, or control of any third party.
3. No documents, records, data or information requested by the Committee shall be destroyed, modified, removed or otherwise made inaccessible to the Committee.
4. If the document request cannot be complied with in full, it shall be complied with to the extent possible, which shall include an explanation of why full compliance is not possible.
5. In complying with this document request, respond to each enumerated request by repeating the enumerated request and identifying the responsive document(s).
6. Each document produced shall be produced in a form that renders the document susceptible of copying.
7. It shall not be a basis for refusal to produce documents that any other person or entity also possesses non-identical or identical copies of the same document.
8. If any document responsive to this request was, but no longer is, in your possession, custody, or control, identify the document (stating its date, author, subject and recipients) and explain the circumstances by which the document ceased to be in your possession, or control.
9. This request is continuing in nature. Any document, record, compilation of data or information, not produced because it has not been located or discovered by the return date, shall be produced immediately upon location or discovery subsequent thereto.

GENERAL DEFINITIONS

1. The term "document" means any written, recorded, or graphic matter of any nature whatsoever, regardless of how recorded, and whether original or copy, including, but not limited to the following: memoranda, reports, statistical or analytical reports, books, manuals, instructions, financial reports, working papers, records notes, letters, notices, confirmations, telegrams, receipts, appraisals, pamphlets, magazines, newspapers, prospectuses, interoffice and intra office communications, electronic mail (E-mail), contracts, cables, notations of any type of conversation, telephone call, meeting or other communication, bulletins, printed matter, computer printouts, teletypes, invoices, transcripts, diaries, analyses, returns, summaries, minutes, bills, accounts, estimates, projections, comparisons, messages, correspondence, press releases, circulars, financial statements, reviews, opinions, offers, studies and investigations, questionnaires and surveys, and work sheets (and all drafts, preliminary versions, alterations, modifications, revisions, changes, and amendments of any of the foregoing, as well as any attachments or appendices thereto), and graphic or oral records or representations of any kind (including without limitation, photographs, charts, graphs, microfiche, microfilm, videotape, recordings and motion pictures), and electronic, mechanical, and electric records or representations of any kind (including, without limitation, tapes, cassettes, discs, and recordings) and other written, printed, typed, or other graphic or recorded matter of any kind or nature, however produced or reproduced, and whether preserved in writing, film, tape, disc, or videotape. A document bearing any notation not a part of the original text is to be considered a separate document. A draft or non-identical copy is a separate document within the meaning of this term.
2. The term "records" is to be construed in the broadest sense and shall mean any written or graphic material, however produced or reproduced, of any kind or description, consisting of the original and any non-identical copy (whether different from the original because of notes made on or attached to such copy or otherwise) and drafts and both sides thereof, whether printed or recorded electronically or magnetically or stored in any type of data bank, including, but not limited to, the following: correspondence, memoranda, records, summaries of personal conversations or interviews, minutes or records of meetings or conferences, opinions or reports of consultants, projections, statistical statements, drafts, contracts, agreements, purchase orders, invoices, confirmations, telegraphs, telexes, agendas, books, notes, pamphlets, periodicals, reports, studies, evaluations, opinions, logs, diaries, desk calendars, appointment books, tape recordings, video recordings, e-mails, voice mails, computer tapes, or other computer stored matter, magnetic tapes, microfilm, microfiche, punch cards, all other records kept by electronic, photographic, or mechanical means, charts, photographs, notebooks, drawings, plans, inter-office communications, intra-office and intra-departmental communications, transcripts, checks and canceled checks, bank statements, ledgers, books, records or statements of accounts, and papers and things similar to any of the foregoing, however denominated.
3. The terms "relate," "related," "relating," or "regarding" as to any given subject means anything that discusses, concerns, reflects, constitutes, contains, embodies, identifies, deals with, or is any manner whatsoever pertinent to that subject, including but not limited to documents concerning the preparation of other documents.

4. The terms "and" and "or" shall be construed broadly and either conjunctively or disjunctively to bring within the scope of this document request any information which might otherwise be construed to be outside its scope. The singular includes plural number, and vice versa to bring within the scope of this document request any information which might otherwise be construed to be outside its scope. The masculine includes the feminine and neuter genders to bring within the scope of this document request any information that might otherwise be construed to be outside its scope.
5. The term "communication" means each manner or means of disclosure or exchange of information, regardless of means utilized, whether oral, written, electronic, by document or otherwise, and whether face to face, in a meeting, by telephone, mail, telexes, discussions, releases, personal delivery, or otherwise. Documents that typically reflect a "communication" include handwritten notes, telephone memoranda slips, daily appointment books and diaries, bills, checks, correspondence and memoranda, and includes all drafts of such documents.