

SUMMARY OF DUE DILIGENCE REVIEW—FOR JULY 1, 2013

Yes; No: Responsible Plan Fiduciaries (RPF) should pursue [IRS Restorative Payment](#) from parties in interest?

Plan Name: <u>ABC 401k Plan</u>	<input checked="" type="checkbox"/> 201 <input type="checkbox"/> IRS 5500 <input checked="" type="checkbox"/> BScope <input checked="" type="checkbox"/> FI360
Responsible Plan Fiduciary: <u>Larry Address</u>	IRS Enrolled Agent: <u>77840</u>
Sponsor & EIN: <u>ABC, Inc. 23-5609000</u>	CPA/BD: <u>Rock, LLC; ABC Bd</u>

ERISA §408 exempts the payment of reasonable compensation, including expenses, by a plan to plan fiduciaries and other parties in interest for services provided but not acts of self-dealing, including compensation or expenses, that would be prohibited by ERISA §§ 406(b)(1), (2) or (3). The expense must be for a necessary service. DOL Reg. § 2550.408b-2(b) states that a service is necessary if the service is appropriate or helpful to the plan in carrying out the purposes for which the plan is established. In other words, fiduciaries should ask themselves how the expense benefits participants and beneficiaries of the plan and the basis for this determination should be documented.

	RISK AREA & REQUIRED ERISA TASKS	YES/NO	SOURCE
DOL	COMMITTEE MONITORS AND REPORTS ON FUND PERFORMANCE VERSUS BENCHMARKS	_____	ERISA SECTION 411 & ERISA ADVISOR EVALUATION
IRS	PROVIDERS' PAY IS NOT BASED ON ASSETS	_____	BECHTEL SETTLES 401K FEE CASE
LAW SUIT	FIDUCIARIES ESTABLISHED DEFINITIVE "PROCESS POINTS" I.E., THOROUGH FEE ANALYSIS, DOCUMENTATION OF DECISION MAKING & DISCLOSURE TO PARTICIPANTS	_____	CFO.COM 5/19/11
IRS	PER ERISA §406, FIDUCIARIES ELIMINATED CONFLICTS BY REMOVING FINDER'S FEES, INCENTIVE FEES, ETC. WHICH ARE PRECLUDED UNDER PROHIBITED TRANSACTION RULES	_____	THE FIDUCIARY DUTY TO AVOID CONFLICTS OF INTEREST IN SELECTING PLAN SERVICE PROVIDERS
DOL	ANNUAL WRITTEN EVALUATIONS OF CSPS PERFORMED	_____	DOL ENFORCEMENT OF MONITORING
DOL	COMMITTEE PROTECTS PARTICIPANTS FROM ANNUITIES	_____	RETIREMENT PLANS FROM HELL; SEC
IRS	COMMITTEE USES AN ERISA EXPENSE ACCOUNT	_____	ERISA EXPENSE ACCOUNT
DOL	COMMITTEE NO LONGER USES LOADED/RETAIL FUNDS	_____	FIDUCIARIES BREACHED DUTY BY INVESTING IN RETAIL SHARE
IRS	BROKER/ADVISOR PAY IS AVERAGE OR BELOW AVERAGE	_____	ADVISOR FEE ALMANAC MEDIAN
DOL	PLAN USES PASSIVE FUNDS PREDOMINANTLY	_____	UNIFORM PRUDENT INVESTOR ACT
IRS	PLAN USES QUALIFIED DEFAULT INVESTMENT ALTERNATIVE	_____	QUALIFIED DEFAULT INVESTMENT
DOL	PARTS RECEIVE INFORMATION HOW FUNDS ARE SELECTED	_____	ERISA SECTION 404A5
DOL	ADVISOR IS ACCOUNTABLE AND PROPERLY INSURED	_____	ERISA SECTION 411 & ERISA ADVISOR
DOL	COMMITTEE OR ADVISOR OPERATE INVESTMENT POLICY	_____	NEGLECTED IPS CAN BE COSTLY
DOL	COMMITTEE USED FIDUCIARY MANUAL WITH COI POLICY	_____	FEE LITIGATION WAGNER LAW GROUP
LAW SUIT	POFes "ARE MORE LIKELY TO TAKE LEGAL ACTION"	_____	AUTOMATIC OPPOSITION
DOL	INVESTMENTS PERFORM IN THE TOP QUARTILE (1 YR)	_____	FI360 FIDUCIARY SCORE AVERAGE
IRS	BRIGHTSCOPE TOTAL PLAN COST BELOW AVERAGE	_____	BRIGHTSCOPE.COM

Independent Fiduciary or Assessor Certification

RICK G. CANIPE, EA
Print Name

Signature

Enrollment to Practice Before the Internal Revenue Service
Date 7/8/13

00077840-EA
Date

I declare I have examined this report, including accompanying attachments and to the best of my knowledge and belief, it is true, correct, and complete.

This evidences that

RICKY G CANIPE
is enrolled to practice before the Internal Revenue Service under 31 Code of Federal Regulations Part 10 (Treasury Department Circular No. 230)

ISSUE DATE: 04/01/2011
EXPIRATION DATE: 03/31/2014
Limitations on Practice, if any