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RETIREMENT PLAN PROVIDERS READY FOR RULE 22C-2 COMPLIANCE DEADLINE, ACCORDING TO THE SPARK INSTITUTE

SIMSBURY, CT, March 15 – A substantial majority of retirement plan intermediaries believe they will have signed Information Sharing Agreements with all of their largest mutual fund trading partners by the April 16, 2007 deadline for compliance with SEC Rule 22c-2, according to a just completed survey conducted by The SPARK Institute.

"Ninety percent of the retirement plan intermediaries that we surveyed believe that they will have signed agreements with their top 50 trading relationships by the April 16, 2007 compliance deadline," said Larry Goldbrum, General Counsel of The SPARK Institute. Although retirement plan intermediaries appear confident about meeting the compliance deadline, as of March 13, 2007 many of the agreements had still not been signed. As of March 13, 2007 only 68% of the respondents said that they had signed agreements with at least one-half of their top 50 trading partners. While none of the respondents considered any of their top 10 relationships to be at risk of termination, about 10 percent of the intermediaries said they considered an average of 5 of their top 50 trading relationships to be at significant risk, Goldbrum said.

"However, the reasons are not due to substantive issues, but because of slow or no responses from certain fund companies or not having received agreements from some funds," added Goldbrum.

Other findings from the survey included:

- Approximately 94 percent of retirement plan intermediaries will offer information sharing in order to facilitate compliance with Rule 22c-2 and approximately 53 percent of those intermediaries will conduct intermediary monitoring in order to facilitate compliance.
- More than two-thirds (68 percent) of retirement plan intermediaries will supply full Social Security numbers in their regular information reports. The rest will provide either partial Social Security numbers of a unique identifier.
- A substantial majority (84 percent) of intermediaries will either charge a fee or will seek reimbursement for some expenses associated with Rule 22c-2 compliance.

Goldbrum said that “Concerns about the lack of awareness about the impending compliance deadline or any anticipation about wide spread lack of preparedness among retirement plan intermediaries does not appear to hold true among SPARK Institute members.”

The survey was conducted between March 2 and March 13, 2007.

The SPARK Institute is the leading voice in Washington for the retirement services industry. Through the combined expertise of its member companies, The SPARK Institute provides research, education, testimony and comments on pending legislative and regulatory issues to members of Congress and relevant government agency officials. This disciplined process and resulting solutions help shape America's retirement future.

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