



# News Release

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## **THE SPARK INSTITUTE FILES SEC COMMENT ON THE PILGRIM BAXTER PROPOSED FAIR FUNDS DISTRIBUTION PLAN**

Simsbury, CT, July 31— In a comment letter filed today with the Securities and Exchange Commission, The SPARK Institute raised concerns with the proposed Pilgrim Baxter & Associates distribution plan for restitution payments made to accountholders of the PBHG funds.

“Our comments are representative of the concerns raised by our membership and have been raised because of the possibility that the PBHG distribution plan could set precedent for future distribution plans” said Larry Goldbrum, general counsel of The SPARK Institute. Among the concerns voiced by members, the allocation of responsibilities in the proposed plan, the volume of information required to be provided, and the timeframe in which they have to provide the data were key issues addressed in the letter. “Given that our members are also working to meet the compliance deadline of October 16, 2006 for Rule 22c-2, their resources are limited and time is a luxury many do not have,” Goldbrum added.

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Of equal concern to most SPARK Institute members, was the issue of becoming a fiduciary with respect to the plans who will be affected by this distribution. Goldbrum noted, “Many of our members do not currently serve as a fiduciary to these plans. The proposed distribution plan puts those members in the impossible position of either taking on that role or replicating the complex allocation methodology spelled out in the plan. Neither option is desirable or even feasible from a business standpoint.”

In summary, The SPARK Institute raised many concerns on behalf of its membership in its filing. The following list outlines the particular provisions of the proposed distribution plan that have been requested by The SPARK Institute to be reviewed:

- Determination of the responsible party for allocation of the distribution
- Extension of the deadline for retirement plan record keepers to provide information
- Simplification and minimization of the information required to be provided
- Cost reimbursement to retirement plan record keepers for efforts made in assisting with distributions
- Assurance of confidentiality in handling omnibus plan information
- Clarification on tax reporting issues

For more details, you may request a copy of The SPARK Institute’s comment letter filed with the SEC today by contacting the Institute at 860-658-5058 or via the website at <http://www.sparkinstitute.org>.

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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