



News Release

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THE SPARK INSTITUTE RELEASES RULE 22C-2 CONTRACT LANGUAGE FOR RETIREMENT PLAN SERVICE PROVIDERS

SIMSBURY, CT, February 7, 2006 – The SPARK Institute has released sample contract language for retirement plan service providers to assist them in complying with SEC Rule 22c-2 dealing with mutual fund market timing controls, it was announced today by Robert G. Wuelfing, Executive Director.

SEC Rule 22c-2 permits mutual funds to impose redemption fees on shareholders. The rule also requires funds to enter into written agreements with intermediaries (such as retirement plan trustees and record keepers) obligating the intermediaries to provide the funds with certain shareholder identity and transaction information. In addition, the agreements must contain a provision requiring the intermediaries to carry out the funds' instructions to restrict or prohibit further purchases or exchanges by any shareholder identified by the funds as having engaged in trading that violates the funds' market timing policies. The deadline for having contracts in place is October 16, 2006.

“A SPARK Institute member task force has been working for several months on developing sample language for these contracts, as well as standards for the type of data collected and the format in which it is transmitted,” said Larry Goldbrum, General Counsel of The SPARK Institute. “Unlike other models we have seen, The SPARK Institute's sample

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contract language is designed to address the unique circumstances and needs of retirement plan service providers. Our members have expressed significant concerns about the potential costs and business disruption associated with complying with wholesale requests for data in non-standardized formats that will likely vary among fund companies,” Goldbrum added.

The SPARK Institute is the leading voice in Washington for the retirement services industry. The Institute helps to shape national retirement policy by providing research, education, testimony and comments on pending legislative and regulatory issues to members of Congress and relevant government agency officials. It also develops and promotes practical and balanced solutions on critical industry issues that affect plan sponsors, participants and service providers.

Larry Goldbrum, General Counsel of The SPARK Institute, is available to discuss the Institute’s sample contract language and its position on Rule 22c-2 compliance. To schedule an interview or for a copy of the sample contract language, please call Jeff Close at 860-658-5058.

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