

MEMO# 11843

April 26, 2000

DRAFT COMMENT LETTER ON DOL INDIVIDUAL EXEMPTION FOR INVESTMENT ADVISORY SERVICE

1 A copy of the proposed exemption was previously provided. See Institute Memorandum to Pension Committee No. 22-00 and Ad Hoc Committee on Investment Advice, dated March 28, 2000. [11843] April 26, 2000 BY FACSIMILE TO: PENSION COMMITTEE No. 30-00 AD HOC COMMITTEE ON DOL INDIVIDUAL EXEMPTION RE: DRAFT COMMENT LETTER ON DOL INDIVIDUAL EXEMPTION FOR INVESTMENT ADVISORY SERVICE

Attached for your review and comment is a draft comment letter on the Department of Labor's proposed individual exemption regarding the provision of investment advisory services by Standard & Poor's Investment Advisory Services ("S&P"), an independent advice provider.¹ The draft is based on discussions from an April 13th conference call. The draft comment letter makes the broad point that the Department's approach to the provision of investment advice in this and prior individual exemptions severely restricts the availability of investment advice — to the detriment of participants. The letter therefore urges the Department to take a disclosure-oriented approach to the provision of advice that would enable participants to obtain advisory services from a greater number of financial institutions, including those already providing investment management and educational services to their plans. Please provide comments or suggestions relating to the draft comment letter by Wednesday, May 3, 2000. The comment letter must be filed by Friday, May 5, 2000. I can be reached by phone (202/326-5837), fax (202/326-5839) or e-mail (tkim@ici.org). Thomas T. Kim
Assistant Counsel Attachment