

MEMO# 9058

July 11, 1997

ABA ASKS DOL TO CLARIFY APPLICABILITY OF BUNDLED SERVICES ADVISORY OPINIONS TO CERTAIN DIRECTED TRUSTEES

1 See Institute Memorandum to Pension Members No. 21-97, dated May 28, 1997. July 11, 1997 TO: PENSION COMMITTEE No. 26-97 AD HOC COMMITTEE ON BUNDLED SERVICES RE: ABA ASKS DOL TO CLARIFY APPLICABILITY OF BUNDLED SERVICES ADVISORY OPINIONS TO CERTAIN DIRECTED TRUSTEES

The American Bankers Association yesterday filed a general information request asking the Department of Labor to clarify the applicability of Advisory Opinions 97-15A (the "Frost Bank" letter) and 97-16A (the "Aetna" letter) to a directed trustee that receives fees for services provided to mutual funds participating in its bundled services product and does not offset those fees against fees paid by retirement plans for the bundled services product. As you were previously informed, the Department issued the Frost Bank and Aetna letters on May 22, 1997.¹ A related advisory opinion request filed jointly by the Institute, the ABA and the ABA Securities Association was withdrawn in light of the guidance provided by those advisory opinions. We will keep you informed of developments on this matter. Russell G. Galer
Assistant Counsel - Pension Attachment