

## Collective Investment Trusts and Group Trusts

We have comprehensive knowledge of the legal framework of group trusts and collective investment trusts in which plans invest and have helped clients establish and maintain investment vehicles. We are able to advise on a range of legal issues including the Employee Retirement Income Security Act's (ERISA) fiduciary standards, the tax-exempt status of CITs, and federal and state banking law issues. Examples of our relevant experience include:

- Advised clients on the legal requirements involved in allowing investment by participant-directed individual account plans in bank collective investment funds.
- Drafted and revised governing documents for all types of collective and group trusts, including funds holding real estate, fixed income, and equity securities, and trusts utilizing both the flow-through tax-exempt structure available under Internal Revenue Service Rev. Rul. 81-100 and the tax-exempt structure under Internal Revenue Code section 584.
- Assisted trustee of a large real estate collective trust in assessing and implementing a real estate holding structure utilizing one or more "sub-Real Estate Investment Trusts."
- Advised trustees and managers of collective and group trusts on a wide variety of issues including participant withdrawals and liquidity, securities lending, cross trading, Office of the Comptroller of Currency and state examinations, ERISA disclosure obligations and Form 5500 reporting.
- Advised on the application of Department of Labor (DOL) prohibited transaction exemptions (including PTE 91-38 and 84-14) to CIT transactions. For example, we obtained a DOL advisory opinion for a trustee regarding application of PTE 91-38 to collective trust maintained by a thrift. (DOL Adv. Op. 2006-07A (Aug. 15, 2006)).
- Advised on the requirements of federal securities registration exemptions applicable to collective trusts, including section 3(a)(2) of the Securities Act of 1933 and section 3(c)(11) of the Investment Company Act of 1940, as well as the broker-dealer registration requirements for the sale of CIT interests.

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- Advised the named fiduciary of a large group trust made up of two large defined benefit pension funds regarding fiduciary, federal securities, and federal tax issues involved in the creation of a wholly-owned offshore hedge fund.
- Advised on the fiduciary, federal securities and federal tax issues involved in the investment by a group trust in limited partnerships designed to invest in private equity entities investing in seed-stage information technology and healthcare-related companies in the United States and Europe.