

IRALERT

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TO: IRA Group Distribution

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RE: EBSA Notice of Hearing on Service Provider Exemption

On Wednesday, February 27, the Department of Labor published in the Federal Register a Notice of Hearing with respect to its proposed regulations under ERISA section 408(b)(2). The Department broadly described the purpose of the hearing as follows:

The primary purpose of this hearing is to further develop the public record regarding the regulation and the class exemption to assist the Department to understand the issues involved.

A copy of the Notice is attached.

You may recall that on February 11, 2008, the IRA Group filed comments with respect to the Department of Labor's proposal. In effect, we urged the Department to clarify that the new regulations would not affect IRAs.

To date, the Department has received over 90 comments on the proposed regulations, five or six of which also requested clarification that the regulations would not apply to IRAs. In contrast, one commenter urged the Department to extend the proposed new disclosure obligations to IRAs, on the theory that most IRA assets derive from 401(k) plan rollovers and thus should be subject to the same rules.

The hearing dates are March 20 and 21. Anyone interested in testifying must file a written request not later than March 10. Groom will have representatives monitoring the hearing and we will advise you of any questions or comments relevant to IRAs. If any Group members are interested in presenting testimony – whether directly on behalf of your organization or anonymously through the Group – please let us know as soon as possible.