



# Update on Fiduciary Certification Program

**Fi360 Conference  
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By: Carlos Panksep  
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- Certified firms are **outstanding** because they have:
  - voluntarily accepted a third party audit
  - subjected themselves to audit findings
  - exhibited accountability and transparency
  - implemented continuous improvement
- The Standard of Fiduciary Practice is set high: certified firms strive for excellence.

- Interim final regulation in place; effective date?
- Detailed checklist developed by Reish & Reicher (now DBR)
- Introduced in CAFÉ's for
  - Investment Advisor, Investment Steward, Investment Support Services
  - Pending for ASPPA Service Provider assessment
- CEFEX Assessment assists in 2 ways:
  - Helps providers prepare Service Agreements
  - Helps plan sponsors by verifying their Service Providers.

- Assessments to be updated with an optional element re new 401(k) plan participant disclosure requirements.
- CEFEX assessments offer the plan sponsor
  - Independent review by a fiduciary expert
  - Benchmarking disclosure methods to best practice
  - Opportunities for improvement
  - Evidence-based: proof that disclosures are made:
    - on or before first investment
    - quarterly and annual statements

- C. Frederick Reish, Esq.
  - Partner Drinker, Biddle & Reath
- Brian Graff, Esq.
  - Executive Director & CEO, ASPPA
- Edward Siedle
  - President, Benchmark Financial Services
- Jon Lukomnik
  - Managing Partner, Sinclair Capital
- Blaine Aikin
  - CEO, fi360
- Richard Carpenter
  - CEO USVI Pensions

Drinker Biddle





- **ASML US, Inc. of Tempe, AZ**

- World's leading manufacturer of lithography systems for the semiconductor industry, headquartered in Veldhoven, the Netherlands.
- *"ASML US Inc. benefits from the CEFEX certification process because it serves as an independent verification of the fiduciary practices in place with our retirement plan. Since we have service providers which help manage the plan, we utilize the annual assessment by CEFEX's fiduciary analyst to assure ourselves and our stakeholders that a culture of good governance is prevalent."*

Heather Muir-Woodward, Compensation Manager



- **TIAA-CREF of New York, NY**

- Retirement Plan recordkeeper with >\$300B plan assets.
- *"The certification validates our focus on quality and fiduciary support. It's all the more meaningful to know that the seal of excellence which the certification confers reflects a comprehensive, independent review and an acknowledgement that we adhere to industry standards for quality."*

Marv Adams, Executive Vice President for Technology and Operations

- Palm Beach County Clerk & Comptroller
  - Stewardship of treasury assets
- Whitney Benefits
  - *“The board has fiduciary responsibility to the trust, and we take it very seriously. This is a way to assure the public that we’re maintaining our fiduciary responsibility.”*  
Tom Kinnison, President Whitney Benefits Board of Trustees
- Laborers’ Local 1298 Pension Fund
  - *“To be the first Taft Hartley retirement plan in the United States to successfully complete this independent certification process is truly an historic accomplishment...”*  
Terry O’Sullivan, General President, Laborers’ International Union of North America

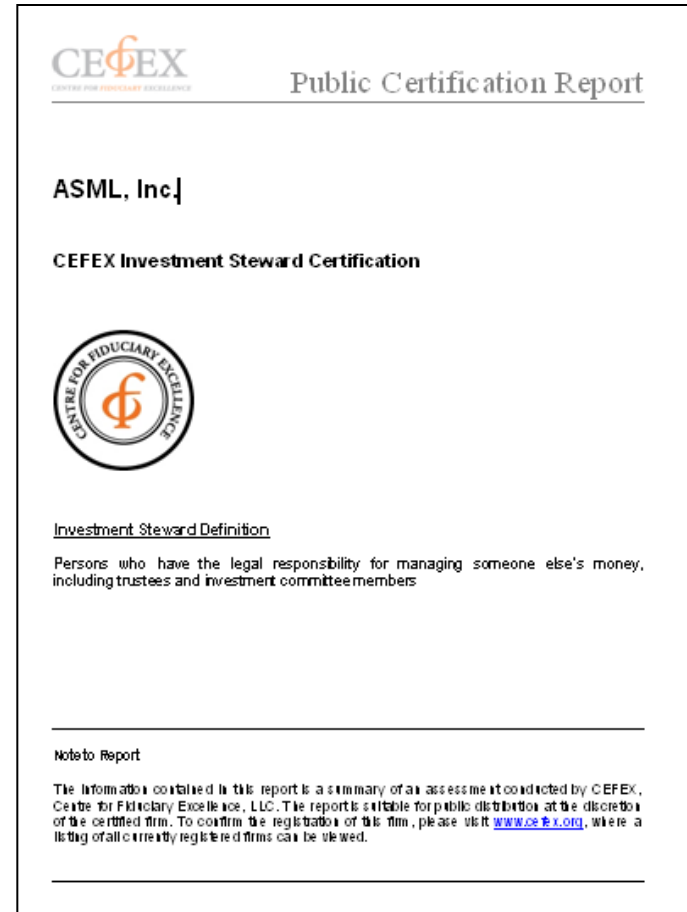


Certificate presentation to PBC  
January 20, 2011

- Insurance Premium reduction
- Description of process for ADV
- CEFEX Fact Sheets
- CEFEX Firm Profiles
- New programs: Emerging Manager
- Automated assessments
- Practical assessment training



- CEFEX Public Report
  - Describes assessment elements and logistics
  - For distribution to stakeholders
  - Includes positive aspects
  - Does not include confidential findings



- Also known as the “CEFEX Opinion Letter”
- Increases assessment support for AIFA’s.
  - Demonstrates CEFEX program affiliation
  - CAFÉ is registered and stored centrally
  - AIFA gets benefit of best practice feedback
- AIFA can market any way
  - Can charge any amount to Steward
  - Is charged \$500 one-time by CEFEX
- Steward is assured of a complete assessment
  - Letter describes process
  - Mentions AIFA
  - No FAA with Steward is required

Good governance increases investment returns.

Fiduciary assessments drive continuous  
improvement.