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**MINIMUM CRITERIA FOR LISTING IN  
ERISA ADVISOR EVALUATOR (EAE) DIRECTORY**  
(1/06/2011)

*(The EAE is an unbiased online RFP service designed to help plan sponsors find, identify, contrast & evaluate retirement plan advisors who meet minimum standards).*

*(The minimum requirements to participate in the EAE program are different from the search criteria used by each plan sponsor).*

- **Must Be A Registered Investment Advisor, An IAR, Dually Registered Or An Employee Of An RIA Registered Under The 40 Act\*** *(Waived if regulatory reform or the DOL requires intermediaries servicing ERISA plans to operate in a fiduciary capacity).*
- **No Disciplinary Events In The Last Five Years Subject To Criminal, Civil or Regulatory Action & No Conviction Of Any Offense Under ERISA Section 411\*\***
- **Maintain E&O Insurance With Affirmative Fiduciary Coverage Or Be Covered By Your Entity's Policy** *(Based on financial resources, the E&O insurance requirement is waived for wirehouse employees if the self-insured firm allows the dually registered representative to acknowledge their ERISA fiduciary status in writing).*
- **Unless Exempted, Maintain an ERISA Investment Bond For All Plans Where You Have Discretionary Authority Over Plan Assets, Act As A 3(38) Investment Manager, "Handle" Plan Assets Or Get Paid Directly From Plan Assets Without Sponsor Approval**
- **At Least \$25 Million In Retirement Plan Assets Under Advisement Between Three Or More Different Recordkeepers \*\*\*** *(Not Applicable To Producing TPA/Recordkeepers Who Offer True Open Architecture).*
- **Service A Minimum Of Ten Employer-Sponsored Retirement Plans\*\*\*** *(Does Not Include SEPs, SIMPLE & Similar Programs).*
- **The Advisor Or Team Leader Must Have A Minimum Of Five Years Retirement Plans Advisory Experience**
- **Retirement Plans Revenue/Assets Must Be At Least 50% Of Total Business Revenue Or Total Assets\*\*\***

- **Flexibility To Operate With A Written Advisory Agreement**
  - **Flexibility To Acknowledge An ERISA Fiduciary Role In Writing**
  - **Due Diligence Tools For Plan Level Investment Analysis**
  - **Hold At Least One Retirement Plans, Fiduciary Or Recognized Industry Designation**
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*\*RIAs & IARs may be registered with the State, the SEC or both. Wirehouse & other B-D reps may be registered as IARs by their firm. Registered reps and dually registered advisors are also FINRA registered. Non-principal employees of an RIA registered under the 40 Act may not be required to be registered as IARs.*

*\*\*Excludes matters under investigation.*

*\*\*\*Criteria are applicable to an individual advisor operating as a solo practice. If the advisor is part of a team or independent firm, the criteria may be met by the team or the firm. Given that some advisors may be part of a national BD organization, **the minimum criteria may not be met by the national organization.** The criteria are based on total business from all sources, including fee based/advisory business, brokerage business or a combination of the two.*

*The EAE Program's minimum criteria were designed to meet the needs of multiple market segments. As a result, it is important to note that **the minimum requirements to participate in the program are different from the search criteria used by each plan sponsor.***

*Based on the advisor's profiling questionnaire, **sponsors will search the database for advisors that meet their criteria and then determine who they want to include in the RFP.***

***Large and small plan search criteria will vary widely.** For example, a large plan sponsor might require an advisor to have \$1 billion in assets under advisement, decades of experience, 100% of their revenue derived from retirement plans, pure RIA status, a large team, etc. Contrastingly, a small plan sponsor might be more interested in geographic proximity.*

*The EAE program & dedicated website are under development. For more information on the program, visit the CFDD's bridge page located at: <http://www.thecfdd.com/erisaadvisorevaluation>.*