

0006

From: "Brian Tarbox" <btarbox@thetarboxgroup.com>
To: PWBA_NO.PWBA-NPO(E-ORI)
Date: Mon, Mar 10, 2003 11:10 AM
Subject: Automatic Rollovers RFI

To Whom It May Concern:

As always, prudence should be the primary basis for the investment decision. Prudent investing on behalf of an inactive, passive person means actively investing for retirement (we can assume it's for retirement because the person didn't want the money right away) based on the data one has concerning that person and by using the methods in the US Department of Labor's prudence regulation (essentially Modern Portfolio Theory). This is because, on average, about 100 percent of the performance return level is explained by asset allocation policy (see "Does Asset Allocation Policy Explain 40, 90 or 100 Percent of Performance?" by Roger Ibbotson and Paul D. Kaplan - http://www.ibbotson.com/content/kc_published_research_search.asp?catalog=Article&category=Asset%20Allocation&prodID=ARTC41020028 - which was printed in the January/February 2000 Edition of the Financial Analysts Journal).

In the case of the person who implements the allocation program for such individuals and who receives variable fees or profits depending on the allocation, this means following the model addressed by the US Department of Labor in the SunAmerica Advisory Opinion, which was issued by the Department on December 14, 2001. Any other method, based on current research, will entail more risk, and/or less return, and therefore would be imprudent.

Brian Tarbox
Chairman & CEO
The Tarbox group, LLC
612-825-3316