

It is my professional opinion that creating the 2.0% revenue threshold is a great overreach. While I applaud your efforts in protecting the participants of employee benefit plans, implementation of the 2.0% threshold will result in the exact opposite...the harm to many employee benefit plans.

As an owner of a small valuation/consulting firm, we have a number of clients whom rely upon us for annual (or more frequent) valuation services for their employee benefit plans. They also occasionally utilize our services for corporate transaction work and/or merger & acquisition analytical services. Limiting our services to these clients to either the former or the latter will force them to search for and engage multiple firms (most likely larger firms), many of whom will charge them far more for such services and provide them with far less quality service. It will also reduce the knowledge base of specific clients, thus requiring either more research time and thus a higher cost for the same valuation services to the employee benefit plans.

I would assume that the concern of the DOL is more focused on the propriety of valuation firms who provide valuation/adequate consideration determination for large dollar transactions for employee benefit plans while also providing significant investment banking services as a substantial revenue source. If so, you should consider some level of minimum dollar impact and not focus solely on an arbitrary percentage approach. It is understandable to be concerned about the independence of valuation service providers when involving hundreds of thousands or millions of dollars. It is another to impact smaller companies who are dealing in \$5,000, \$10,000 or \$20,000 in revenues with a potential client.

Respectfully submitted,

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