

**U.S. DEPARTMENT OF LABOR**

Employee Benefits Security Administration  
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**FAX COVER SHEET**

<b>TO:</b>	<b>FROM:</b>
<b>FAX NUMBER:</b>	<b>TELEPHONE NUMBER:</b>
<b>DATE:</b>	<b>NO. OF PAGES: (Including cover page)</b> 8
<b>REGARDING:</b> ON SAE INVESTIGATION	

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Empty box for comments.

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Federal Building, Room 900  
525 Griffin Street  
Dallas, Texas 75202-5025  
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This letter confirms our telephone conversation on November 4, 2011. At that time an appointment was made to review the Company's 401(k) Plan (the "Plan") beginning November at 1:00pm. .

The U.S. Department of Labor, Employee Benefits Security Administration, has authority under Section 504 of the Employee Retirement Income Security Act of 1974 (ERISA) to conduct periodic investigations of employee benefit plans to determine whether such plans are conforming with the provisions of Title I of the Act or any regulations or orders there under.

This review is an official investigation pursuant to Section 504. The investigation of the Plan will consist of interviews and a records review of the Plan for the years 2009 through the present.

We would appreciate the Administrator having the following documents available for our review and **retention**:

1. All documents relating to the provisions of or governance of the Plan, including the Plan document, the Trust Agreement, Summary plan descriptions (SPD), all documents relating to the Plan's policies, and all amendments or modifications of any of the foregoing documents.
2. For each Plan year, all documents that are or contain
  - a. the Summary Plan Description,
  - b. the Summary Annual Report
  - c. all Form 5500, 5500-C or 5500-R, annual returns or reports of the Plan, together with all attachments, including accountant's opinion, audited financial statements, and notes to the financial statements.
3. The most recent Internal Revenue Service qualification determination for the Plan.

4. Documents that reflect the assets owned by the Plan at the end of the most recent quarter.
5. For the most recent Plan year, documents that reflect the name, address, and participant balances of each Plan participant.
6. fidelity bond (including declarations page and riders/endorsements, identifying the Plan as a named insured and specifying the amount of coverage, the period covered and the name of the surety company).
7. Fiduciary liability insurance policies (if any).
8. The names, addresses and telephone numbers of the trustees and the plan administrator, and of an members of any board, committee and/or subcommittees with responsibility for the administration of the Plan and/or the investment of the assets of the Plan.
9. Documents that reflect the name, last known address, and last known telephone number of the persons who represented or acted on behalf of the Plan with respect to the investment of Plan assets, including but not limited to all Plan fiduciaries, investment managers, investment advisors, registered representatives, and any other person having responsibility for giving advice to the Plan or for recommending investments, formulating investment or trading strategy, or making investments for the Plan.
10. Documents that reflect the names of the Plan's trustees, members of the Plan's administrative bodies, and any members of any Plan administrative or investment committees.
11. Please provide spread sheets indicating the amount of monthly payroll contribution withholdings from employees' paychecks, dates such amounts were remitted to the Trust and the number of days taken for the money to be deposited to the Trust.

In addition, we would appreciate the Administrator having the following documents available for our review:

- L The Plan's correspondence files.
2. The most recent Plan valuation, including listing of Plan participants with the social security number, annual account allocations and account balances for each participant.
3. Documents identifying those individuals with signature authority for all Plan accounts, including authorizations for check writing, wire transfers, telephone transfers or any other transactions.
4. The current internal balance sheet/statement of assets and liabilities for the Plan, which includes a description of all assets held.
5. All documents related to contracts, policies or arrangements with all service providers to the Plan, including, but not limited to, insurance companies, administrator(s), auditors, attorneys, brokers, and record keeping/data processing vendors.
6. Documents (relating to fees and/or commissions paid to any service provider of the Plan,

to any party in connection with the enrollment or retention of Plan participants or in connection with the purchase of any insurance covering either the Plan or its participants.

7. The Plan's accounting records, including trustee or custodian statements, general ledger, journals, bank statements, financial statements and invoices for Plan expenses for the two most recent Plan years.
8. Documents relating to investments held by or for the Plans, including but not limited to investment contracts, brokerage account transaction statements, prospectuses on mutual funds with the most recent financial report, holdings list or master list of securities held in common/collective trusts, pooled separate accounts and master trusts, promissory notes, loan documents, security agreements, mortgages, leases, deeds, title insurance, tax payments and appraisals, and information pertaining to the investment decision making process such as feasibility studies and investment advisor reports.
9. Documents identifying Plan assets, liabilities, revenues and expenses.
10. Payroll records identifying contributions withheld from employees wages.
11. Audited financial statements.
12. Internal audit reports.
13. All documents that are, contain, discuss or describe agreements or arrangements you or the Plan have with any service provider relating to the administration or investments of the Plan, including any trustees, custodians, record keepers, managers, advisors, sub advisors, brokers, attorneys, auditors or accountants, and all amendments to any such agreements or contracts.
14. All minutes of meetings of the Plan's trustees or of the meetings of any Plan administrative or investment committee, and any documents distributed before, during or after the meeting or discussed at the meeting relating to the Plan.
15. All documents that are, contain, discuss or describe the Plan's investment objectives, investment policies, or any actual or potential strategies or alternatives for the Plan's investments.
16. All documents that discuss or describe the investment options available to participants.
17. All documents that are, contain, discuss or describe. disclosures made to Plan participants relating to the Plan's investments or available investment options.
18. With respect to each investment account maintained by the Plan; all
  - a. new account forms
  - b. applications or agreements,
  - c. account statements,
  - d. confirmations of transactions,
  - e. documents describing each of the Plan's investments,
  - f. calculations or disclosures of gains or losses on the Plan 's investments,

- g. reports or summaries of investment performance or investment returns.
19. All annual, quarterly, and monthly reports of investments provided to Plan fiduciaries from entities that held, managed or invested assets of the Plan.
  20. Documents that reflect the name, last known address, and last known telephone number of all persons associated with, employed by or representing individuals and/or third parties with whom the Plan, or persons representing or acting on behalf of the Plan, conducted business discussed investments or had any communications.
  21. All documents relating to brokerage, advisory and management services, including but not limited to:
    - a. all brokerage, directed brokerage, advisory, management, trust, or custodial agreements,
    - b. all promotional, advertising or marketing materials, including descriptions of investments or portfolio holdings, or descriptions of the performance of Plan investments.
  22. All documents reflecting any evaluation, analysis, advice, recommendation or opinion by any person relating to the advisability, desirability or consequences of Plan investments either directly or through an intermediary, including but not limited to all documents reflecting:
    - a. all proposals or requests for proposals,
    - b. all evaluations or analyses of investment strategy, portfolio, or performance,
    - c. all records, reports or summaries discussing or describing portfolio holdings or investment performance,
    - d. all documents discussing or describing any risks of investing or the e. advantages or disadvantages of such investments,
    - f. all due diligence reviews relating to investments, including but not limited to individual contacts, financial audits reviewed. personal interviews, on site visits, or the review of documents.
  23. All documents relating to representations and disclosures by any person about trades, portfolios, participant accounts or investment returns, including but not limited to:
    - a. all documents discussing or describing the veracity or reliability of any information, communication or disclosure (including account statements) made. by or on behalf of the Plan,
    - b. any documents relating to control systems, audit reports or control reports.
  24. All documents relating to any efforts made by any person to verify, corroborate or investigate the Plan's investment returns, trading practices or trading strategies, or the veracity or reliability of any information, communication or disclosure (including account statements) made by or on behalf of the Plan.

25. Documents relating to all Plan requests for or receipt of redemptions or withdrawals, or requested or completed transfers, of money in Plan investments, including the dates and amounts requested, paid or transferred, and the status of the requests.
26. All documents reflecting any communications, disclosures, representations or recommendations made by or on behalf of the Company of the Plan, including but not limited to all such documents relating to the advisability, desirability or consequences of Plan asset investments.
27. All documents reflecting any payments made to any person by the Plan or the Company relating to any Plan asset investment (whether the investment was made directly or through a fund or other intermediary, including but not limited to management fees, consulting fees, advisory fees, sub advisory fees, commissions, marketing fees, finder's fees, referral fees, revenue-sharing fees, syndication fees, gratuities, or soft dollar fees.
28. All documents relating to any payments made by any person to the Plan, to the Company, or to any person who acted on behalf of the Plan or the Company, including officers, directors, trustees, fiduciaries or principals, relating to the investment of Plan assets whether the investment was made directly or through a fund or other intermediary, management fees, consulting fees, advisory fees, sub advisory fees, commissions, marketing fees, finder's fees, referral fees, revenue sharing fees, syndication fees, gratuities, or any other fees or payments.
29. Except to the extent previously provided, all documents that discuss, describe or contain any fee sharing agreements, seller agency agreements, marketing agreements, revenue sharing agreements, placement fee agreements, or other agreements relating to the payment of any compensation to investment advisers, investment managers, pension consultants, or any other entity or individual relating to Plan investments whether the investment was made directly or through a fund or other intermediary.
30. All minutes of meetings of the Company (including meetings of the Board of Directors and any executive committee) relating to the Plan, and any documents distributed before, during or after the meeting or discussed at the meeting relating to the Plan.
31. Year-end audited financial statements for the Company.
32. All documents reflecting any personal relationship between any director, officer or principal of the Company, or any personal relationship between any person acting on behalf of the Plan.
33. Documents that reflect any assets of the plan that are frozen.
34. All documents relating to any investment by the Plan in any ventures syndicated, managed, owned or controlled by the Company (or any of the Company's principals, employees, officers, directors, or agents).

35. All documents reflecting any claims, demands, or any other efforts or actions taken by or on behalf of the Plan to protect the interests of the Plan or its participants or beneficiaries from any losses relating to its investments.
36. All documents showing individual Plan participant account balances by investment.
37. All documents showing Plan participant requests for distribution, including account balance at the time of the request, Plan balance by investment, the amount and date of distribution, and ending balance by account.
38. All documents reflecting any complaints or litigation by or on behalf of the Plan relating to the investment of Plan assets.
39. All documents reflecting any complaints or litigation by third parties relating to their investments in funds in which Plan assets are also invested.
40. All documents that reflect the organizational structure of the Company, its limited partnerships, affiliates, corporations, companies, ventures, syndications, associations, trusts, funds, holding companies which is managed, owned or controlled by the Company (or any of the Company's principals, employees, officers, directors, or agents), or has an Investment Management Agreement.
41. Documents that reflect the names, addresses and telephone numbers of owners, shareholders and investors (whether individually or through interests in related trusts) of the Company's limited partnerships, affiliates, corporations, companies, ventures, syndications, associations, trusts, funds and holding companies which is managed, owned or controlled by the Company (or any of the Company's principals, employees, officers, directors, agents), or has an Investment Management Agreement.
30. All documents that are, contain or describe any insurance policy or bond, or any indemnification agreements held by or covering the Company or the Plan, or any person acting on behalf of the Company or the Plan (including any Plan Fiduciary), that may cover any losses relating to investments by the Plan, including but not limited to (a) all fiduciary liability, errors and omissions, directors and officers, or comprehensive general liability insurance policies, (b) all fidelity bonds, and (c) any other such policy or agreement, and all amendments, riders, and endorsements of the foregoing.

Please provide the name and addresses of parties in interest to the Plans including:

1. Plan Administrator
2. Trustee(s)
3. Board of Directors
4. Company Officers
5. Plan Actuary

6. Attorney(s)
7. Accountant and/or auditor(s)
8. Investment advisor/manager(s)
9. Insurance agent(s)
10. All Shareholders and their percentage
11. Affiliated entities to the plan sponsor

During the course of the review, other plan records may be required for examination. If you have any questions, please call me at (972) 850-4377 \_

Sincerely,

Senior Investigator