

401(k) Easy™



run-it-yourself 401(k) plans

401(k) Pro, Inc.

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(1030 words)

Software-based "Run-It-Yourself" 401(k)s for Small Businesses Cost 10 Minutes a Month and Less Than \$500 a Year

LOS ANGELES Southern-California-based 401(k) Pro, Inc.'s patented 401(k) plan plus software-based "run-it-yourself" plan administration system lets small businesses manage their new or already-existing 401(k) plans in-house from the privacy and security of their desktop PCs in just 10 to 15 minutes a month and at an average savings of 60% to 80% a year off conventional plan administration costs.

The Wall Street Journal says 401(k) Easy™ "allows small businesses to manage 401(k) plans as easily as a consumer navigates family finances with programs such as Quicken" ("Web Helps Small Firms Start 401(k)s," Monday, December 27, 1999, section C1). 401(k) Easy™ also negates the problems the same article notes have historically plagued companies trying to run their own 401(k)s.

401(k) Pro, Inc. president Jim Gilbert says, "401(k) administration isn't brain surgery, so why are small businesses being charged as if it is? With 401(k) Easy™, small businesses take the same information they're already collecting for a third party administrator, but instead of forwarding it to the TPA and then sitting around waiting — and paying for — results, they just plug the information into the 401(k) Easy™ software. It does all the processing. 401(k) loans, hardship withdrawals, rollovers into and out of the plan.... They're all a snap. The employer is told how much money to forward to the investment company(ies), and instruction sheets regarding the deposits are instantaneously prepared for the investment company(ies) for inclusion with the money transfer. Plan contributions go DIRECTLY to the mutual funds and/or discount brokerage companies housing the plan's assets, with 401(k) Easy™ documenting every transaction.

"401(k) Easy™ lets small businesses take an investment of about 10 minutes a month and turn it into a savings of thousands of dollars a year — all the while providing their company with a great investment-rich, participant-friendly 401(k) plan!"

What's Included

401(k) Easy™ clients receive:

- An IRS-approved prototype 401(k) plan customized to the client's specifications regarding participation requirements, 401(k) loan availability, employer matching contributions (if any), vesting schedules (if any), and automatic enrollment
- 401(k) plan administration software and companion materials customized to the client's exact plan
- The client's choice of plan investments (self-directed discount brokerage accounts as well as no-load mutual funds are available)
- A supplemental FedForms CD-ROM to aid in relevant federal reporting
- Free technical support.

Routine administrative tasks, such as processing monthly 401(k) contributions and running monthly compliance tests, as well as less routine ones, such as compliance test corrections and plan distributions, are straightforward and simple to execute. The software addresses every aspect of 401(k) plan administration. Most small businesses can administrate their 401(k) plan in 10 minutes a month.

Two of the software's most popular automated functions are its battery of compliance tests (which run in seconds) and the monthly account statements it generates for plan participants, features either not available or available only on a limited basis and at a substantial cost in most traditionally-administrated plans.

Plan Investments

401(k) Easy™ comes with the client's choice of 401(k) investments. Self-directed discount brokerage accounts from Charles Schwab, TD Waterhouse and others as well as no-load mutual funds from T. Rowe Price, Fidelity, and others are available. A database of potential investments and information on each is available on the 401(k) Easy™ website. Free help with choosing plan investments is available.

Pricing

401(k) Easy™ is adaptable to new and already-existing plans of any size. Pricing starts at \$495 a year and increases only with plan size (see price list). Clients also pay a first-year-only \$500 plan setup and software customization fee. Participant loans, employer matching contributions, automatic enrollment, and other popular 401(k) features are included at the client's discretion at no extra charge. Free help is available with understanding available choices and their typical effects on a 401(k) plan. Any needed plan conversion services are free of charge.

60-day Money-back Guarantee

401(k) Easy™ comes with a 60-day money-back guarantee on everything except investments and the one-time \$500 plan and software customization fee. Because the \$500 fee is nonrefundable, 401(k) Pro has created a full-featured demonstration copy of the plan administration software (customized to service a fictitious company's plan) and has made it available for free download from the 401(k) Easy website. The demo is also available on CD-ROM, which can be ordered through the website or by calling (800) 660-0050.

The Competition

Fidelity and others have recently introduced web-based 401(k)s marketed toward small businesses, but none offer the combination of affordability, investment flexibility and control found in 401(k) Easy™. In addition, these plans use the web basically as a portal for transmitting information, which is then processed in a fairly traditional manner by the vendor at the other end rather than instantaneously by the employer as with 401(k) Easy™.

In Development: 401(k) Easy™ Online

Potential branding and co-branding arrangements with key financial institutions are being explored for online versions of 401(k) Easy™ self-service plan administration. Chosen institutions will each house a customized version of 401(k) Easy™ within their websites for use by their new and existing small business 401(k) clients. Each version will suit its host's particular site design and offer its host's lineup of proprietary investments/self-directed discount brokerage accounts.

401(k) Easy™

- Customized 401(k) plans and run-it-yourself plan administration for small businesses
- Software-based plan administration takes small businesses just 10-15 minutes a month to execute
- Unsurpassed affordability: Price* is based solely upon plan size:

1-4 eligible employees	\$495 a year
5-15 eligible employees	\$695 a year
16-25 eligible employees	\$995 a year
26-50 eligible employees	\$1295 a year
51-75 eligible employees	\$1495 a year
76-100 eligible employees	\$1995 a year
101-125 eligible employees	\$2295 a year

126-150 eligible employees	\$2495 a year
151-175 eligible employees	\$2795 a year
176-200 eligible employees	\$2995 a year
more than 200 eligible employees	(please call for quote)

*Each plan also incurs a first-year-only, one-time plan and software customization fee of \$500.

- 60-day money-back guarantee on everything except investments and first-year-only setup
- Free technical support
- Matching contributions, participant loans, automatic enrollment and more are free options
- Extensive investment choice (self-directed discount brokerage accounts and/or no-load mutual funds from top names are available)
- Plan administration software has built-in safeguards against operating a plan in violation of federal regulations
- Customers receive updated plan administration software and companion materials every year; updates incorporate government regulatory changes as well as system upgrades
- Plan administration software runs on Windows® 2000, 98, 95 and NT systems

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