

General Comment:

Guidant Financial Group, Inc. is a company that provides recordkeeping services to approximately 2,500 small employers who sponsor 401(k) plans. Our comment is that the final regulation needs to clarify the scope of "indirect compensation or fees" as referenced in section 2550.408b-2(c)(1)(C) to address the following scenarios.

Guidant provides certain services directly to the employer, not the plan. For example, Guidant provides a payroll service to which the employer can subscribe. The fees for the payroll service are paid by the employer out of corporate operating funds and are not paid from plan assets in any way. We are also in the process of developing a product to provide written business plans for these employers to use when seeking financing arrangements from banks or other lenders. Again, the fees for these business plans would be paid by the employer directly and not from plan assets.

Do fees received directly from the plan sponsor/employer for such services that are not related to the plan, and are not paid from plan assets, constitute "indirect compensation or fees" that fall within the disclosure requirements?

Thank you.

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