

CARLSMITH BALL LLP

A LIMITED LIABILITY LAW PARTNERSHIP

134 WEST SOLEDAD AVENUE
BANK OF HAWAII BLDG., SUITE 401
HAGATÑA, GUAM 96910
TELEPHONE 671.472.6813 FAX 671.477.4375
WWW.CARLSMITH.COM

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DATE: December 23, 2009

TO:	Name	Fax No.	Phone No.
	Ms. Doris F. Brooks Public Auditor Office of the Public Accountability	472-7951	475-0390
cc:	Paula Blas, Director Government of Guam Retirement Fund	475-8922	475-8900
cc:	William J. Blair, Esq. Blair Sterling Johnson Martinez & Leon Guerrero, P.C.	472-4290	477-7857

FROM: Martin C.O. Duenas
Legal Secretary to Maria Teresa B. Cenzon, Esq.

NUMBER OF PAGES INCLUDING THIS COVER SHEET: 3

CASE NAME: In the Appeal of ASC Trust Corporation
Appeal No. OPA-PA-09-010

CASE NUMBER: 039415-00028

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MESSAGE:

Please see attached letter of even date from Attorney Maria Teresa Cenzon regarding the above matter.

Thank you & Happy Holidays.

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134 WEST SOLEDAD AVENUE
HAGÁTÑA, GUAM 96932-5027
TELEPHONE 671.472.6813 FAX 671.477.4375
WWW.CARLSMITH.COM

DIRECT EXTENSION NO:
X304

MCENZON@CARLSMITH.COM

OUR REFERENCE NO.:
039415-00028

December 23, 2009

VIA FACSIMILE [472-7951]

Ms. Doris F. Brooks
Public Auditor
The Office of Public Accountability
Suite 401, DNA Building
238 Archbishop Flores Street
Hagåtña, Guam 96910

Re: In the Appeal of ASC Trust Corporation
Appeal No. OPA-PA-09-010
Analysis of Fee Proposals

Dear Ms. Brooks:

Transmitted herewith pursuant to your request during the December 21, 2009 hearing in the above-referenced matter, please find a chart analyzing the fees proposed by Great West Retirement Services, Inc. and ASC Trust Corporation, respectively.

Please do not hesitate to contact me if you have any questions regarding this matter. A copy of the analysis is also being provided to ASC through Mr. Bill Blair.

Sincerely,


Maria Teresa B. Cenzon

cc: Ms. Paula M. Blas, GGRF Director
William Blair, Esq., Blair Sterling Johnson, Martinez & Leon Guerrero, P.C.
4844-2418-6373.1

Government of Guam Retirement Fund
Analysis of ASC vs GreatWest Proposed Fees

Month	Total Plan Assets		Number of Participants		ASC Corporation				Great West (Pricing Option I)				Great West (Pricing Option II)		Great West (Current Contract)				
	a	b1	b2	b3	c	d	e	f	g	h	i	j	k	l	m	n	o	p	
1 Mar-08	\$169,466,000	9,043	488	9,531	\$1.33	12,676	0.00833%	\$14,117	\$14,117	\$40,909	\$490,911	\$2,833	\$2,833	\$61,790	\$741,480	0.30%	\$508,398	0.24%	\$406,718
2 Apr-08	\$177,182,000	9,085	484	9,569	\$1.33	12,727	0.00833%	\$14,759	\$14,759	\$42,245	\$506,943	\$2,833	\$2,833	\$61,942	\$743,304	0.27%	\$483,175	0.24%	\$425,237
3 May-08	\$180,167,000	9,102	480	9,582	\$1.33	12,744	0.00833%	\$15,008	\$15,008	\$42,760	\$513,119	\$2,833	\$2,833	\$61,994	\$743,928	0.27%	\$491,315	0.24%	\$432,401
4 Jun-08	\$171,836,000	9,123	480	9,603	\$1.33	12,772	0.00833%	\$14,314	\$14,314	\$41,400	\$496,798	\$2,833	\$2,833	\$62,078	\$744,936	0.30%	\$515,508	0.24%	\$412,406
5 Jul-08	\$171,492,000	9,085	476	9,561	\$1.33	12,716	0.00833%	\$14,285	\$14,285	\$41,287	\$495,440	\$2,833	\$2,833	\$61,910	\$742,920	0.30%	\$514,476	0.24%	\$411,583
6	\$300,000,000	9,500	500	10,000	\$1.33	13,300	0.00833%	\$24,990	\$24,990	\$63,280	\$759,360	\$2,833	\$2,833	\$63,666	\$763,992	0.27%	\$810,000	0.20%	\$600,000

1. ASC

- a. \$4 Per Participant Fee Quarterly = \$16 Annually = \$1.33 Monthly
- b. Custodial / Trustee Fees (0.025%) per quarter on all plan assets = 10 Basis Points Per Year = 833 BP (0.0833%) Per Month
- c. Investment Advisory Services 2.5 Basis Points (0.025%) per quarter on all plan assets = 10 Basis Points Per Year = 833 BP (0.0833%) Per Month

2. GreatWest (Option I)

- a. \$48 Per Participant Fee Annually = \$4 Per Month
- b. Local Staff and Communication Services Estimated at Approximately \$250,000 per year = \$20,833 Per Month
- c. \$34,000 Annual Fixed Fee = \$2,833 Per Month

Active Participants = Participants who are currently employed and have an ending account balance
Terminated Participants = Participants who terminated employment and have an ending account balance

3. GreatWest (Option II)

Revenues from investment options will be retained by GW to offset expenses of plan administration. Amounts collected in excess of the following % of variable assets will be paid to the Plan (GGPF):

Total Plan Assets	Excess Above Paid to Plan
Less than \$150 Million	33%
\$150 but less than \$175 million	30%
Greater than \$175 million	27%

Note: The above represents the maximum fee paid to ASC under Option II.

4. GreatWest (Current Contract)

Based on the current contract, GreatWest fees will be variable as follows

Total Plan Assets	Fee %
Less than \$300 Million	24%
\$300 Million or Greater	30%

As such, the Fees in Line 6 above, are based on estimated fees of \$300 M, and an increase of approximately 5% in total participants

Message Confirmation Report

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