



1-800-660-0050

www.401kenginuity.com

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I. Introduction

Empower... your 401k business with 401k Engenuity: the online, highly automated 401k system branded as your own, fueled with the investments of your choosing, and capable of concurrently offering 401k plans that clients use 401k Engenuity to run themselves as well as 401k plans that your personnel use 401k Engenuity to run for clients.

Monitor... each plan's sponsor and participant activity via integrated 401k Engenuity Provider, Sponsor, and Participant functions — each professionally customized to the capabilities you and the particular 401k client request.

Present... your staff and 401k clients with plan administration and participation accessible and fully operational with instantaneous processing 24 hours a day, seven days a week from any location connected to the Internet.

Reduce... your administrative labor costs by using such a highly automated, efficient yet easy to use online system. Slash costs by 50% or more when you use 401k Engenuity to grant your 401k clients self-service 401k plan administration — which most small businesses can perform in less than 15 minutes a month.

Offer... the investments of your choosing. Include your proprietary offerings and/or self-directed brokerage accounts, if desired — and keep 100% of any asset-based fees (and any other revenue you generate via 401k Engenuity).

Attract... large and small 401k clients with affordably priced, full-featured, flexible 401k plans that funnel 401k contributions into the investments you choose to list within the system.



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II. Key Benefits of Using 401(k) Engenuity

(1) Introduction...

(1) Introduction

401k Engenuity is a completely online, highly automated, powerful, integrated, yet easy-to-use 401k setup, maintenance, administration and participation system accessible via any of today's popular Web browsers (Internet Explorer, Netscape, and AOL among them) from any computer platform (PC, Macintosh, Unix, Kiosk).

(2) Extremely Low Overhead

-- Investment brokers, banks, third party administrators, investment providers, insurance companies, payroll services and others can license a 401k Engenuity system to power their 401k operations.

(3) Employer-run "Self-service" Plan Administration Capabilities

-- 401k Engenuity is presented to the public as the licensed Provider's — that is, branded with a name of the Provider and bearing the Provider's corporate "look". Go to 401k Engenuity Customization for details.

(4) Provider-run "Full-service" Plan Administration Capabilities

-- 401k Engenuity is priced very competitively. Licensed Providers pay 20 percent to 60 percent less per plan, per participant, than with other enterprise-level defined contribution pension administration platforms.

(5) Self-service Plan Participation

(6) Customization Capabilities to Provider as well as Each Plan Sponsor

-- A licensed Provider is free to use 401k Engenuity in any way it sees fit — and to charge its clients any fees it sees fit, while retaining all asset-based and administration-based fees generated; Easytec Systems, Inc. does not participate in any revenue sharing with licensed 401k Engenuity Providers.

(7) Universal Access

(8) Online Help System

(9) Database Independence

(10) Scalability

-- 401k Engenuity enables a licensed Provider to concurrently offer completely web-based, full-service as well as self-service/run-it-yourself 401k plans, and allows the Provider to set the administrative scheme on a client-by-client, plan-by-plan basis (i.e., a single client can have multiple plans to the extent allowed by law, and designate either a "full-service" or "self-service" administrative scheme for each plan).

(11) Industrial-Calibre Security

(12) Flexible Training

-- 401k Engenuity self-service administration is a low-overhead, quickly-implemented way for a Provider to attract small business clients. It frees the licensed Provider from virtually all day-to-day administrative activity and overhead, yet is highly marketable because most small businesses can handle their own 401k Engenuity plan administration in less than 15 minutes a month.

-- The Provider's clients who select 401k Engenuity's unique self-service approach receive 24 hour a day access to their plan-specific, self-serve administration controls from any location connected to the Internet. All plan processing is done online, INSTANTANEOUSLY (rather than submitted online, pulled down and processed by Provider's back-office personnel, then put back online, often days, not seconds, later).

II. Key Benefits of Using 401(k) Engenuity

(1) Introduction

-- Clients' employees have 24 hour a day access to participation and management of their personal 401k accounts from any Internet connection. Visit the Plan Participant Gateway for more details.

(2) Extremely Low Overhead

-- 401k Engenuity full-service administration is a highly efficient means for a Provider to run full-service 401k plans of any size, and simultaneously cut staffing overhead using 401k Engenuity's many automated features.

(3) Employer-run "Self-service" Plan Administration Capabilities

(4) Provider-run "Full-service" Plan administration Capabilities

-- With 401k Engenuity, the licensed Provider chooses the investments (proprietary or other) to be made available to its 401k clients. One hundred percent of any investment fees/commissions are retained by Provider (or other applicable party if Provider is offering investments from an outside source) and not subject to revenue sharing arrangements with Easytec Partners, Inc.

(5) Self-service Plan Participation

(6) Customization Capabilities to Provider as well as Each Plan Sponsor

-- 401k Engenuity 401k plans are highly flexible and allow for today's most popular 401k options, including participant-directed brokerage accounts.

(7) Universal Access

-- 401k Engenuity automatically customizes each 401k plan and its plan administration operations to the specifications the client chooses within the Plan Setup Wizard. The Wizard explains each of the options the Provider has chosen to make available to its clients and records the client's designations; see below, or visit the 401k Engenuity Customization page for details.

(8) Online Help System

(9) Database Independence

(10) Scalability

(11) Industrial-Calibre Security

(12) Flexible Training

401k Engenuity's plan administration functions are greatly expanded upon versions of capabilities available within the premier run-it-yourself 401k desktop software, 401(k) Easy, (www.401k-easy.com) and web-based 401k Easy Online (www.401k-easy-online.com) developed by an affiliated company. Remember--- the 401(k) Easy software only addresses one aspect of 401k Engenuity capabilities — plan administration — and its capabilities in even that area are far less expansive than this online ASP version.

(2) Extremely Low Overhead...

401k Engenuity allows for self-service as well as full-service 401k operation at low startup and overhead costs

-- "Start up costs" are simply the one-time system setup fee plus the annual capacity fee. At most, this equates to a small fraction of the revenues that can be generated for Plan Providers who implement 401k Engenuity systems. Both the one-time set-up and annual license fees are directly tied to the aggregate number of participants the Plan Provider intends to service globally across all plans — Provider only buys what is needed to manage the current book of 401k business, and can change capacity at will.

-- Easytec handles all system customization to achieve the Provider's corporate "look." (Please see below or 401k Engenuity Customization for details.)



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II. Key Benefits of Using 401(k) Engenuity

(1) Introduction

-- Provider 401k plan setup labor is minimal because clients can design, order and purchase their 401k plans online via the 401k Engenuity online order form. Submissions are automatically and immediately forwarded to Provider personnel to review and amend with the client, as needed, via the system's Provider Gateway.

(2) Extremely Low Overhead

(3) Employer-run "Self-service" Plan Administration Capabilities

-- Plan administration via 401k Engenuity is so highly automated that a small business plan can easily be run — whether by the Plan Sponsor or Provider personnel — in less than 15 minutes a month. Even large plans take a fraction of the time and effort customarily demanded.

(4) Provider-run "Full-service" Plan administration Capabilities

(5) Self-service Plan Participation

-- Data for end of year tax reports is automatically compiled for each client. The Provider can use the data output to generate signature-ready tax forms, or have clients complete the forms themselves via 401k Engenuity's online 401k Tax Form Preparation Website.

(6) Customization Capabilities to Provider as well as Each Plan Sponsor

-- Completely online, 100% live, highly-automated plan-specific 401k administration means Providers can use 401k Engenuity to offer even the smallest of small businesses (including one-person 401k plans!) extremely affordable yet high quality 401k plans featuring investments of the Provider's choosing, and self-service plan administration.

(7) Universal Access

(8) Online Help System

(9) Database Independence

-- Because 401k Engenuity license fees are a function solely of the total number of eligible employees potentially served by Provider's licensed system and have no relation to the number of 401k plans serviced, a myriad of small plans costs a Provider no more than a single large one. (Visit Pricing for details.)

(10) Scalability

(11) Industrial-Calibre Security

(12) Flexible Training

(3) Employer-run "Self-service" Plan Administration Capabilities...

401k Engenuity self-service plan administration is hands-off luxury for the licensed Provider because (at the Provider's discretion) the end-user client can handle virtually ALL administrative duties itself from any location connected to the Internet.

-- Each client's Plan Sponsor Gateway and all the plan administration functions and controls housed therein are automatically customized to the exact features and specifications of their company's 401k plan. For instance, if a client chooses not to offer 401k loans, no mention of 401k loans appears in the client's Plan Sponsor Gateway (or Plan Participant Gateway).

-- System customization includes the option for the licensed Provider to have 401k Engenuity require Provider approval before designated self-service plan administration (and/or participation) activity(ies) can be implemented.

II. Key Benefits of Using 401(k) Engenuity

- (1) **Introduction**
 - Self-service plan administration is particularly marketable to small businesses, which typically can run their 401k plans via 401k Engenuity in less than 15 minutes a month.
 - (2) **Extremely Low Overhead**
 - Access is user-name and password protected; enterprise-level security features and safe-guards are standard throughout.
 - (3) **Employer-run "Self-service" Plan Administration Capabilities**
 - The licensed Provider can observe, override and suspend activity at any time.
 - (4) **Provider-run "Full-service" Plan Administration Capabilities**
 - Self-service clients maintain their own company and employee records.
 - (5) **Self-service Plan Participation**
 - Self-service clients define their plan's investments from the selection the licensed Provider has chosen to offer (then, within the Plan Participant Gateway, plan participants designate the investments to which they want 401k contributions directed in and what amounts).
 - (6) **Customization Capabilities to Provider as well as Each Plan Sponsor**
 - Self-service clients process, approve, and administrate plan activity themselves, including contributions, distributions, transfers, and loans.
 - (7) **Universal Access**
 - (8) **Online Help System**
 - 401k Engenuity generates activity reports, forms, and statements directly for the self-service clients.
 - (9) **Database Independence**
 - Self-service clients create and edit their own Bulletins for display on plan participants' log in pages.
 - (10) **Scalability**
 - (11) **Industrial-Calibre Security**
 - Self-service clients (at Provider's discretion) cue 401k Engenuity to run IRS compliance tests whenever desired. Possible tests include 402(g), 401(k), 401(m), 415, Multiple Use Tests, Top Heavy Tests, Coverage Tests, and Compensation Tests. 401k Engenuity "knows" which tests are applicable to any given 401k plan based on encoded criteria.
 - (12) **Flexible Training**
 - 401k Engenuity's One-Click Compliance Wizard calculates compliance test results for the Plan Sponsor (or Plan Provider, if applicable) at a click of a mouse based on prevailing federal regulations.
- (4) Provider-run "Full-service" Plan Administration Capabilities...**
- 401k Engenuity gives licensed Providers the option of having authorized Provider personnel handle 401k administrative duties for clients.
- In such full-service plans, applicable 401k Engenuity plan administration functions can be hidden within the Plan Sponsor Gateway to any degree desired. For instance, Provider and client might choose to keep certain data submission functions accessible to client but have all processing, report and participant statement generation, participant request review, etc. functions invisible to the Plan Sponsor and visible to and operational by authorized Provider personnel only.



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II. Key Benefits of Using 401(k) Engenuity

(1) Introduction

-- 401k Engenuity's extremely flexible client billing system makes it easy for the Provider to set variable prices for each plan and charge each client for exactly the services rendered, making it possible to accurately bill for varied service levels of plan administration.

(2) Extremely Low Overhead

(3) Employer-run "Self-service" Plan Administration Capabilities

401k Engenuity plan administration — whether operated by Plan Sponsor or Provider personnel — is highly automated, plan specific and designed to be operable by even the most 401k-uninitiated, allowing Provider to keep labor costs down even in full-service 401k administration situations.

(4) Provider-run "Full-service" Plan Administration Capabilities

(5) Self-service Plan Participation

(5) Self-service Plan Participation...

401k Engenuity online plan participation means "hands-off" luxury for the Provider, minimized work for the plan administrator (whether Plan Sponsor or Provider personnel), and convenience for plan participants.

(6) Customization Capabilities to Provider as well as Each Plan Sponsor

-- The Provider can stay completely out of day-to-day plan operations and participation activity— yet has the freedom to monitor and/or get involved in activity at any time.

(7) Universal Access

(8) Online Help System

-- System and per-plan customization includes the option for the licensed Provider (and, if so designated, Plan Sponsor) to have 401k Engenuity require Provider and/or Plan Sponsor approval before any so-designated self-service plan participation activity(ies) can be implemented. 401k Engenuity then automatically notifies the relevant party(ies) immediately regarding relevant activity via both internal and external e-mail messaging.

(9) Database Independence

(10) Scalability

-- Self-service clients' plan administration workload is greatly diminished from what a client might at first anticipate it to be, because plan participants "help themselves" to enrolling in the plan online, updating personal information and investment designations, reviewing and printing activity reports and account statements, modeling and/or submitting 401k loans, transfer and distribution requests, and more. 401k Engenuity immediately notifies the relevant party via e-mail of all relevant transaction requests and account activity designated as requiring that party's approval.

(11) Industrial-Calibre Security

(12) Flexible Training

-- Plan participants never have to bother their in-house plan administrator (or the Provider) for routine account information updates, for instance. Instead, they update personal information themselves, online, at their leisure. Participants can amend their address, telephone number(s), disbursement preferences, passwords, and more. 401k Engenuity immediately notifies the plan administrator via e-mail of any changes, and all approved updates are instantaneously available system wide

Visit the Plan Participant Gateway pages for further details.

II. Key Benefits of Using 401(k) Engenuity

(6) Customization Capabilities for Provider as well as Provider's Clients...

- (1) Introduction
- (2) Extremely Low Overhead
- (3) Employer-run "Self-service" Plan Administration Capabilities
 - The Provider selects the name and color palette by which 401k Engenuity will be presented to the public.
- (4) Provider-run "Full-service" Plan Administration Capabilities
 - The Provider sets the investments (proprietary or other, including self-directed brokerage accounts) to be available through its licensed 401k Engenuity.
- (5) Self-service Plan Participation
 - The Provider establishes any fees it wants 401k Engenuity to bill clients, with fees being variable on a client by client, plan by plan, transaction by transaction basis (see 401k Engenuity Features for details)
- (6) Customization Capabilities to Provider as well as Each Plan Sponsor
 - The Provider can choose to restrict or exclude any of the plan customization options available to clients.
- (7) Universal Access
 - Once 401k Engenuity is set up, there is no extra charge for including or excluding any options, a savings Providers can easily pass on to clients.
- (8) Online Help System
 - The Provider's clients choose the investments and plan options (eligibility parameters, automatic enrollment options, loan options, etc.) the Provider has chosen to make available.
- (9) Database Independence
- (10) Scalability
- (11) Industrial-Calibre Security
- (12) Flexible Training

(7) Universal Access...

If you and your clients can get on the Internet, you can use 401k Engenuity:

- 401k Engenuity is accessible from PC, Macintosh, Unix, and Kiosk computers.
- 401k Engenuity is accessible via any of today's popular web browsers, including Internet Explorer, Netscape and AOL.
- 401k Engenuity is fully operational 24 hours a day, seven days a week, with all functions "live" all the time. Providers and their clients can not only view and submit data at any time, but 401k Engenuity INSTANTANEOUSLY processes all requests and submissions, regardless of the time of day or day of the week.

II. Key Benefits of Using 401(k) Enginuity

- (1) **Introduction**

-- 401k Enginuity is highly automated and customized to both the licensed Provider's specifications and each of Provider's 401k clients, making it easily useable by even the most 401k uninitiated.
- (2) **Extremely Low Overhead**

-- 401k Enginuity is designed to quickly connect and integrate with virtually all Voice Response Units (VRUs), wireless software applications and application service providers (ASPs). The licensed 401k Enginuity Provider selects the VRU and/or wireless solution best suited to its needs.-- 401k Enginuity is fully operational 24 hours a day, seven days a week, with all functions "live" all the time. Providers and their clients can not only view and submit data at any time, but 401k Enginuity INSTANTANEOUSLY processes all requests and submissions, regardless of the time of day or day of the week.
- (3) **Employer-run "Self-service" Plan Administration Capabilities**

Please go to Usage Specifications for further technical advantages of using a 401k Enginuity to power your retirement plan business.
- (4) **Provider-run "Full-service" Plan Administration Capabilities**

(8) Online Help System...
401k Enginuity' online Help system means Provider personnel and clients receive context-sensitive help at any time.
- (5) **Self-service Plan Participation**

-- 401k Enginuity Help opens up to the section pertaining to the section of 401k Enginuity from which the user clicked on the Help icon, with links to related topics as well as an index.
- (6) **Customization Capabilities to Provider as well as Each Plan Sponsor**

-- Neither Plan Sponsors nor individual plan participants need ever contact the licensed Provider with questions about how to use the system, increasing customer satisfaction and further reducing overhead the Provider might otherwise experience.
- (7) **Universal Access**

-- Included in online Help is definition of 401k terms and features as well as system help.
- (8) **Online Help System**

Please go to Provider and End-user Specs for further technical advantages of using 401k Enginuity to power your retirement plan business.
- (9) **Database Independence**

(9) Database Independence...
Because 401k Enginuity was developed in Java, it is database independent across most major SQL databases including Oracle, SQL Server, DB2, Sybase, and MySQL.
- (10) **Scalability**

-- Business rules are encapsulated within server-side objects residing on the server, eliminating the need for database-specific structures such as triggers, stored procedures and cascading relationships.
- (11) **Industrial-Calibre Security**

Please go to Provider and End-user Specs for further technical advantages of using 401k Enginuity to power your retirement plan business.
- (12) **Flexible Training**

II. Key Benefits of Using 401(k) Engenuity

- (1) Introduction**
- (2) Extremely Low Overhead**
- (3) Employer-run "Self-service" Plan Administration Capabilities**
- (4) Provider-run "Full-service" Plan Administration Capabilities**
- (5) Self-service Plan Participation**
- (6) Customization Capabilities to Provider as well as Each Plan Sponsor**
- (7) Universal Access**
- (8) Online Help System**
- (9) Database Independence**
- (10) Scalability**
- (10) Scalability...**

401k Engenuity is completely scalable --from a one-person 401k to a plan with thousands of participants.

-- 401k Engenuity can be run on a single server or across a cluster of multiple servers, as appropriate.

-- 401k Engenuity can service anywhere from one to an unlimited number of eligible employees disbursed among an unlimited number of plans and plans per client.

Please go to Provider and End-user Specs for further technical advantages of using 401k Engenuity to power your retirement plan business.
- (11) Industrial-Calibre Security**
- (11) Industrial-Calibre Security...**

Because 401k Engenuity delivers only simple HTML content to browsers, there is never any access by outside parties to secure data residing on the server.

-- The system does not store ANY sensitive data on the client side; all data resides on the server-side.

-- Because all key data and processing are handled by secure objects residing on the server, client connections never have direct database access and are never provided with the location of databases or sensitive data.

Please go to Provider and End-user Specs for further technical advantages of using 401k Engenuity to power your retirement plan business.
- (12) Flexible Training**
- (12) Flexible Training...**

Easytec offers 401k Engenuity Providers a selection of training options, each completely optional, reasonably priced and geared to the Provider's specific needs.

-- Because 401k Engenuity is highly automated and its management options are intuitively laid out, 401k Engenuity Providers require far less training than with other enterprise-level pension administration systems.

-- Training is available in web-based sessions, on-site sessions, and one-day seminars held in major metropolitan areas. Fees are contingent upon the training option selected and the number of persons the Provider enrolls. Please contact us for details. In most cases training can be done via telephone-based training sessions.

III. 401(k) Enginuity System Features

(1) Introduction...

(1) Introduction

401k Enginuity means highly automated, powerful, integrated, yet easy to use 401k setup, maintenance, administration and participation centers housed completely on the Web and accessible via any of today's popular Web browsers (Internet Explorer, Netscape, and AOL among them) via any of the primary computer platforms (PC, Macintosh, Unix, Kiosk).

(2) General System Features

(3) Client Setup and Maintenance

-- 401k Enginuity is presented to the public as the licensed Provider's — that is, under the Provider's name, with the Provider's corporate "look" and with the product name of the Provider's choosing. Please go to 401k Enginuity Customization for details.

(4) Contribution Processing

(5) Loan Processing

-- 401k Enginuity means the licensed Provider chooses the investments to be made available (proprietary or other), with 100% of any applicable investment fees/commissions going to the Provider (or other party so designated by the Provider).

(6) Distribution and Transfer Processing

(7) Investment Income Processing

-- A licensed Provider can use 401k Enginuity to offer 401k clients completely web-based full-service or self-service 401k plan setup and administration — can even set the administrative scheme on a client-by-client basis all under a single Enginuity license (see Pricing for licensing details).

(8) Creating and Communicating Fees

-- 401k Enginuity plan administration is highly automated and customized to the exact plan being serviced, whether by Provider or business client, always making for quick and efficient 401k plan administration

-- 401k Enginuity's unique self-service approach to 401k administration uses a combination of automation plus the client's in-house personnel, essentially eliminating the high costs inherently delivering 401ks to small companies. By significantly cutting the labor overhead component of the equation, Plan Providers have a powerful new channel for marketing their recordkeeping services and investments to this enormous (yet woefully under-served and under-developed) small plan market — at fees small business owners can afford. (The U.S. Department of Labor estimates approximately 80% of businesses with fewer than 100 employees do not have 401k plan; high relative cost was cited as the single most significant factor by the business owners.)

-- 401k Enginuity self-service plan administration frees the licensed Provider from virtually all day-to-day administrative activity yet grants the Provider complete oversight and hands-on capabilities that can be used at any time. Most small business clients can handle their own 401k plan administration in less than 15 minutes a month with a little 401k Enginuity.

-- 401k Enginuity costs less per eligible participant per year than competing enterprise-caliber 401k plan administration systems, and the unit cost per participant drops as more capacity is licensed (please see Pricing for details). Providers can use 401k Enginuity to offer extremely affordable self-service 401k plans and/or competitively priced full-service 401k plans.

III. 401(k) Engenuity System Features

(1) Introduction

- 401k Engenuity 401k plans offer full-service and self-service clients alike access to today's most popular 401k options and services; see Customization for details.

(2) General System Features

(2) General System Features...

(3) Client Setup and Maintenance

401k Engenuity is lightning fast and powerful, yet easy to interact with and use. Functions and capabilities are divided among three web portals (herein called Gateways): the Plan Sponsor Gateway, the Plan Participant Gateway and the Provider Gateway (which also allows access in to the other Gateways as well as housing additional functions).

(4) Contribution Processing

(5) Loan Processing

Overall system features include:

(6) Distribution and Transfer Processing

-- Pages that load in seconds, even on low bandwidth, dial-up connections. Please go to 401k Engenuity Usage Specs for details.

(7) Investment Income Processing

-- User-defined data archival periods, wherein the licensed Provider and its clients can define the number of days they want 401k Engenuity to keep detailed information "live". For example, if 90 days of information are kept "live", the system automatically moves all prior activity to an archived database and posts starting totals (by fund, by source) to the "live" table to keep balances accurate.

(8) Creating and Communicating Fees

-- Archived data accessible through all three Gateways.

-- Capacity for an unlimited number of user-defined money sources.

-- Capacity for an unlimited number of investment options (Provider sets the master investments list, from which each client chooses its plan investment options, to which each participant chooses the investment(s) to direct his/her 401k contributions).

-- Capacity for an unlimited number of records, including unlimited clients, unlimited plans for each client, and unlimited employees for each plan.

-- A detailed audit trail of all changes made to the database, including the date and time a change was made, the user who entered the change, the effect of the change, and the type of change made.

-- Money acceptance by check, money order, wire transfer, or debit to the client's savings/checking account with Provider (if Provider is a financial institution).

-- Adjustments calculated based on corrections.

-- Provider discretion over posting or not posting adjustments.

-- Integration capabilities with outside systems, including VRU, Scanner/Form Input, and more.

III. 401(k) Enginuity System Features

- (1) **Introduction**
 - Reconciliation tools to reconcile with the external trust system and produce necessary variance/exception reports, wherever possible (subject to possible limitations within the trust system).
- (2) **General System Features**
- (3) **Client Setup and Maintenance**
 - An Online Help system that provides context-sensitive help to both self-service and full-service clients and personnel. Each display template has a help icon in the upper right hand corner. Clicking the icon brings up context-sensitive help for the template being used. Links to related topics are provided within the help text.
- (4) **Contribution Processing**
- (5) **Loan Processing**
 - Capable of using multiple trust accounts, with each client assigned to a predefined trust account, and each trust account reconciled individually.
- (6) **Distribution and Transfer Processing**
- (3) **Client Setup and Maintenance...**
 - 401k Enginuity brings unprecedented speed and ease to maintenance of clients' accounts because so much functionality is automated to the parameters chosen by the Provider for the overall system, then further narrowed by each client's choices for its particular 401k plan.
 - The system places only legally-imposed limits, if any, on the number of qualified plans a single employer can sponsor.
 - The system places only legally-imposed limits, if any, on the number of employees that can enroll in any particular plan.
 - Employees can participate in multiple plans simultaneously (within legal limits). 401k Enginuity monitors each employee's activity on a per-plan and cumulative basis.
 - Self-service clients can add, update, and delete (more accurately, disable from participation) employee information themselves at any time through the Plan Sponsor Gateway.
 - 401k Enginuity allows for flexible plan years, including short plan years, defined on a plan-by-plan basis.
 - 401k Enginuity allows for flexible payroll cycles defined on a plan-by-plan basis.
 - Plan Sponsors define the investments they want to make available to plan participants from the spectrum of investments the Provider has elected to offer, including proprietary investments and/or self-directed brokerage accounts.
 - 401k Enginuity automatically identifies highly compensated employees based on published parameters, and integrates the information into its IRS compliance testing functions, which can be run — in seconds — as often as the user (whether self-service employer personnel or full-service Provider personnel) desires.
- (7) **Investment Income Processing**
- (8) **Creating and Communicating Fees**

III. 401(k) Engenuity System Features

- (1) **Introduction**
 - 401k Engenuity has a predefined import filter for initial import and setup of employee records.
 - (2) **General System Features**
 - (3) **Client Setup and Maintenance**
 - (4) **Contribution Processing**
 - 401k Engenuity's industry-standard file formats enables information to be imported during a plan take over/conversion. Formats allow for conversion of, among other categories: Balances by Source and Fund; Investment Elections; Year-to-Date Contributions (by Source); Year-to-Date Compensation; Year-to-Date Hours; Cumulative Contributions; Cumulative Distributions; Vested Percentage by Source; After-tax Basis (Frozen 88 and Post 88 Contributions); Hardship Basis (Frozen 88 and Post 88 Contributions); Life to Date Withdrawals and Hardship Basis Net of Withdrawals; Employee Biographical Information (including important dates); Pending Loans (all necessary parameters).
 - (5) **Loan Processing**
 - (6) **Distribution and Transfer Processing**
 - 401k Engenuity gives Provider personnel the option of enabling and disabling features and options available to clients on a plan-by-plan basis. Disabled features are completely invisible to end-users rather than dimmed or otherwise left visible but non-functioning, so clients and their employees never feel cheated in seeing features that aren't available in their particular plan.
 - (7) **Investment Income Processing**
 - (8) **Creating and Communicating Fees**
 - 401k Engenuity means the licensed Provider can define and post fees on a per client, per plan, per transaction basis.
- (4) Contribution Processing...**
- 401k Engenuity grants licensed Providers and their clients powerful yet easy-to-use contribution processing functions, including:
- Six predefined contribution columns (money sources), three predefined loan payment columns, and four predefined compensation columns (Profit Sharing Compensation, Matching Compensation, Testing Compensation, 404c Compensation) for regular processing.
 - The ability to process "special allocations" at any time for any money source.
 - A built-in "Matching Calculator" to automatically calculate any employer matching amounts based on Matching Compensation.
 - A built-in "Profit Sharing Calculator" to automatically calculate any profit sharing amounts based on Profit Sharing Compensation.
 - The ability to upload contribution, loan, and compensation data (using a predefined import file format) directly through the Web interface.
 - Validation checking with automatic generation of an error/exception report.
 - Flexible contribution system with the ability to do general contribution processing at any time.



III. 401(k) Engenuity System Features

- (1) Introduction -- The ability to process negative amounts. (Negative amounts do not automatically generate disbursements.)
 - (2) General System Features -- Contribution processing automatically held until money is deposited into the trust account and validated through SEI — with manual override provided to Provider Service Representatives.
 - (3) Client Setup and Maintenance
 - (4) Contribution Processing -- The ability to generate an export file to a trading platform and/or asset custodian system and to import and process trade confirmation information from that system.
 - (5) Loan Processing
 - (6) Distribution and Transfer Processing -- The storage of all necessary information for processed allocation records including PlanID, EmployeeID, FundID, TransactionID, LoanID (for loan related activity), NAV, Source, and As Of or Effective Date, Trade Date, Settlement Date, Amount, Shares, and Description.
 - (7) Investment Income Processing
 - (8) Creating and Communicating Fees
- (5) Loan Processing...**
- 401k Engenuity grants licensed Providers and their clients powerful yet easy-to-use, self-service and/or full-service loan processing functions:
- 401k Engenuity allows for up to three concurrent, independent loans per participant per plan.
 - 401k Engenuity automatically calculates available loan amounts.
 - Loans are set up using the following key criteria: Principal amount, Duration, Interest Rate, and Payroll Frequency.
 - Loan fees are included in APR calculation.
 - Loan payments are automatically allocated between principal and interest portions.
 - Normal repayments, negatives, partial payoffs, and complete payoffs can be accommodated.
 - Loan re-amortization is made based on changes in duration or pay frequency.
 - Loan delinquency reports are generated, with e-mail notifications sent to the Plan Administrator and employee/participant.
- (6) Distribution and Transfer Processing...**
- 401k Engenuity grants licensed Providers and their clients powerful yet easy-to-use, self-service and/or full-service plan distribution and transfer processing functions:

III. 401(k) Engenuity System Features

- (1) Introduction** - 401k Engenuity automatically calculates amounts available for distribution, taking into account pertinent factors such as outstanding loan amounts and vested account balances.
 - (2) General System Features**
 - (3) Client Setup and Maintenance** -- Transfer and distributions are limited by Fund/Source activity.
 - (4) Contribution Processing** -- Spousal consent is determined by the Plan Administrator when approving distribution requests.
 - (5) Loan Processing** -- 401k Engenuity generates an export file for the asset trading platform and check writing systems (if applicable), and imports and processes trade confirmation information from those systems.
 - (6) Distribution and Transfer Processing** -- 401k Engenuity automatically processes residual distributions and transfers.
 - (7) Investment Income Processing** -- 401k Engenuity splits distributions with a portion as cash and a portion as a rollover, with the ability for the rollover portion to be processed independently of the cash portion.
-- 401k Engenuity automatically notifies the designated plan administrator (whether that person be employed by the Plan Sponsor or Engenuity licensed Provider) via e-mail of any hardship suspensions.
-- 401k Engenuity allows transfers in the form of \$ to \$, % to %, \$ to %, and realignments. Transfers can be performed at the source level or for an entire account.
-- If an account is "Pending QDRO" the system displays a warning flag during distribution, transfer and loan activity.
 - (8) Creating and Communicating Fees**
- (7) Investment Income Processing...**
- 401k Engenuity grants licensed Providers powerful yet easy-to-use investment income processing functions:
- The system stores daily accrual and net asset value information, and allocates income when actually received by the asset custodian.
 - Dividends/income are allocated as of a basis date (ex-date) and at the individual plan level.
 - 401k Engenuity automatically generates residual distributions and transfers for income posted after a full distribution or transfer.
 - 401k Engenuity automatically corrects income allocations for individual participants based on corrections or adjustments made "as of" a prior date. If a correction reduces an actual income allocation, extra income is redistributed pro-rata to remaining shareholders.



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III. 401(k) Enginuity System Features

(1) Introduction

(2) General System Features

(3) Client Setup and Maintenance

(4) Contribution Processing

(5) Loan Processing

(6) Distribution and Transfer Processing

(7) Investment Income Processing

(8) Creating and Communicating Fees

(8) Creating and Communicating Fees...

401k Enginuity grants licensed Providers powerful yet easy-to-use, time-saving fees functions:

-- There is a flexible fee system through which Providers bill their clients, with the ability for the licensed Provider to automatically post fees defined per plan and per transaction.

-- Providers have the ability to export fee and transaction information (for use by its fee processing center, if any).

-- Fee statements are automatically e-mailed to the Plan Sponsor after approved by Provider personnel.

-- Providers have the ability to automatically generate distributions to cover client fees and charges based on an algorithm defined in 401k Enginuity's Provider customization options.

IV. Provider Gateway

(1) Introduction

(2) The Provider Gateway

(3) System Configuration Functions

(4) Client and Plan Management Functions

(5) Global Audit Log

(1) Introduction...

Entrance into 401k Engenuity for a licensed Provider and its clients occurs through three Gateways: the licensed Provider Gateway, the Plan Sponsor Gateway, and the Plan Participant Gateway. The exact features and capabilities accessible through each gateway depend on the customization options the licensed Provider and, subsequently, the Plan Sponsor and, subsequently, the eligible employee has chosen, respectively, for the system, plan, and individual 401k account.

This page explains features being built into the master 401k Engenuity Provider Gateway.

(2) The Provider Gateway...

The Plan Provider's Gateway allows the licensed Provider's personnel to:

- Approve and modify client and plan settings, including general information, fee structures, and available investments.
- Process plan corrections and adjustments.
- Review the "audit trail" of plan transactions and activity.
- Suspend a plan's operation.
- Maintain the offered spectrum of investments.
- Process and distribute investment income and dividends.
- Perform general system maintenance activities and review system logs.
- Perform any plan maintenance activities available through the Plan Sponsor Gateway.

Service Representative security privileges are validated upon login.

(3) System Configuration Functions...

The System Configuration panels enable the Provider's authorized personnel to navigate and update system settings. Functions pertain to:

- Users: Provider can add, delete and modify the security privileges of its authorized customer service and back-office personnel.
- Investments: Allows maintenance of the spectrum of investments offered by Provider. Investments appear within each client's Plan Sponsor Gateway and Plan Participation Gateway according to the subset of investments the client selects for its plan. Investment data includes, among other fields: investment name, investment type, abbreviation, ticker symbol,

IV. Provider Gateway

(1) Introduction

cusip, fund number, daily net asset value (editable by Provider), daily accrual factors (editable by Provider), and income posted to each investment (editable by Provider but validated against the asset custodian's records).

(2) The Provider Gateway

-- Prototype Plan: Provider can use Eastec's online order form in conjunction with Provider's preferred prototype plan documents..

(3) System Configuration Functions

(4) Client and Plan Management Functions

-- General: Includes system activation and deactivation, archival period, and setting of batch transmittal times

(5) Global Audit Log

(4) Client and Plan Management Functions...

Within the system's Client and Plan Management functions, Provider's authorized personnel can:

-- View a list of all plans in the system.

-- Review and update plan information, including the settings, activity, fees, pending transactions, corrections and adjustments thereof.

-- Jump to plan administration for a selected client's plan, with automatic entry through the Plan Sponsor Gateway if security privileges so authorize.

-- View and update client information.

-- Review plans submitted through the Plan Setup Wizard, review items with the client as needed, then approve or decline the plan for acceptance into the system.

-- Generate plan documents by having the Engenuity export relevant client and plan data, as captured by the Plan Setup Wizard. (Export file layout keyed to Provider's prototype plan document system.) Documents are transmitted to the client for approval, then the Provider's representative can open the plan-specific Plan Sponsor and Plan Participation Gateways.

-- View and apply detailed histories of plan activity, including contributions, liquidations, transfers, and distributions. Plan activity is listed as current or archived, depending on appropriate factors and choices made during processing

-- Establish, review, and update fee activity for client's plan(s). Fees can be processed through a predefined payment algorithm (algorithm used to determine which investments are liquidated to satisfy payment of fee), as defined by Provider, and fee information can be exported to Provider's Fee Processing Center, if any.

-- View and act upon pending transactions for the specified Plan, as listed in the Pending Transactions panel. Provider representatives can review transaction details (participant name, plan name, transaction type/description, etc.), see why a transaction is pending and, if desired, release the pending transaction for processing or cancel it. (A transaction might be pending, for example, because receipt of money by the trust system cannot be verified through the asset custodian interface.)



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IV. Provider Gateway

(1) Introduction

-- View and organize activity via the Plan Audit Log. Information can be sorted by date, range, user, participant name, transaction type, investment name or type, and/or source.

(2) The Provider Gateway

(3) System Configuration Functions

(4) Client and Plan Management Functions

(5) Global Audit Log

(5) Global Audit Log...

The Global Audit Log maintains a record of ALL activity performed throughout the system, including activities at the general system administration level.

-- Provider's personnel can search for information by client, plan, date range, plan administrator, participant, and/or transaction type.

-- Make corrective entries via the Corrections/Adjustments panels. The system calculates adjustment amounts for you based on the corrections, and the Service Representative can then choose to post or override the adjustments.

-- Access and use any plan administration functions available through the client's Sponsor Gateway.

V. Plan Sponsor Gateway

(1) Introduction

(2) The Plan Sponsor Gateway

(3) Plan Configuration Wizard

(4) Plan Configuration Functions

(5) Plan Administration Functions

(6) Forms and Reports

(1) Introduction...

Entrance into 401k Engenuity for a licensed Provider and its clients occurs through three web portals: the licensed Provider Gateway, the Plan Sponsor Gateway, and the Plan Participant Gateway. The exact features and capabilities accessible through each gateway depend on the customization options the licensed Provider and, subsequently, the Plan Sponsor and, subsequently, the eligible employee has chosen, respectively, for the system, plan, and individual 401k account.

This page explains features being built into the master 401k Engenuity Plan Sponsor Gateway.

(2) The Plan Sponsor Gateway...

The Plan Sponsor Gateway is the plan sponsor's pathway to 401k Engenuity's plan administration functions. It is accessible to both authorized Provider representatives as well as, to the degree that the plan is a self-service 401k, authorized Plan Sponsor personnel. (For instance, in fully self-service plans, all plan administration functions are active and accessible to authorized Plan Sponsor personnel, whereas in more full-service plans — ones in which the client is paying the Provider to handle the plan's administration — either the entire Gateway is hidden to anyone but authorized Provider representatives or perhaps just one or two of the most basic communication functions, such as Fees and Configure Bulletins, are apparent to authorized Plan Sponsor personnel.)

-- Access to all 401k Engenuity plan administration is user-name and password protected.

-- Functions are separated into two streams: plan configuration functions, which control overall plan information and operation parameters, and day-to-day plan administration functions, which power and monitor day-to-day administrative activity.

401k Engenuity's plan administration is a greatly expanded upon version of capabilities available within the premier run-it-yourself 401k desktop software, 401K Easy (www.401k-easy.com), and web based 401K Easy Online (www.401k-easy-online.com). Remember, 401(k) Easy only addresses one aspect of 401k Engenuity's capabilities — plan administration — and its capabilities in even that area are far less expansive than 401k Engenuity.

(3) The Online Plan Configuration Order Form...

401k Engenuity's Plan Configuration Form enables a Plan Sponsor — with or without the help of the licensed Provider — to customize its 401k plan within the options allowed within the IRS-approved prototype plan the licensed Provider has chosen to employ (go to System Provider Gateway, System Configuration Functions for details on the licensed Provider's prototype plan options). Data collected by the online order form is transmitted to the licensed Provider in a format conducive to speedy and accurate production of necessary documents and collateral materials.

V. Plan Sponsor Gateway

(1) Introduction

(2) The Plan Sponsor Gateway

(3) Plan Configuration Wizard

(4) Plan Configuration Functions

(5) Plan Administration Functions

(6) Forms and Reports

(4) Plan Configuration Functions...

401k Engenuity plan configuration functions include:

-- Configure Client: Allows authorized user(s) to view and edit the company name, address, tax ID number(s), etc. to be associated with the selected plan as well as to establish the Log Innames and Passwords authorizing entry to the plan's day-to-day administration functions.

-- Configure Bulletins: Enables authorized user(s) to create Bulletins that will be visible by each employee as they log into the system.

-- Configure Divisions: Enables authorized user(s) to create and modify Divisions to attach to employee data. Common Division categories include branch office locations and company departments (accounting, marketing, etc.).

-- Configure Employees: Enables authorized user(s) to add, delete, or modify data relating to company employees. Data can be displayed in terms of any of a variety of data fields, including established Divisions.

-- Fees: Enables authorized user(s) to access the list of fees the Provider Service Representative has posted to the Plan Sponsor's account. If the Plan Sponsor has more than one plan, fees are categorized by applicable plan. In self-service plans, authorized Plan Sponsor personnel handle all of the above; in full-service plans Provider representatives take care of things.

(5) Day-to-Day Plan Administration Functions...

401k Engenuity day-to-day plan administration functions include:

-- Plans: The ability to view and edit (as appropriate) a list of the Plan Sponsor's existing plan(s) with Provider and to model a new plan, if desired, for approval submission to a Provider Service Representative.

-- Transaction Log: Displays a list of transactions for the currently selected plan as well as the status of each transaction (pending, held, settled, etc.).

-- Participants: Leads into the main participant activity functions for the selected plan. The initial panel displays a list of plan participants and links to the Plan Participant Gateway for access to direct management of employees' accounts, including loan, transfer, and distribution activity.

-- Investments: Displays the investments (including self-directed brokerage accounts, if any) currently offered within the selected plan. Investments can be any subset (including the complete set) of investments the Provider has chosen to have its licensed 401k Engenuity offer 401k clients.

V. Plan Sponsor Gateway

(1) Introduction

(2) The Plan Sponsor Gateway

(3) Plan Configuration Wizard

(4) Plan Configuration Functions

(5) Plan Administration Functions

(6) Forms and Reports

-- Process Contributions: Allows the authorized user(s) to process regular as well as "special" contributions, such as transfers from a previous employer's 401k plan. Contribution payroll information can be uploaded from a text file directly into the processing grid. The system will perform automatic validation checking and report any errors or rule violations encountered in the data.

The authorized user(s) can do all plan processing at once or save data and continue working with it later.

In self-service plans, once data is submitted for processing, it is held by the system until verification of funds is received through the asset custodian or released by a Provider Service Representative

-- Participant Loans, Transfers, and Distributions: Accessed through the Plan Participant Gateway, the Loans, Transfers and Distributions panel displays a list of pending loan, distribution, and transfer requests submitted by plan participants. Authorized plan administration user(s) can approve or deny the requests, and can also model new loans, distributions, and transfers for plan participants.

In addition, authorized plan administration user(s) can key in loan payoffs, partial payoffs, and amortizations. In the case of payoffs or partial payoffs within self-service plans, transactions remain in "Pending" status until verification of funds is received from SEI or until specifically released by an authorized Provider Service Representative

-- Activity: Accessed through the Plan Participant Gateway, the Activity panel displays a detailed list of buy/sell activity for all participants of the selected plan. Data can be filtered by date range, participant, investment name, and source.

In self-service plans, authorized Plan Sponsor personnel handle all of the above; in full-service plans, Provider representatives run these day-to-day administration functions.

(6) Forms and Reports...

401k Engenuity Forms and Reports functions include:

-- Viewing and printing forms relating to activity in the plan. Forms include, among many others, enrollment, loan request, and request for investment statements being sent to more than one address.

-- Viewing, printing, and generating any of a variety of administration reports, including contribution statements for participants, allocation logs, and ERISA 404c compliance logs (which list, among other things, fulfillment of information requests to eligible employees).

In self-service plans, authorized Plan Sponsor can access and generate the above; in full-service plans, Provider representatives take care of things.

VI. Plan Participant Gateway

(1) Introduction

(2) The Plan Participant Gateway

(3) Participants Update Information Themselves

(4) Participants Update Investment Designations Themselves

(5) Participants Monitor, Model and Apply for Loans, Transfers, and Distributions Themselves

(6) Multi-Level Security: Participation Is More Than Just Password-Protected

(7) All this Self-service Equates to Low Overhead for the Provider and Marketability to Plan Sponsors

(1) Introduction...

Entrance into 401k Engenuity for a licensed Provider and its clients occurs through three web portals: the licensed Provider Gateway, the Plan Sponsor Gateway, and the Plan Participant Gateway. The exact features and capabilities accessible through each gateway depend on the customization options the licensed Provider and, subsequently, the Plan Sponsor and, subsequently, the eligible employee has chosen, respectively, for the system, plan, and individual 401k account.

This page explains features being built into the master 401k Engenuity Plan Participation Gateway.

(2) The Plan Participant Gateway...

401k Engenuity empowers plan participants to serve themselves — at any time, day or night, from any location connected to the Internet — to their 401k account activity and information.

-- 401k Engenuity self-service plan participation gives eligible employees on-the-spot access to enrolling in the plan, updating personal information and investment designations, viewing/printing activity reports and account statements, and 401k loan, transfer and distribution modeling and/or new submissions, among other things.

-- Self-service plan participation is extremely convenient for plan participants and can greatly boost plan participation rates.

-- Self-service plan participation means far less work for the plan administrator (whether that administrator is the Plan Sponsor, in the case of self-service plans, or Provider personnel, in the case of full-service plans).

-- Self-service plan participation means the licensed Provider can stay completely out of day-to-day plan participation activity — yet monitor and/or get involved in activity at any time.

401k Engenuity creates a home page for each plan participant. Upon login, the participant arrives at the home page, which welcomes the participant to the system's self-service plan participation functions and, subject to the Provider's and/or Plan Sponsor's desires, shows the participant's investment designations, account balances, recent account activity, etc. Any current Bulletins the Plan Sponsor and/or Provider has created via 401k Engenuity are also displayed on each participant's home page.

(3) Participants Update Information Themselves...

Plan participants never have to involve the plan administrator — whether that administrator is the Plan Sponsor, in the case of self-service plans, or Provider personnel, in the case of full-service plans— in routine account information updates:

VI. Plan Participant Gateway

(1) Introduction

(2) The Plan Participant Gateway

(3) Participants Update Information Themselves

(4) Participants Update Investment Designations Themselves

(5) Participants Monitor, Model and Apply for Loans, Transfers, and Distributions Themselves

(6) Multi-Level Security: Participation Is More Than Just Password-Protected

(7) All this Self-service Equates to Low Overhead for the Provider and Marketability to Plan Sponsors

-- Plan participants update personal information themselves, online, at their leisure. Participants can amend their address, telephone number(s), disbursement preferences, passwords, and more. 401k Engenuity immediately notifies the designated plan administrator via e-mail of any changes.

-- The Provider and, at the Provider's discretion, Plan Sponsor can elect to mandate that the designated plan administrator approve changes before they can become effective. (Unless the plan is fairly small, however, such is not recommended by Easytec because it can become too time consuming for the plan administrator.)

(4) Participants Update Their Investment Designations Themselves...

Plan participants never have to go through their designated plan administrator (whether that administrator is the Plan Sponsor, in the case of self-service plans, or Provider personnel, in the case of full-service plans) to access and/or amend their salary deferral rates and/or their investment designations.

-- 401k Engenuity displays for the participant all available plan investments and indicates those to which the participant is contributing and at what rates.

-- 401k Engenuity also gives the participant options for amending his/her designations.

-- The licensed Provider or, at the Provider's discretion, Plan Sponsor can elect to mandate that the designated plan administrator approve changes before they become effective.

-- All investment and salary deferral designations are restricted within 401k Engenuity by rates allowable under the current federal law.

-- In addition, the Provider can impose restrictions on investing, such as monthly minimums per investment; any such restrictions are incorporated into the Provider's 401k Engenuity and applied to all relevant functions within all Gateways.

-- Any changes the Provider chooses to make to such restrictions are easily communicated to plan participants via 401k Engenuity Bulletins functions.

(5) Participants Monitor, Model and Apply for Loans, Transfers, and Distributions Themselves.

Plan participants never have to go through their designated plan administrator — whether that administrator is — for transaction information (on existing loans, transfers, distributions, etc.). Instead, participants simply go online and access the information themselves.

In addition, participants considering a new loan, transfer or distribution can have 401k Engenuity model the effect of such on their 401k account:

-- During the modeling process, 401k Engenuity calculates the availability of funds based on money sources, aged buckets (if applicable), and other applicable rules.

VI. Plan Participant Gateway

(1) Introduction

-- To accept a new loan, transfer or distribution, the participant must correctly answer one of his or her "secret" questions that the employee established in setting up his or her Log In name and Password (see below).

(2) The Plan Participant Gateway

(3) Participants Update Information Themselves

-- New loans, distributions, and transfers must be approved by the designated plan administrator and are indicated as "Pending" until so approved.

(4) Participants Update Investment Designations Themselves

-- 401k Engenuity gathers all the information the designated plan administrator needs to approve or deny an application.

(5) Participants Monitor, Model and Apply for Loans, Transfers, and Distributions Themselves

-- The Provider (or at Provider's discretion, the Plan Sponsor) can have 401k Engenuity decline any new submissions for loans, transfers or distributions if an application for such is already in the system as pending approval of the designated plan administrator. This works as a safe-guard against plan participants flooding the system with applications for the same transaction while the plan administrator awaits, for instance, consent of spouse approval.

(6) Multi-Level Security: Participation Is More Than Just Password-Protected

Within the Loans, Transfers, and Distributions panel, the participant also has the option of downloading and/or printing necessary forms to request loans, distributions, and transfers in person from the designated plan administrator and to manually perform other related account maintenance activities.

(7) All this Self-service Equates to Low Overhead for the Provider and Marketability to Plan Sponsors

(6) Multi-Level Security: Participation Is More Than Just Password-Protected...

Plan participants enter the Plan Participation Gateway by keying in the user name and Password they established during their first visit.

-- The designated plan administrator — whether the Plan Sponsor, in the case of self-service plans, or Provider personnel, in the case of full-service plans — issues a temporary password for that first visit to allow an employee entrance into the system.

-- Eligible employees not currently enrolled in the plan can easily be granted temporary passwords by the designated plan administrator so they can investigate the system and see how easy saving money via the company's online 401k plan will be.

-- When establishing their user name and password, plan participants also establish three identifying questions and answers, such as "Mother's maiden name?" answer: "Johnson." The questions are later used to confirm the participant's identity when the participant applies for a 401k loan, for instance, or forgets his/her password.

-- 401k Engenuity houses a complete log of each employee's user name, password and three questions/answers within the Plan Sponsor Gateway (which is also accessible to authorized Provider personnel); plan participants can request help from the designated plan administrator (via the 401k Engenuity, in person, by phone, etc.) at any time.

VI. Plan Participant Gateway

(1) Introduction

(2) The Plan Participant Gateway

(3) Participants Update Information Themselves

(4) Participants Update Investment Designations Themselves

(5) Participants Monitor, Model and Apply for Loans, Transfers, and Distributions Themselves

(6) Multi-Level Security: Participation Is More Than Just Password-Protected

(7) All this Self-service Equates to Low Overhead for the Provider and Marketability to Plan Sponsors

(7) All This Self-service Equates to Low Overhead for the Provider and Marketability to Plan Sponsors..

Plan participation is self-service with 401k Engenuity.

-- Self-service plan participation means participants can access their 401k accounts anytime from anywhere. This highly popular flexibility makes 401k Engenuity plans popular with plan participants and thus highly marketable to Plan Sponsors.

-- 401k Engenuity allows the licensed Provider the flexibility of promoting its self-service plan participation with both full-service (i.e., administration handled via 401k Engenuity by the Provider) and self-service (administration handled via 401k Engenuity by the Plan Sponsor) 401k plans with very low overhead on the service.

-- 401k Engenuity self-service plan participation means whomever (be it Plan Sponsor or licensed Provider) is using 401k Engenuity to run the 401k plan is freed from numerous tasks, such as fulfilling participant requests for enrollment, information, forms, address updates, and more.

-- 401k Engenuity self-service plan participation means the licensed Provider can have the system pre programmed to access all information a participant is likely to request, including investment information and prospectuses, thus completely freeing the Provider from day today participation activities (but always with complete oversight capabilities of those activities).

-- Self-service plan participation means such a greatly reduced plan administration load that most plans can be run — whether by authorized Provider or Plan Sponsor personnel — via 401k Engenuity in less than 15 minutes a month, on average.

VII. 401k Engenuity Customization

(1) Introduction

(2) System Customization Options

(3) Individual Plan Customization Options

(1) Introduction...

401k Engenuity is customizable both on the system level (to address the needs and corporate identity of the licensed Provider) and the individual plan level (to address the needs of the individual 401k Plan Sponsor and its employees).

- The licensed Provider selects the name it wants its 401k Engenuity to bear to the public.
- The Provider selects the options it wants its licensed 401k Engenuity to offer 401k Plan Sponsors.
- Each Plan Sponsor then selects from those options what it wants for its company plan.
- There is no extra charge for including or excluding any options, a savings the licensed Provider can pass on to its Plan Sponsors, if desired.

Please contact us if you would like details beyond the below regarding 401k Engenuity customization.

(2) System Customization Options...

On the system level, a licensed 401k Engenuity Provider can include, exclude or define, as applicable, the following:

- The “look” of its 401k Engenuity, including defining a specific web-safe palette of colors or simply submitting a logo and/or instructing Easytec Systems to have the licensed 401k Engenuity match the Provider’s main website, for instance, and let Easytec’s design team take it from there.
- The name its 401k Engenuity will bear to the public.
- The archival period (i.e., how long the system keeps data “live” before moving it to the “archived” fields) to be used within its licensed 401k Engenuity; see 401k Engenuity Features for details.
- The investments to be available for Plan Sponsors’ plans; all investment types allowable by federal regulation for 401k investment are compatible with 401k Engenuity, as are self-directed brokerage accounts.
- Any minimum investment amounts or other investment restrictions to be applied (within those allowable by law).
- Any fees and the definition thereof that Plan Sponsors will be charged — which can be posted to Plan Sponsors’ accounts via 401k Engenuity on a client-by-client, plan-by-plan, even transaction-by-transaction basis, as applicable. See 401k Engenuity Features for details.

VII. 401k Engenuity Customization

(1) Introduction

-- Each plan customization item listed below under Individual Plan Customization Options. Each item can be enabled or disabled on a plan-by-plan basis.

(2) System Customization Options

(3) Individual Plan Customization Options

The licensed Provider's 401k Engenuity is customized to the above, with "exclude" items omitted completely from the system rather than dimmed out or otherwise disabled yet visible, so Plan Sponsors won't ever wonder why their Provider doesn't offer a dimmed-out option.

(3) Individual Plan Customization Options...

A licensed 401k Engenuity Provider's individual 401k Plan Sponsors have discretion over the following for each plan they adopt:

-- The plan's eligibility parameters, including age and length of service requirements as well as residency status and exclusion of employees governed by a collective bargaining agreement.

-- Whether or not automatic enrollment will be activated, and if so the default investment and contribution rate to be used.

-- The plan's investment options (from the list the Provider has elected to offer, including self-directed brokerage accounts, if any).

-- Any employer matching contributions to be offered.

-- Any employer profit-sharing contributions (a.k.a., discretionary contributions) to be offered.

-- Any employer qualified nonelective contributions to be offered.

-- The vesting schedule(s) to be applied to any employer matching and/or profit-sharing contributions being offered. (Qualified nonelective contributions are, by law, 100% vested when made.)

-- Whether or not 401k loans will be allowed.

-- The plan year (short plan years OK, too).

-- The payroll cycle on which processing will be run.

Each plan's plan administration and plan participation functions are customized to the above, with "exclude" items omitted completely rather than dimmed out or otherwise disabled yet visible, so eligible employees will never wonder why their company plan doesn't offer dimmed-out items (such as particular investments or 401k loans, for instance).

VII. 401k Engenuity Usage Specifications

(1) Introduction

(2) End-user System Requirements

(3) Server-side System Requirements

(1) Introduction...

401k Engenuity is accessible from any type of Internet connection, with complete functionality and blazing fast load times via most any computer platform and any of today's popular Internet browsers.

-- If someone can connect to the Internet, they will have no trouble connecting to 401k Engenuity

-- Licensed Providers and their clients enjoy speed and efficiency within a user-friendly architecture with 401k Engenuity.

-- Neither a licensed Provider nor its Plan Sponsors need anything beyond a basic computer setup with Internet connectivity to use 401k Engenuity.

-- Sensitive data resides on the server-side, and all admittance to activity is user-name and Password-protected to keep all data and operations iron-clad secure.

(2) End-user System Requirements...

The basic end-user system requirement for using 401k Engenuity is Internet connectivity. That being met, there are basically no other barriers because 401k Engenuity, though powerful, is represented to end-users in primarily simple HTML content (called "thin" content), which means...

-- 401k Engenuity can be used via PC, Macintosh, Unix, and Kiosk computer platforms, among others.

-- 401k Engenuity can be used via any of today's popular Internet browsers, including Internet Explorer, Netscape, and America Online (AOL).

-- 401k Engenuity can be used via any type of Internet connection, including DSL, cable modem, ISDN, and even low-bandwidth dial-up connections.

-- Even on the low-bandwidth dial-up connections, pages load in mere seconds.

-- 401k Engenuity is designed to quickly connect and integrate with virtually all Voice Response Units (VRUs), wireless software applications and application service providers (ASPs). The licensed 401k Engenuity Provider selects the VRU and/or wireless solution best suited to its needs. Visit our website's Preferred Vendors section for a list of VRU and wireless vendors who offer special discount pricing to 401k Engenuity licensed Providers.

-- "Heavy" elements such as ActiveX controls and JAVA applets that can severely impact performance — bring it almost to a halt on low-bandwidth, dial-up connections — are abandoned in place of quality pure HTML to ensure top-quality performance and reliability.

VIII. 401k Engenuity Usage Specifications

(1) Introduction

-- 401k Engenuity uses simple HTML elements to their full advantage, delivering fully functional, intuitive user front-ends absent of "heavy" conflicts.

(2) End-user System Requirements

(3) Server-side System Requirements

-- Most input-validation is done on the Plan Sponsor side, greatly improving end-user performance and reducing traffic to and from the server.

-- The 401k Engenuity context-sensitive help system, which allows users to get online help immediately regarding wherever they are within the system, is also delivered in pure HTML, and, again, never hampered by "heavy" elements.

(3) Server-side System Requirements...

401k Engenuity is database independent, fully scalable and completely secure.

-- Database Independent: 401k Engenuity is virtually database independent across most major SQL databases including Oracle, SQL Server, DB2, Sybase, and MySQL. This is accomplished by encapsulating business rules within server-side objects residing on the server, eliminating the need for database-specific structures such as triggers, stored procedures and cascading relationships.

-- Scalable: 401k Engenuity is highly scalable, with the ability to run on a single server or across a cluster of multiple servers, as applicable.

-- Secure: Because 401k Engenuity delivers only simple HTML content to the end-users' browsers, there is NEVER any access by outside parties to secure data residing on the server. The system does not store ANY sensitive data on the Plan Sponsor side; all data resides on the server side — and because all key data and processing are handled by secure objects residing on the server, Plan Sponsor connections never have direct database access and are never provided with the location of databases or sensitive data.

IX. Pricing

(1) Introduction...

(1) Introduction

Use of 401k Engenuity is licensed annually to Plan Providers for a fee that depends ONLY upon the maximum aggregate number of eligible employees to be accounted for during the year. There is also a first-year-only, one-time 401k Engenuity system setup fee that covers installation and customization to the Provider's specifications (see Customization for options and details).

(2) Pricing Based on Aggregate Number of Eligible Employees

-- The number of plans a Provider has 401k Engenuity service is irrelevant to the annual licensing fee the Provider pays for use of 401k Engenuity; ONLY capacity, defined in terms of number of eligible employees cumulative to all plans, affects Engenuity fees (see our website for our price list, or call us at (800) 660-0050).

(3) Purchase Supplemental Capacity At Any Time

-- 401k Engenuity's setup fee is a first-year-only, one-time fee that resurfaces only if the licensed Provider decides to expand its 401k Engenuity capacity (please see below under Purchase Supplemental Capacity At Any Time).

(4) Price List Notes- Technical Support

-- How a Provider uses 401k Engenuity — as a self-service center for clients to run their own 401k plans, as a full-service center for Provider personnel to run clients' 401k plans, or as a concurrently-operating combination of the two — in no way affects 401k Engenuity licensing fees.

(5) Technical and Training Support

-- Any asset-based fees and commission revenue a Provider generates via 401k Engenuity is completely the Provider's business and the Provider's to keep or distribute.

-- A licensed Provider sets and retains any administration fees charged to its clients. (401k Engenuity has extensive billing flexibility; please go to 401k Engenuity Features: Creating and Communicating Fees for an overview.)

-- 401k Engenuity can be licensed to service as few as 250 eligible employees per year and has no capacity maximum, owing to its designed-in, enterprise-caliber scalability.

(2) Pricing Based on Aggregate Number of Eligible Employees...

401k Engenuity capacity is set relative to the number of eligible employees cumulative to ALL plans to be serviced via 401k Engenuity during the year.

-- A Provider purchases the 401k Engenuity license appropriate to the aggregate number of plans and eligible employees the Provider expects to service across all plans during the year

-- The number of 401k plans run via a Provider's licensed 401k Engenuity and the number of eligible employees cumulative to all plans affects Engenuity fees. For example, if a Provider purchases 401k Engenuity license to service 1000 eligible employees, it doesn't matter if the Provider signs up 10 small businesses with 100 eligible employees each, or 50 small businesses with 20 eligible employees each, or 1000 small businesses with a single eligible employee each, just that the total number of eligible employees served does not — technically, cannot — exceed 1000.)

IX. Pricing

(1) Introduction

(2) Pricing Based on Aggregate Number of Eligible Employees

(3) Purchase Supplemental Capacity At Any Time

(4) Price List Notes Technical Support

(5) Technical and Training Support

(3) Purchase Supplemental Capacity At Any Time...

A licensed 401k Engenuity Provider can purchase supplemental license capacity at any time — whether at annual renewal or at any time during the 12 months in between.

Fees for additional license capacity are a function of the Provider's current and desired capacities:

-- For a change in capacity at license renewal time, a Provider simply pays the difference between the current capacity and that for the capacity the Provider is moving to, then pays the annual fee associated with the new capacity.

-- For midyear changes in capacity, a Provider pays the difference between the one-time setup fee paid for the current capacity and that for the capacity the Provider is moving to, plus the difference between the annual fee for the current capacity and that for the capacity the Provider is moving to.

(4) Price List Notes...

401k Engenuity setup and license fees depend ONLY on desired capacity, with capacity defined solely in terms of number of eligible employees, not plans, able to be serviced. Specific capacity-license fee numbers are listed in our website's Pricing section, or you can call us at 800-660-0050.

-- Licensing is calculated on any 12 month period. For instance, if a Provider purchases license to use 401k Engenuity on February 10, 2001, then renewal will come up on February 10, 2002.

-- 401k Engenuity minimum licensing allows a Provider to use 401k Engenuity to service up to 250 eligible employees during the year.

-- 401k Engenuity has no maximum capacity owing to its enterprise-caliber scalability. (Providers interested in a capacities exceeding those listed on our website's Price List should contact us.)

-- 401k Engenuity licensing fees in no way depend on whether a Provider uses 401k Engenuity to enable clients to run their own 401k plans or to interact with Provider personnel running the plans (or both) nor on any fees the Provider sets for its clients.

Please go to 401k Engenuity Key Benefits if you are unfamiliar with the inherent flexibility 401k Engenuity affords 401k operations.

(5) Technical and Training Support...

Technical and training support for 401k Engenuity is purchased in 15-minute blocks.



1-800-660-0050

www.401kengenuity.com

IX. Pricing

(1) Introduction

-- Purchase of a 401k Engenuity annual license includes a credit for a specific number of 15-minute support blocks for the licensed Provider to use at any time during the year.

(2) Pricing Based on Aggregate Number of Eligible Employees

-- Unused support credit cannot be rolled over from one license year to the next.

(3) Purchase Supplemental Capacity At Any Time

-- The number of support blocks credited depends on the license capacity purchased: the greater the capacity, the more blocks of technical support credit (see the our website's Price List for exact numbers.)

(4) Price List Notes Technical Support

(5) Technical and Training Support

-- Additional technical support is available in 15-minute blocks.

Although technical support is of course available, we've gone to great lengths to see that it's never needed:

-- 401k Engenuity Online Help gives users — whether Provider personnel, Plan Sponsors or plan participants — free context-sensitive on screen help, with links to related topics provided within the Help text.

-- The desktop self-service 401k plan administration system from which the greatly expanded 401k Engenuity online system first spawned has been received with very little needed technical support. In fact, the desktop system's creator, 401(k) Pro, Inc., reports that fewer than one out of every ten clients calls needing even the slightest degree of help — and the desktop software has no on screen help system.

X. About the Precursor Desktop Software, 401(k) Easy™

(1) Introduction

(2) The 401(k) Easy Software Encompasses Plan Administration Only

(3) The 401(k) Easy Software Is Customizable to Provider

(1) Introduction...

401k Engenuity is a completely online, highly automated, powerful, integrated, yet easy to use 401k setup, maintenance, administration and participation system accessible via any of today's popular Web browsers (Internet Explorer, Netscape, and AOL among them) from any of the primary computer platforms (PC, Macintosh, Unix, Kiosk).

-- A forerunner product, developed by Easytec affiliated company 401(k) Pro, Inc., offers plan administration from the end-user's desktop PC.

-- The product, called 401(k) Easy, allows for self-service plan administration and can, like 401k Engenuity, be delivered to the client under the name of the Provider and offering investments of the Provider's choosing.

(2) The 401(k) Easy Software Encompasses Plan Administration Only...

Like 401k Engenuity, the 401(k) Easy software is customizable first to the Provider and then, from the features the Provider has elected to include, to each client. (Some Providers decline to include 401k loan features, for instance.)

-- The 401(k) Easy software lacks the participant accessibility available with the online 401k Engenuity system. It does, however, include plan-specific as well as general forms and literature that the Plan Sponsor's personnel distribute to eligible employees to educate the employees about various aspects of plan activity and to collect relevant information from them if they are interested in participating in the activity.

-- The 401(k) Easy software lacks the hands-on Provider control inherent in 401k Engenuity.

-- The 401(k) Easy software lacks some of the more advanced administration features available with 401k Engenuity.

Despite these limitations, the 401(k) Easy software was described in The Wall Street Journal as "allow(ing) small businesses to manage 401k plans as easily as a consumer navigates family finances with programs such as Quicken" (12/27/99). See ahead to download a free copy of the 401(k) Easy plan administration software.

(3) The 401(k) Easy Software Is Customizable to Provider...

Like 401k Engenuity, the 401(k) Easy run-it-yourself plan administration software can be branded by investment providers and marketed under a product name of their choosing. Easytec Partners, Inc. creates a customized version of its 40(k) Easy website for the investment company to use to market the product.



1-800-660-0050

www.401kengenuity.com

X. About the Precursor Desktop Software, 401(k) Easy™

(1) Introduction

For example...

(2) The 401(k) Easy Software Encompasses Plan Administration Only

-- One client, a national discount brokerage (name furnished upon request) chose to keep all the plan customization options and functionality of the master 401(k) Easy product but offer the client's proprietary self-directed brokerage accounts as the only investment choice.

(3) The 401(k) Easy Software Is Customizable to Provider

-- Another client, a major California-based bank (name furnished upon request), chose NOT to include 401k loans or automatic enrollment in its customized product (thus neither are mentioned in the software or the website marketing it) while featuring its proprietary lineup of no-load mutual funds.

Please contact us for more information on either of these customized products.



1-800-660-0050

www.401kengenuity.com

XI. Contact Us

(1) Contact Us By Phone or E-mail

(2) Submit Your Questions Online

(1) Contact Us By Phone or E-mail...

401k Engenuity is a completely online, highly automated, powerful, integrated, yet easy to use 401k setup, maintenance, administration and participation system accessible via any of today's popular Web browsers (Internet Explorer, Netscape, and AOL among them) from any of the primary computer platforms (PC, Macintosh, Unix, Kiosk).

401k Engenuity was launched in early 2002. Easytec Systems, Inc. is currently accepting orders for license to customized versions. Please contact us (see below) for details.

Please contact us if you are interested in touring 401k Engenuity as sections come online, or if you would like to talk with a representative about any aspect of the online system and its vast potential to service existing and new retirement plan Plan Sponosrs for your company.

-- Call us at (800) 660-0050.

-- E-mail us at 401kengenuity@401k-network.com.

(2) Submit Your Questions Online...

(If you like, use the online submission form on our website's Contact Us page — <http://www.401kengenuity.com/contact/> — to submit questions online.)