



Fiduciary Counselors

Independent Fiduciary for Company Securities in 401(k) Plans

Independent fiduciary assignments related to employer securities for which Fiduciary Counselors has been responsible have included:

- Managing employer stock held by 401(k) plans, ESOPs and defined benefit plans;
- Prohibited transaction exemptions involving employer securities;
- Liquidation of holdings of company stock and stock received as a result of spin-offs; and
- Voting of annual proxies and proxies involving mergers.

We are currently independent fiduciary with respect to over \$18 billion in company stock in defined contribution plans. Engagements for which Fiduciary Counselors has acted as independent fiduciary with respect to employer securities in defined contribution plans have included plans of Altria, BNY Mellon, Granite Construction, and DTE Energy.

Scope of Services

As independent fiduciary of a company stock fund in a 401(k) plan, Fiduciary Counselors is typically appointed as a named fiduciary and investment manager with respect to the stock fund. Fiduciary Counselors' responsibilities may include:

- Determining whether continuing to allow participants to make new investments in company stock is no longer consistent with ERISA;
- Determining whether holding company stock in the plan is no longer consistent with ERISA and, if so, determining how to liquidate the plan's holdings in company stock; and
- Proxy voting for unallocated shares and shares for which no participant direction is received.

In performing our services as an independent fiduciary, we would act in accordance with the terms of the plan, including the plan's provisions relating to investment in company stock, unless doing so would be inconsistent with Title I of ERISA.

We view 401(k) plans as long-term investment vehicles and believe that plan provisions requiring employer stock as an investment option should be followed, absent special circumstances that would make following the provisions inconsistent with ERISA. We monitor the financial position of the company by reviewing company filings with the SEC, reviewing credit rating reports from Moody's and S&P, reviewing key analyst reports on the company, participating in company calls with analysts, and monitoring significant business developments and litigation. When credit ratings for unsecured debt are not available, we develop objective metrics to determine creditworthiness based on publicly reported financial information. We do not have access to any non-public information regarding the company.

Our Investment Committee meets weekly to review developments with respect to each company whose stock we monitor. In the weekly Investment Committee meeting, each portfolio manager provides the Committee with a briefing as to what transpired with the subject company over the past week. This includes a review of changes in debt ratings, significant news stories, buy/sell analyst recommendations, regulatory developments, and financial reporting. Ad hoc meetings are arranged as necessary during the week to review situations that require closer attention.

Factors used in determining whether to continue to maintain or sell company stock are:

- Terms of the plan regarding company stock;
- Financial condition of the company;
- Credit ratings or credit metrics;
- Whether the stock is traded on a major market, trading volume and analyst coverage;
- Indications that because of special circumstances the market is not accurately valuing the stock;
- Availability of timely, reliable company financial information; and
- Likelihood of bankruptcy.

We evaluate these factors in light of the Supreme Court's decision in *Fifth Third Bancorp v. Dudenhoeffer*, which overturned case law establishing a presumption of prudence for holding company stock, but also held that allegations that a fiduciary acting based solely on public information should have closed a company stock fund to new investment or liquidated the fund because the market is overvaluing a stock generally are implausible absent special circumstances, and left open the question of when, if ever, such special circumstances may exist. We continually monitor evolving case law governing employer stock funds. Our process is designed to help us determine whether (1) special circumstances lead us to conclude that the market is not accurately reflecting the value of company stock or (2) there is any other basis to conclude that complying with plan provisions governing the company stock funds would be inconsistent with ERISA.

Investment Committee

All investment decisions or recommendations regarding the company stock fund are made by the members of Fiduciary Counselors' Investment Committee:

- **Laura Rosenberg**, Senior Vice President of Fiduciary Counselors, has served as a senior executive of Fiduciary Counselors since 2004. She is chair of the Investment Committee and has served as the lead consultant on numerous client engagements including those related to company stock funds, prohibited transaction exemptions, performing and nonperforming real estate investments, and mergers & acquisitions of closely held companies. She also leads the firm's valuation practice. Ms. Rosenberg joined Fiduciary Counselors in 2004 from the Pension Benefit Guaranty Corporation (PBGC) where she served for 12 years. She was a manager in the Corporate Finance & Negotiations Department where she was responsible for credit analysis and negotiations with major corporate pension plan sponsors in a wide range of industry sectors including aviation, automotive and steel. Prior to serving at PBGC, Ms. Rosenberg was the Capital Markets Manager and Cash Manager at MCI Communications Corporation, where she analyzed investment bankers' capital structure proposals and

managed the pension asset managers and pension asset allocations. She is a Chartered Financial Analyst (CFA), Certified Insolvency and Restructuring Advisor (CIRA), and holds the Certified Distress Business Valuation (CDBV) certification.

- **Thomas O'Connor**, President and Chief Executive Officer of Fiduciary Counselors, joined the firm in 2007. In addition to serving on the Investment Committee, he is a member of the firm's Litigation Committee. He is active in all aspects of the firm's engagements, including its annuity placements, settlement reviews, company stock and real estate assignments. In addition to being a CPA, Mr. O'Connor's primary background is in taxation with an emphasis in employee benefits law. Prior to joining Fiduciary Counselors, Mr. O'Connor was the Controller at Trusted Edge, Inc., a private software development company specializing in document retention and e-discovery products. He was responsible for all aspects of the company's financial reporting and day to day operations. Previously, he taught both ERISA Law and Accounting for Lawyers as an adjunct professor at George Mason's School of Law.
- **Kathy Griswold**, Senior Vice President of Fiduciary Counselors, joined the firm in 2009. She has served as the lead consultant on numerous client engagements including those related to private investment portfolios, real estate transactions, stable value portfolios, asset transfers, management of plan assets for terminated plans, investment manager monitoring and investment process reviews. Prior to joining the company, she was a corporate pension officer with responsibility for all phases of the investment program including liability analysis, investment and funding policy development, asset allocation, investment manager selection and review and performance measurement and monitoring. She is a Chartered Financial Analyst (CFA) and a member of the New York Society of Security Analysts and the Institute of Chartered Financial Analysts.

The Investment Committee is advised and supported by Steve Caflisch, Senior Vice President & General Counsel, Kathryn Ricard, Senior Vice President, and Will Ardinger, Financial Analyst.

Thomas E. O'Connor
President & Chief Executive Officer

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Mr. O'Connor is President and Chief Executive Officer (CEO) of Fiduciary Counselors Inc. He has over 13 years of experience, 10 with Fiduciary Counselors, addressing complex accounting, financial and legal issues. Mr. O'Connor is a member of the company's Investment Committee, where he takes the lead on a number of company stock monitoring assignments, and the Litigation Committee, which is responsible for reviewing settlements under Prohibited Transaction Exemption 2003-39. He is also active in the firm's annuity selection assignments. He has extensive knowledge and expertise in ERISA fiduciary matters.

Prior to becoming President of Fiduciary Counselors, Mr. O'Connor was the company's Controller, responsible for overseeing the company's accounting procedures, budgeting, and both internal and external financial reporting. He has also served as the company's Chief Compliance Officer, responsible for internal compliance and interaction with regulatory authorities.

Prior to joining Fiduciary Counselors in 2007, Mr. O'Connor was the Controller at Trusted Edge, Inc., a private software development company specializing in document retention and e-discovery products. He was responsible for all aspects of the company's financial reporting and day to day operations. He has also worked as one of the primary accountants for a private family office associated with a high net worth individual and as a financial consultant and legal counsel to a full service creative marketing agency. Mr. O'Connor has taught ERISA Law and Accounting for Lawyers as an adjunct professor at the George Mason University School of Law.

Mr. O'Connor received his B.S.B.A. magna cum laude in Accounting from Georgetown University, his J.D. from George Mason University School of Law, and his LL.M. in Taxation (with distinction) with a Certificate in Employee Benefits Law from Georgetown University Law Center. He is a member of the Virginia State Bar, American Institute of Certified Public Accountants (AICPA), the Virginia Society of Certified Public Accountants (VSCPA), and the American Bar Association (ABA).

Will Ardinger
Financial Analyst

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Mr. Ardinger joined Fiduciary Counselors Inc. as a Financial Analyst in 2015. He has nine years of experience in Washington, DC evaluating the impact of government policy on business activity.

Mr. Ardinger worked for two years as a capital markets reporter with CQ Roll Call, covering daily activity and broader trends in debt and equity capital markets. He wrote the CQ Roll Call Washington Capital Markets Briefing in which he investigated new developments and legal risks facing firms preparing to raise public and private capital.

Prior to joining CQ Roll Call, Mr. Ardinger served for three years as a legislative staffer for a U.S. Senator. In that role, he focused on tax, budget and financial services issues, including analysis of the Jumpstart our Business Startups Act of 2012 and other legislation relating to the Dodd-Frank Act.

He began his career in Washington with a boutique consulting firm, assisting clients in the food service and energy industries to navigate changes in government policies and comply with regulations.

Mr. Ardinger received his B.A. in Politics from Bates College in 2009. He is a CFA charterholder and a member of the CFA Society Washington, DC.

Stephen Caflisch
Senior Vice President & General Counsel

Phone (202) 558-5149 ■ Email stephen.caflisch@fiduciarycounselors.com

Mr. Caflisch is Senior Vice President & General Counsel of Fiduciary Counselors Inc. He has more than twenty-five years of experience in employee benefits.

Mr. Caflisch advises Fiduciary Counselors on all aspects of its work. He is a member of the company's Litigation Committee and Plan Administration Committee, and has taken a leading role in engagements involving annuity purchases, stable value funds, review of settlements for compliance with Department of Labor Prohibited Transaction Exemption 2003-39, filing claims on behalf of plans in securities settlements, and allocating the proceeds of securities claims.

Before joining Fiduciary Counselors in 2005, Mr. Caflisch was an employee benefits consultant at Price Waterhouse, specializing in qualified and non-qualified plans with an emphasis on qualified retirement plans. He handled matters for clients in a wide range of industries, including steel and transportation, that involved complex issues such as compliance, deductions, due diligence in corporate transactions, taxation of distributions, potential liabilities for employee benefits in bankruptcy, funding obligations, PBGC claims, plan termination and restoration, and withdrawal liability.

Prior to his work at Price Waterhouse, as a Special Counsel for Bankruptcy at the Pension Benefit Guaranty Corporation, Mr. Caflisch worked on issues involving both single-employer and multiemployer plans. He reviewed significant PBGC filings in bankruptcy proceedings and represented the PBGC in complex litigation and claims. He was on the team that successfully defended the withdrawal liability provisions of the Multiemployer Pension Plan Amendments Act of 1980 in nationwide litigation before the United States Supreme Court.

Mr. Caflisch also has experience in the fiduciary and tax aspects of employee pension plans as a Senior Associate with the law firm of Reed Smith Shaw & McClay in Washington, DC.

Mr. Caflisch received his B.A. cum laude from Harvard University and his J.D. from Georgetown University Law Center, where he was a member of the Georgetown Law Journal. He is admitted to practice law in Maryland and in the District of Columbia.

Kathy Griswold
Senior Vice President

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Ms. Griswold has over thirty years experience in institutional investments. She has served the institutional community both as a corporate pension officer and an independent consultant. In the role of independent consultant, she was actively involved in due diligence and fiduciary review of mutual fund mergers; design, implementation and monitoring of timber portfolios; fixed income and equity manager searches, private equity investments and analysis of charitable gift annuity programs on behalf of non-profit organizations.

Ms. Griswold has been a member of the senior management team of Fiduciary Counselors Inc. since joining the company in 2009. She is a member of the company's Investment Committee and has served as the lead consultant on numerous client engagements. Over the course of her career, she has developed expertise in all aspects of portfolio management and across a wide range of asset classes. She has extensive experience in valuation and management of illiquid assets such as real estate and private equity as well as stable value portfolios, asset transfers, management of plan assets for terminated plans, investment manager monitoring and investment process reviews.

From 1985 through 1999, she was Director of Investments for Southern New England Telecommunications Company (SNET), where she was responsible for assets held under the defined benefit and defined contribution plans. Her responsibilities also encompassed several non-qualified retirement plans. Her experience as a corporate pension officer covered all phases of the investment program including liability analysis, investment and funding policy development, asset allocation, investment manager selection and review and performance measurement and monitoring. During that time, she was chosen to represent the interests of Plan Sponsors for the Association of Mutual Benefit Life Insurance Contractholders during receivership proceedings.

Ms. Griswold holds a B.S. degree in Finance and Business Management from Cornell University. She is a CFA charterholder, and a member of the New York Society of Security Analysts and the Institute of Chartered Financial Analysts. She is the Managing Member of Shore Ventures, LLC and its successor entities. She is also actively involved in several volunteer organizations, including service on the Board of SARAH Seneca Residential Services and the Board Chairman of Golden Opportunity Networks, Inc.

Kate O'Bryant
Assistant Controller

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Ms. O'Bryant has been with Fiduciary Counselors since September 2006. In addition to her financial responsibilities, she also assists in the administration of pension plans for which FCI serves as Plan Administrator.

Ms. O'Bryant has twenty years experience as a self-employed financial and human resources manager of small businesses in the Washington, DC area. She has worked with both start-up businesses and well-established firms to increase their financial stability, structure their internal management policies, improve their records management, and ensure their adherence to federal and state employee benefits laws.

Following receipt of her B.A. in psychology from Southern Illinois University, Ms. O'Bryant was a book editor and policy analyst in the Scientific Affairs Office of the American Psychological Association.

Kathryn Ricard
Senior Vice President

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Ms. Ricard has over twenty-five years experience working with employee benefit plans as a lawyer, CPA and public policy expert. Ms. Ricard joined Fiduciary Counselors as Senior Vice President in 2016. She is also a member of the company's Litigation Committee and Plan Administration Committee.

Prior to joining Fiduciary Counselors, Ms. Ricard was Senior Vice President, Retirement Policy at The ERISA Industry Committee (ERIC) and had overall responsibility for developing retirement policy on behalf of ERIC's members – America's major employers. At ERIC, Ms. Ricard focused on retirement policy issues as they impacted large employers in policy areas including regulatory, legislative and judicial.

Prior to joining ERIC, Ms. Ricard operated a consulting firm focusing on retirement security and compliance issues. Ms. Ricard served as the Vice President – Retirement Security for the American Council of Life Insurers where she developed retirement policy issues on behalf of the life insurance industry. In addition, Ms. Ricard also served as Assistant Council for the Investment Company Institute working on retirement policy issues for the mutual fund industry. While at the Investment Company Institute, Ms. Ricard represented the mutual fund industry on IRPAC, a private sector advisory group to the Internal Revenue Service on tax reporting issues.

Prior to her work at various trade associations focusing on retirement policy issues, Ms. Ricard also worked at the Groom Law Group, a boutique law firm focused on benefits issues as well as at the Department of Labor's Employee Benefits Security Administration (EBSA). After graduation from college with a degree in accounting, Ms. Ricard became a CPA and worked as an auditor at Pricewaterhouse.

Ms. Ricard is a graduate of the George Washington University Law School, and received her undergraduate degree in accounting from the University of Virginia. Ms. Ricard is a lawyer and a CPA.

Laura Rosenberg, CFA, CIRA, CDBV
Senior Vice President

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Ms. Rosenberg is Senior Vice President of Fiduciary Counselors Inc. She has over thirty years of experience in corporate finance, valuations, and pensions, with a concentration in corporate restructurings, workout, and bankruptcies.

Ms. Rosenberg has served as a senior executive of Fiduciary Counselors Inc. since 2004. She is Chair of the company's Investment Committee and has served as the lead consultant on numerous client engagements including those related to company stock funds, prohibited transaction exemptions, performing and nonperforming real estate investments, and mergers & acquisitions of closely held companies. She also leads the firm's valuation practice.

Ms. Rosenberg is a consultant on behalf of clients with defined benefit pension plans. She assists companies, creditors committees, and other applicable parties with pension plan terminations, pension funding issues, and potential Pension Benefit Guaranty Corporation (PBGC) intervention in corporate transactions and bankruptcies. Ms. Rosenberg serves as an expert witness with respect to these issues.

With her extensive background in the distressed arena, Ms. Rosenberg serves as the firm's appointee on creditors and equity committees.

Ms. Rosenberg joined Fiduciary Counselors in 2004 from the PBGC, where she served for twelve years. She was a manager in the Corporate Finance & Negotiations Department, where she was responsible for valuation, credit analysis and negotiations with major corporate pension plan sponsors in a wide range of industry sectors including aviation, automotive and steel.

Ms. Rosenberg was a principal architect of the PBGC's Early Warning Program and successfully negotiated the restructuring of over \$18 billion of pension debt in more than 100 transactions with major corporations both in and out of bankruptcy. She led PBGC's negotiations to settle claims in numerous bankruptcies including TWA, United Airlines, US Airways, LTV Steel, Bethlehem Steel and Kaiser Aluminum, where the pension claim was often the largest creditor in the proceeding. Additionally, Ms. Rosenberg led PBGC's involvement in the Northwest Airlines prohibited transaction exemption and minimum funding waiver request. She also served as PBGC's appointee on creditors committees and as an expert witness in a key litigation case.

Prior to serving at PBGC, Ms. Rosenberg was the Capital Markets Manager and Cash Manager at MCI Communications Corporation, where she analyzed investment bankers' capital structure proposals and managed the pension asset managers and pension asset allocations.

Ms. Rosenberg received her B.S. degree in Finance from the University of Maryland, her M.B.A. in Finance from The George Washington University and a Certificate in Government Affairs from Georgetown University. She is a Chartered Financial Analyst (CFA), a Certified Insolvency and Restructuring Advisor (CIRA), and holds a Certification in Distressed Business Valuation (CDBV). Ms. Rosenberg teaches courses on pensions and valuations. She also serves on a peer review board for valuations. She is a frequent author and speaker on financial and pension matters and is widely quoted as an expert in these subjects.

Wendy Williamson
Director of Administration

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Ms. Williamson serves as Director of Administration for Fiduciary Counselors Inc. Prior to joining Fiduciary Counselors in 2005, she worked in both the Government and Private Sector.

Ms. Williamson started her career while in college at the International Trade Administration in the US Commerce Department; and after graduation at the Economic and Business Affairs Bureau at the US State Department. Moving on to the private sector, Ms. Williamson served as a Research and Administrative Assistant for International Business-Government Counselors [IBC] and then later as Research and Administrative Assistant for the Mergers and Acquisitions Practice Area of NERA Economic Consulting. Ms. Williamson joined PixelChix Multimedia in 2001 as an intern and later advanced to Vice President of Design and Development with responsibilities including client relations and streamlining site maintenance and continuity.

Ms. Williamson received her B.A. from George Washington University in International Affairs with a focus on Eastern Europe and the Former Soviet Union in 1993. In 2000, she received a Professional Certificate from the Multimedia Website Design Comprehensive Institute at George Washington University.

Ivan Strasfeld
Senior Advisor

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Currently, Mr. Strasfeld serves as an ERISA Regulatory Consultant and a Senior Advisor to Fiduciary Counselors Inc. He was the Former Director, Office of Exemption Determinations, Employee Benefits Security Administration.

Mr. Strasfeld assumed the position of Director of the Office of Exemption Determinations in June 1989. He retired from that position on February 3, 2012. From 1984 to 1989, he held several positions including Chief of ORI's Division of Fiduciary Interpretations and Regulations and Chief of ORI's Division of Regulatory Coordination. Mr. Strasfeld was an Employee Benefit Plan Specialist in the Division of Fiduciary Interpretations and Regulations from 1979 to 1984, and a Tax Law Specialist with the Internal Revenue Service from 1976 to 1979.

Mr. Strasfeld received a B.S. degree in 1972 from the State University of New York at Buffalo and a J.D. in 1975 from UCLA School of Law, Los Angeles, CA.