

DYATECH, LLC

**Report on Controls Placed in
Operation and Tests of
Operating Effectiveness**

**For the Period From
January 1, 2008 Through
December 31, 2008**

DYATECH, LLC
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Section I: Independent Service Auditors' Report



Grantham Poole

Certified Public Accountants

We See You ThroughSM

INDEPENDENT SERVICE AUDITORS' REPORT

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Board of Directors of Dyatech, LLC
Jackson, Mississippi

We have examined the accompanying description of controls related to the Internal Control Structure, Control Environment, and Applications of Dyatech, LLC ("Dyatech"). Our examination included procedures to obtain reasonable assurance about whether (1) the accompanying description presents fairly, in all material respects, the aspects of Dyatech's controls that may be relevant to a client organization's internal control as it relates to an audit of financial statements, (2) the controls included in the description were suitably designed to achieve the control objectives specified in the description, if those controls were complied with satisfactorily and client organizations applied the internal controls contemplated in the design of Dyatech's controls, and (3) such controls had been placed in operation as of December 31, 2008. The control objectives were specified by management of Dyatech. The accompanying description includes only those controls and related control objectives at Dyatech, and does not include controls and related control objectives at any sub-service organizations. Dyatech uses various sub-service organizations to provide retirement plan and payroll transaction processing, investment pricing and statement printing. Our examination did not extend to controls of these sub-service organizations. Our examination was performed in accordance with standards established by the American Institute of Certified Public Accountants and included those procedures we considered necessary in the circumstances to obtain a reasonable basis for rendering our opinion.

In our opinion, the accompanying description of the controls applicable to the operations of Dyatech presents fairly, in all material respects, the relevant aspects of Dyatech's controls that had been placed in operation as of December 31, 2008. Also, in our opinion, the controls, as described, are suitably designed to provide reasonable assurance that the control objectives specified in Section III would be achieved if the described controls were complied with satisfactorily and client organizations applied those aspects of internal controls contemplated in the design of Dyatech's controls.

In addition to the procedures that we considered necessary to render our opinion as expressed in the preceding paragraph, we applied tests to specific controls, listed in Section III of this report, to obtain evidence about the effectiveness of such controls in meeting the control objectives, described in Section III of this report, during the period from January 1, 2008 to December 31, 2008. The specific control objectives; the controls; and the nature, timing, extent, and results of the tests are listed in Section III of this report. This information has been provided to client organizations of Dyatech and to their auditors to be taken into consideration, along with the information about the internal controls at client organizations, when making assessments of control risk for client organizations. In our opinion, the controls that were tested, as described in Section III, were operating with sufficient effectiveness to provide reasonable, but not absolute, assurance that the control objectives specified in Section III were achieved during the period from January 1, 2008 through December 31, 2008.

The relative effectiveness and significance of specific controls at Dyatech and their effect on assessments of control risk at client organizations are dependent on their interaction with the controls and other factors present at the individual client organizations. We have performed no procedures to evaluate the effectiveness of internal control at the individual client organizations.

The description of Dyatech's controls is as of December 31, 2008 and the information about the tests of the operating effectiveness of specified controls covers the period from January 1, 2008 to December 31, 2008. Any projection of such information to the future is subject to the risk that, because of change, the description may no longer portray the system in existence. The potential effectiveness of specific controls at Dyatech is subject to inherent limitations and, accordingly, errors or fraud may occur and not be detected. Furthermore, the projection of any conclusions, based on our findings, to future periods is subject to the risk that (1) changes made to the system or controls, (2) changes in processing requirements, or (3) changes required because of the passage of time may alter the validity of such conclusions.

This report is intended solely for use by management of Dyatech, LLC, its client organizations and the independent auditors of such organizations, and is not intended to be, and should not be, used by anyone other than these specified parties.

Grantham, Poole, Sandall, Neitano, Livingston & Cunningham PLLC

July 13, 2009

Section II: Description of Relevant Controls Provided by Dyatech LLC

Dyatech, LLC's control objectives and related controls are included in Section III of this report, "Control Objectives, Related Controls, Tests of Operating Effectiveness, and Results of Testing." Although the control objectives are presented in Section III, they are, nevertheless, an integral part of Dyatech, LLC's description controls.

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Overview of Dyatech Operations

Dyatech, LLC (“Dyatech” or “the Company”) is an employee benefits outsourcing solution for small to medium-size companies. Dyatech was established in 2001 to provide recordkeeping, plan administration and third party administrative services for 401 (k) plans. In 2004, Dyatech added payroll processing services, primarily through a web-based payroll solution. Dyatech currently services approximately 1,400 clients and maintains accounts for approximately 26,000 active participants.

Dyatech offers five different retirement service programs; PlanPrestige for companies with 100 or more eligible employees, PlanSelect for companies that have between 26 and 99 eligible employees, PlanExpress for companies with 10 to 25 eligible employees, PlanDirect for companies with fewer than 10 eligible employees and PlanSolo for plans covering only an owner and spouse. Dyatech has contracted with a sub-service organization, SunGard Employee Benefit Services (SEBS), for the processing of all investment transactions in each program.

Relevant Aspects of the Control Environment, Risk Assessment and Monitoring

Control Environment

Dyatech is committed to maintaining an effective internal control structure. The organizational structure of Dyatech is designed along functional lines. Each functional area is responsible for specific transaction processing or administrative services. The organizational structure is designed to provide an adequate segregation of duties as well as clearly defined areas of responsibility relating to the control environment elements.

Organization operations are under the direction of the Dyatech President. Dyatech employs a staff of approximately forty-six and is supported by the functional areas listed below:

- Marketing – Responsible for sales and sales support, market research, broker and fund changes, and marketing of Dyatech products.
- Contributions Department – Support the processing of contributions on the SEBS system. Responsible also for contribution documentation.
- Customer Service – Account Representatives serve as the main point of contact with retirement plan customers and are responsible for working with the Plan Administrator to address day-to-day concerns and problems that may arise. Also responsible for processing paperwork for distributions and managing plan deconversions and terminations.
- Conversions – Responsible for implementing new and conversion plans into the SEBS administration process.
- Operations – Responsible for database management and maintenance, client related transactions, plan reconciliations, plan reporting, processing distributions and loans, transfers of plan investments, audits and dividends.
- Accounting – Responsible for corporate finance and accounting.

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- Enrollments – Responsible for creating and distributing enrollment material, inputting received enrollment data, and processing alterations to participant elections.
- Compliance – Responsible for monitoring tax laws, regulations, Department of Labor, US Treasury Department and the Internal Revenue Service’s pronouncements pertaining to retirement plans and ensuring that all plans and services remain in compliance with those requirements. This department creates IRS-approved prototype plan documents and communicates compliance changes and other compliance issues to retirement plan clients, including year-end reports and corrective action notifications. Dyatech’s contract with SEBS provides for SEBS to periodically update the plan administration software to reflect compliance related changes.

Management Oversight & Control

The Board of Directors of Dyatech is composed of three executives (including the Dyatech Chief Executive Officer who is an owner) who meet regularly to oversee the operations, review financial results, and conduct other business as the Board deems appropriate.

The CEO provides daily top-level control by reviewing the cash position of the Company, reviewing contribution account changes and reviewing marketing reports that reflect new business as well as closed accounts.

Dyatech is subject to the regulation and supervision of the states in which Dyatech is licensed. As a result, Dyatech is subject to bi-annual reviews of its policies and procedures by the Mississippi Secretary of State to assess compliance with rules and regulations.

Personnel Policies and Procedures

Dyatech has developed formal policies and procedures covering all critical aspects of employment services including hiring, training, performance appraisals and termination. Such policies ensure a high quality of service, performance accuracy, and job satisfaction.

Administrative controls over Dyatech personnel are as follows:

- Administrative policies are covered in a set of written policies and procedures statements. The policies cover the following areas:
 - Employment Practices
 - Training
 - Compensation
 - Performance Management
 - Employment Benefits
 - Vacations, Sick Time, Holidays and Bereavement
 - Attendance

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- Discipline
- Termination
- As a matter of policy, references are checked on all prospective employees and background checks are performed by an outside organization. Continued employment with Dyatech is subject to satisfactory completion of both personal and employment-related reference checks. All new employees are subject to background investigations.

All employee policies and procedures are included in the Employee Handbook, which is distributed to all employees upon hire. All hiring and terminating procedures require appropriate documentation. This documentation is retained in the employee's file, which is maintained in the Human Resources Department.

Position descriptions and specific objectives are created on an individual basis. Formal performance reviews are conducted at least annually. Discretionary increases for salary and wages are determined as a result of performance appraisals.

Training of personnel is accomplished through formalized in-house training courses, supervised on-the-job training and industry training courses sponsored by Corbel and SunGard.

Risk Assessment

Dyatech has implemented practices and procedures to assist the management team in the identification and management of risks that might affect the Company's ability to provide reliable transaction processing to its clients. These practices and procedures are used to identify and measure the significant risks that the Company faces, initiate the appropriate response to these risks, and assist the management team in monitoring risk and remediation activities.

Dyatech maintains various insurance policies which assist in the management of risk. Thirty-five Dyatech employees are bonded under a \$50,000 dishonesty bond. The Company also maintains a \$1 million errors and omissions insurance policy.

Monitoring

Management has implemented a system of monitoring controls across the Company's key processes, and at the enterprise level. These monitoring controls include procedures that assist management in evaluating the completeness and employee's tasks and the quality of their performance.

Dyatech, LLC also monitors its systems for unauthorized attempts to gain logical access. The Company has implemented various procedures and technologies to assist in minimizing and monitoring risk exposures. These processes and tools may include, but are not limited to, a combination of (a) monitoring of server security logs, (b) monitoring

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of firewall security logs, and (c) monitoring of system backups to ensure their completeness and integrity.

Information & Communication

Investment Accounts and Investment Transaction Processing

SEBS is a sub-service organization that Dyatech has contracted with for the processing of all investment transactions. SEBS, located in Birmingham, Alabama, uses its OmniPlus application to maintain retirement and deferred compensation plans, utilizes its OmniPay application as an integrated network disbursement system that handles recurring pension payments to retirees as well as lump-sum and non-lump sum payments for participants and their beneficiaries enrolled in defined contribution plans, and completes trades via its OmniTrade application. SEBS is a wholly-owned subsidiary of SunGard Data Systems, Inc. SEBS maintains a disaster recovery plan that provides for data backup in 22 locations on a daily basis. Data may be processed in either “test” or “production” modes. SEBS clients, such as Dyatech, may access their data from any of the alternative backup locations.

OmniPlus and OmniPay operate on a mainframe computer which is shared by other SEBS customers, including Dyatech. Customers such as Dyatech lease space on the SEBS server and usage of the OmniPlus software from SEBS. Dyatech has a T-1 grade telephone system that provides appropriate Dyatech employees with access to the OmniPlus system. Participant enrollment and participant elections are entered directly into OmniPlus by Dyatech’s Enrollments Department on a real-time basis, except that certain edits are required to be entered in edit mode until posted as a part of the nightly transaction processing procedures. OmniPlus server operations, technical support and communications programming is managed by SEBS, a subsidiary of SunGard Data Systems, Inc.

The administration system is designed to function in an automated fashion. OmniPlus receives the necessary information to record and report the plan activity from their clients through direct internet access and/or through OmniVoice, an SEBS application that provides each participant with immediate access to their account information through a voice response unit or through internet access. Participants may individually change the allocation of their portfolio and may update their census data but all buy and sell transactions are aggregated and performed at the Plan level. Any pending transactions may be cancelled based on confirm number by the participant through internet access to their account.

A daily settlement report is forwarded to the Operations Department each day that shows aggregate transactions and the net dollar amount either due to Dyatech from MidAtlantic Capital Group (MACG) or due to MACG from Dyatech. An activity summary report shows all detail transactions on a daily basis and includes a detail of all trades made on a particular day as well as all trades rejected from the previous day. The Operations

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Department reconciles the trades. Any rejected trades are accumulated by type of rejected transaction and are reviewed by Operations Department staff, along with voice response rejects.

All participants may purchase and hold any fund approved by the Trustee of the Plan Sponsor. Such Trustees may choose among any mutual funds that are tradable by MACG. All trades are executed by MACG transfer agents at the direction of the Plan participant, the Plan Administrator or authorized Dyatech employees. Purchases, redemptions, exchanges and disbursements are transmitted to various transfer agents on a daily basis through National Securities Clearing Corporation (NSCC). Administrators for plan sponsors (Administrators) must approve all distribution forms. Distributions to participants are paid weekly. OmniPlus also receives automatic price feeds for all funds on a daily basis. At the end of each business day, the system processes at a participant level the same activity that the transfer agents are processing at a plan level. Participant accounts are therefore updated each morning based on requests submitted as of 3:00 pm CST on the previous day, the same time as the daily close of the stock markets.

The OmniPlus system contains a number of features and interfaces to help manage defined contribution plans. The following list describes some of those features:

- Participant Enrollment – Personalized enrollment forms are created from computer software and are used as “turn-around” documents for participants to enroll in a plan. Census data is maintained on the OmniPlus database.
- Contribution Allocation System – Participant contributions are received through hard copy, web submission or data transmission. When a contribution transaction is originated through the website, an email is sent to Dyatech from the website prompt. The system automatically balances the contribution data against dollars received and purchases shares and/or units into participant accounts.
- Comprehensive Loan Accounting – Loan administration functionality is utilized to process a loan from origination to payoff. All loans are setup for repayment via payroll deductions.
- Daily Pricing of Assets – Plans are updated on a daily basis and a price file is sent to Dyatech daily.
- Transaction Accounting – Transaction activity is recorded and maintained by effective date, process date and type of activity. Transaction requests forms are keyed into the system and automatically processed. The system posts accruals and dividends using the same rates and dates as the transfer agent. OmniPlus procedures require that participant transaction requests received in good order subsequent to 3:00pm receive the current day’s price. Accordingly, transactions entered into the system after 3:00pm are automatically pended by the system until the next day’s prices are available.
- Automatic Daily Balancing – After the nightly processing cycle is completed, the system automatically compares the plan’s fund position on the administration system to the fund position at the transfer agent. Discrepancies are investigated and resolved.

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- Participant Statements - Participant statements are generated at each quarter-end. SunGard's quality assurance controls provide for statement review prior to mailing.
- Compliance Testing and Reports - Compliance testing is performed annually on each Plan and more frequently if requested, and includes Actual Deferral Percentage (ADP) and Actual Contribution Percentage (ACP) tests. Form 1099R information records in OmniPay produce tax forms at the end of the year and are mailed to participants and are filed electronically with the IRS.

Participant data is available for review on the internet. Administrators are enabled, through the internet, the voice system response system or hard copy, to conduct participant inquiries, make census data level changes, add new participants, and request transactions, including enrollment form generation, deferral changes, investment option changes, payroll contributions submission, loan requests, hardship withdrawal requests and termination distributions. Sponsors are also able to inquire against plan level information and rules, including fund balances and past financial activity. All financial requests and census data changes are submitted for batch processing through the OmniPlus system.

Brokers, or financial advisors, have the access to the same functionality as described above for the Administrators at the discretion of the plan Trustee. Plan data is viewable by the financial advisor at the option of the Administrator.

New Business

Dyatech sells prototype retirement plan contracts, based on the size of the plan. These prototypes may have plan administration and compliance provisions in addition to recordkeeping provisions. Regardless of plan type, census data is collected and remitted to Dyatech, and then directly input into the OmniPlus system by Dyatech personnel after approval of the plan by the Conversion Department.

Financial Operations - General Ledger System

Cash Receipts and Disbursements

Cash receipts (contributions, conversions and loan repayments) and disbursements (account distributions and withdrawals) related to all plan accounts are transacted daily on a net basis through the contributions account to and from MACG. Cash receipts and disbursements for operating revenues and expenses are handled through the operating account. Transaction fees are logged daily by plan based on the type of transaction. Cash receipts are reconciled daily to amounts charged to clients on a per transaction basis by plan. Non-electronic receipts are received in the mail center and subsequently processed for handling in the Accounting Department. Non-electronic receipts are copied and sent to the Contributions Department for entry into the OmniPlus recordkeeping system. The Accounting Department prepares the bank deposit from the non-electronic receipts. Copies of non-electronic receipts are then given to the Contributions Department for entry into the OmniPlus recordkeeping system. The supporting documentation is then

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retained for future reference. The Operations Department produces a daily report to reconcile the non-electronic receipts entered into OmniPlus with the prepared bank deposit.

Plan account distribution checks are processed and approved by Dyatech through OmniPay. Hard copy checks are system generated and printed in the Accounting Department. Remittance Advice Statements to support the checks are printed together with the checks. All cash disbursement and supporting documentation is retained for future reference by the appropriate Dyatech departments. Checks for plan account distributions are drawn against the contributions checking account, which is also controlled and reconciled within the Accounting Department at Dyatech. Checks are printed once a week.

Electronic Funds Transfers

This process involves electronic transfer of daily payments directly to or from MACG's bank account. Each day a settlement report is completed and a net wire is transferred between Dyatech and MACG. Automatic ACH transactions are prepared by the Contributions Department and entered into the OmniPlus system. These automatic ACH files are then verified prior to release by the Accounting Department. The Accounting Department forwards files to the bank for processing. Manual ACH deposits are prepared by the Contributions Department and verified by the Accounting Department.

The process is originally initiated when the party sending the transfer submits an Electronic Funds Transfer ("EFT") request to the Operations Department for processing into OmniPlus. Bank information is generally received from the client at the time of initial application if ACH is selected as a payment option. Changes in bank information for clients must be received in writing prior to information being updated in the OmniPlus system. There is highly limited access to personnel to change bank information in the OmniPlus system.

Bank Reconciliation

Dyatech has two bank accounts used for recording cash receipts and disbursements. These accounts are reconciled on a monthly basis in the Accounting Department. The monthly reconciliation is reviewed and approved by the President.

Management Information Systems (MIS) Control Environment

Dyatech maintains or leases administrative and management information systems to provide support for all functions of processes and procedures relative to the flow and use of data within Dyatech. Dyatech's computer environment is separated into two platforms: the local area network and the SEBS data center located in Birmingham, AL. The local area network (LAN) connects users to support local software applications, including Microsoft Excel, Word, and Access. Daily tape backups are made and new user setup and assignment of rights and restrictions is done at the direction of Senior Management.

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All SEBS data center access is through a dedicated line. Security for access is controlled by OmniSecurity or other security programs built into the various programs used by Dyatech.

Network access at Dyatech is limited through the use of master network passwords that are assigned and then changed periodically. A listing of the network passwords are maintained by Senior Management. Access to OmniPlus by brokers and auditors is controlled by OmniSecurity. All other non-participant access is controlled by integrated security access within each separate program. Passwords are required to be changed on a regular and timely basis. Participant access to voice response and web-based transactions are restricted by use of user identification numbers and pin numbers. This information is stored within the OmniPlus system but is not controlled by OmniSecurity. Security access to OmniPay is fully integrated into the OmniPay software application.

Dyatech has contracted with a sub-service provider to provide web-site hosting, network and email hosting services.

Specific Functions

The specific functions or features of Dyatech's administrative capabilities and management information systems are to:

- Maintain historical data.
- Receive, translate, edit and update files daily in a seamless, integrated fashion.
- Provide timely, accurate, and complete data for participant account performance.
- Make disbursements to customers in a timely and accurate manner.
- Update and edit data on a timely basis.
- Maintain a history of change and adjustments and audit trails for current and retroactive data. Audit trails capture date, item and reasons for change.
- Allow input mechanisms through manual and electronic transmissions.
- Have procedures and processes for accumulating, archiving and restoring data in the event of a system failure.
- Maintain automated or manual links between MIS and external interfaces.
- Relate member and provider data with utilization, service, accounting data, and reporting functions.
- Relate and extract data elements into summary reporting formats.
- Written processes and procedures manual, which document and describe all manual and automated system procedures and processes for all the above functions and features.
- Accumulate data, prepare and mail 1099 forms to providers.

Standard Financial and Portfolio Reports

Account Position Files are transferred daily to Dyatech from the SEBS server and contain detail account positions by plan and dividend income information. Dyatech then translates this information into two separate data files which are used in the daily

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reconciliation of plan accounts and dividend postings to individual participant accounts. A Participant Statement Report is prepared for each plan on a quarterly basis. This report provides for a summary level report at the plan level and a detailed statement at the participant level. A data extract is prepared and provided to a third party vendor who produces all plan and participant level physical statements for mailing. Proof statements are reviewed by Dyatech to ensure the accuracy of the statements prior to mailing by the vendor. All of these quarterly reports are archived on the website for authorized access. Plan Administrators may access additional reports on the Dyatech website hosted by SEBS.

For all plans with over 100 participants and requiring an annual audit, the Operations Department prepares an audit package which includes summary plan information, detail participant information, transaction details, reconciliations by fund, a draft IRS Form 5500 and related schedules, and other various audit related information.

Additional internal reports are run to provide information to management, employees and certain external users. Some of these reports are used to reconcile client plans to the OmniPlus system. Other reports are used to provide data to management on monthly operations.

Disaster Recovery

Dyatech has a contract for disaster recovery services with SEBS for the information services processing and has a business continuity policy, strategy and standards to be followed by the various business units in the event of a localized disaster.

Dyatech has implemented a series of preventative/protective measures to reduce the likelihood of a disaster from system outage. These measures include: redundant power sources; heat, smoke, and/or water detectors; fire suppression systems and uninterruptible power supply systems (battery backup).

Critical program and data files are backed up to removable electronic media and rotated to an off-site storage facility daily. These files are retained off-site for approximately one week and then returned for re-use.

Communication

Various methods of communication have been implemented to ensure that all employees understand their individual role and responsibilities over transaction processing and controls, and to ensure that all significant events are communicated in a timely manner. These methods include orientation and training programs for newly hired employees and use of electronic mail messages to communicate time sensitive messages and information. Periodically, directors and supervisors also hold staff meetings as appropriate.

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The organization has also implemented various methods of communication to ensure that user organizations understand the role and responsibilities of Dyatech in processing their transactions, and to ensure that significant events are communicated to users in a timely manner. These methods include the monthly Company and industry news updates on the Dyatech website and Dyatech's customer account representatives. Users are also encouraged to communicate questions and problems to Customer Service.

Client Control Considerations

The processing of transactions for Plans at Dyatech was designed with the assumption that certain controls would be implemented by the client organization. In certain situations, the application of specified internal controls at client organizations is necessary to achieve certain control objectives included in this report. The following client control considerations should not be regarded as a comprehensive list of all controls which should be employed by client organizations. There may be additional controls that would be appropriate for the processing of client transactions, which are not identified in this report.

- (1) Each retirement plan customer and Plan Administrator is responsible for establishing internal procedures to ensure that the following information sent to Dyatech is complete, properly authorized, and in accordance with its plan's requirements/criteria:
 - (i) Initial enrollment data;
 - (ii) Modification to participant data requests;
 - (iii) Contribution and loan repayment information; and
 - (iv) Benefit payment requests.

- (2) Periodically (quarterly, semiannually or annually at the option of the retirement plan customer), participant-level statements and contract-level reports are generated for review by participants and Plan Administrators. Plan Administrators are responsible for:
 - (i) Distributing the statements to the participants for their review, or electing for statements to be sent directly to participants' home address under the Direct Mail option;
 - (ii) Reviewing the contract-level reports for completeness and accuracy; and
 - (iii) Communicating any discrepancies noted to Dyatech on a timely basis.

Section III: Control Objectives, Controls, Tests of Operating Effectiveness, and Results of Testing

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Scope Limitations

The information contained in this section was provided as follows:

- The control objectives were specified by Dyatech.
- The information provided under each control objective under each subheading entitled “Controls” was provided by Dyatech.
- The remaining portions of this section were provided by Grantham, Poole, Randall, Reitano, Arrington & Cunningham, PLLC.

Scope

The controls described and tested within this section of the report, are limited to those processes and systems that are under the control of Dyatech. This is limited to inputs and interfaces under Dyatech control.

Specifically excluded from the review are:

- Operations and processing controls at subservice organizations, including software development and change control relating to the major applications used by Dyatech.
- Vendor or external controls

The relative effectiveness and significance of specific controls at other entities as previously described in Section II of this report and the effect on assessments of control risk at Dyatech are dependent on their interaction with the controls and other factors present at these other entities. We have performed no procedures to evaluate the effectiveness of controls at other entities.

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Description of control objectives, controls tests performed and results of test performed

<i>Control Objective</i>	<i>Control Description</i>	<i>Description of test performed</i>	<i>Exceptions noted</i>
1. Entity-wide security program has been documented, approved and is monitored by management.	Dyatech has documented and distributed formal corporate security policies and procedures in the Employee Policies and Procedures Manual.	Inquire and observe about company's policy; solicit details from selected employees about the existence and communication of company policies.	No exceptions noted
	Exception reports are produced timely and monitored by the appropriate manager	Tested reconciliation of rejection reports and ascertain that it is resolved and documented.	Note 1
	Monitoring and approval of changes in these policies and procedures at Dyatech is the responsibility of the President. The execution of many of these procedures has been outsourced to a third-party.	Inquire and review company's policies and evaluate the effectiveness of the communication of policies.	No exceptions noted
	User set up and termination is timely communicated and put into effect by the appropriate manager.	Tested a sample of user initiation and setup communication and ascertain the appropriateness and adherence to company's policies.	No exceptions noted
2. Security related personnel policies are implemented and effective.	Exception reports are produced timely and monitored by the appropriate manager	Tested reconciliation of rejection reports and ascertain that it is resolved and documented.	Note 1
	User set up and termination is timely communicated and put into effect by the appropriate manager.	Tested a sample of user set up forms and relevant documentation for approval and timely communication.	No exceptions noted

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<i>Control Objective</i>	<i>Control Description</i>	<i>Description of test performed</i>	<i>Exceptions noted</i>
	Server and firewall logs are monitored periodically and corrective action taken as required	Tested documentation that selected logs are monitored and inquired about corrective action as applicable.	No exceptions noted
	Backup is monitored and tested periodically according to a formal disaster recovery plan	Tested and ascertained that backup completion and testing results are monitored by appropriate personnel on a timely basis.	No exceptions noted
	Virus protection software is centralized, updated and re-distributed to workstations on a regular and timely basis.	Tested the workstations of selected employees and ascertain that they run virus software and that the software is installed as specified by company's policies.	No exceptions noted
3. Controls provide reasonable assurance that computer operations are monitored to ensure that problems are identified, documented and resolved on a timely basis.	User set up and termination is timely communicated and put into effect by the appropriate manager.	Ascertain that a sample of user set up forms and relevant documentation are approved and communicated in a timely manner.	No exceptions noted
	Virus protection software is centralized, updated and re-distributed to workstations on a regular and timely basis.	Tested the workstations of selected employees and ascertain that they run a virus software and that the software is installed as specified by company's policies.	No exceptions noted
	Server and firewall logs are monitored periodically and corrective action taken as required	Tested documentation that selected logs are monitored and inquired about corrective action as applicable.	No exceptions noted
	Backup is monitored and tested periodically according to a formal disaster recovery plan	Tested backup completion and results and ascertained that they are monitored by appropriate personnel.	No exceptions noted

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<i>Control Objective</i>	<i>Control Description</i>	<i>Description of test performed</i>	<i>Exceptions noted</i>
	Periodic review of the IT environment ensures that software, hardware and other technology resources are properly configured.	Selected a sample of workstations and ascertain that they are configured in accordance with company's policies. Reviewed configuration of critical devices for appropriate set up.	No exceptions noted
4. Controls provide reasonable assurance that logical access to system files, data files, program files and transactions is restricted to authorized users.	User passwords and access rights are set up correctly, including users with administration rights.	Tested user rights and logging activity for select users on the network access and the Omni environments	No exceptions noted
	User set up and termination is timely communicated and put into effect by the appropriate manager.	Tested users set up forms and relevant documentation and ascertained that new users are approved by appropriate personnel.	No exceptions noted
	Virus protection software is centralized, updated and re-distributed to workstations on a regular and timely basis.	Selected a sample of workstations and ascertained that they include a current virus protection software.	No exceptions noted
5. Appropriately authorized personnel, in accordance with Dyatech polices, approve recorded and processed transactions.	Plan documents are set up and re-checked when a plan is initiated.	Tested: (1) Plan kit is set up correctly; (2) Plan kit verification occurred (3) Plan kit is properly classified based on type; (4) Initial trading workpapers reconcile to reviewed; (5) Broker approval documentation is dated before plan initiation is final	No exceptions noted
	Completeness of plan set up is checked and verified before the plan is officially initiated.	Tested the signature and approval of the broker or plan administrative before plan initiation is final.	No exceptions noted

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	Funding is reviewed prior to initial trading	Test that initial trading workpapers reconcile to reviewed.	No exceptions noted
	Trade changes are appropriately approved.	Tested that cash allocation check off form is present at the end of the conversion process.	No exceptions noted
	Cash management allocation is checked when settlements are reported.	Tested that contribution forms and trade detail reconciliation agree.	No exceptions noted
	Disbursements are reconciled and independently approved prior to release of funds.	Tested that (1) Approval of disbursement; reconciliation agrees to fund report (2) Trade request includes: request, process, settlement, recording.	No exceptions noted for (1) Approval of disbursement and (2) Trade request including request, process, settlement, and recording. See Note 2 for reconciliation of disbursements agreement to fund report
	Participants' enrollment is verified when enrolled.	Tested that enrollment forms agree to Omni details.	No exceptions noted
6. Recorded and processed transactions are appropriately classified, maintained, summarized and reconciled. In addition, all transactions must be adequately supported.	Plan documents are set up and re-checked when a plan is initiated.	Test that (1) Plan kit is set up correctly; (2) Plan kit verification occurred (3) Plan kit is properly classified based on type; (4) Initial trading workpapers reconcile to reviewed; (5) Broker approval documentation is dated before plan initiation is final.	No exceptions noted

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<i>Control Objective</i>	<i>Control Description</i>	<i>Description of test performed</i>	<i>Exceptions noted</i>
	The type of plan and the nature of its funding are appropriately classified upon initiation.	Tested that the plan design kit is classified according to the plan type.	No exceptions noted
	Investment elections and contributions are invested in accordance with employees' investment elections and are accurately captured, processed and maintained.	Traced a sample of employee deferral forms to the investment election and contributed amounts to the elections and amounts that were processed and recorded.	No exceptions noted
	Cash management allocation is checked when settlements are reported.	Traced contribution forms to trade detail reconciliation.	No exceptions noted
	Disbursements are reconciled and independently approved prior to release of funds.	Tested that (1) Approval of disbursement; reconciliation agrees to fund report (2) Trade request includes: request, process, settlement, recording.	No exceptions noted
	Reinvestment of dividends is reconciled and posted in accordance with reports from funds.	Traced reinvested dividends to amounts reconciled before posted to Omni and tested that they are recorded correctly by the Omni software.	No exceptions noted
	Plan and broker approve plan document before plan initiation is final.	Test that broker or plan administrative approval documentation is dated prior to the plan initiation is completed.	No exceptions noted

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<i>Control Objective</i>	<i>Control Description</i>	<i>Description of test performed</i>	<i>Exceptions noted</i>
7. Adequate segregation of duties exist within the areas of disbursements and collection (i.e., there should be separate authorization, record keeping, and custody).	Plan and broker approve plan document before plan initiation is final.	Located plan administrative or broker approval documentation prior to the completion of the plan conversion.	No exceptions noted
	The various departments who are engaged with the brokers and plans are independent of those who are processing transactions	Inquired of a sample of employees about their interaction with persons in other departments. Inquired about management overrides and inter-departmental interactions. Reviewed the design of internal controls.	No exceptions noted
	Participants' enrollment is independent of request for changes by participants in other department.	Reviewed the design of internal controls. Inquired a sample group of employees about the degree of interaction between departments.	No exceptions noted
8. Controls provide reasonable assurance that plan parameters and information are setup accurately, completely, and timely for new and converted plans.	The type of plan and the nature of its funding are appropriately classified upon initiation.	Tested that plan design kit set up was checked.	No exceptions noted
	Completeness of plan set up is checked and verified before the plan is officially initiated.	Tested that plan design kit verification occurred.	No exceptions noted
9. Controls provide reasonable assurance that participant records received from prior record	The type of plan and the nature of its funding are appropriately classified upon initiation.	Test that (1) Plan kit is set up correctly; (2) Plan kit is properly classified based upon the plan type	No exceptions noted

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<i>Control Objective</i>	<i>Control Description</i>	<i>Description of test performed</i>	<i>Exceptions noted</i>
keepers are converted accurately and completely on the OmniPlus System, and that conversion funds are accurately and completely received at the Trust.	The appropriate personnel approve received information from converted plans.	Inquiry of sample employees about their interaction and operations with other departments. Review of the design of internal controls.	No exceptions noted
10. Controls provide reasonable assurance that participant transactions (contributions, loans, distributions, exchanges, account maintenance and allocation changes) input into OmniPlus are authorized, processed accurately, completely and timely.	Appropriate communication is used to establish plan documents, funds and other fund parameters.	Test that forms are used to document the verification and approval of plan design kits.	No exceptions noted
	Settlement reports are reconciled to approved trades.	Tested trade request includes and ascertain it includes documentation for request, process, settlement, recording.	No exceptions noted
	Reinvestment of dividends is reconciled and posted in accordance with reports from funds.	Tested reinvested dividends and traced them to the amounts reconciled. Traced the amounts to Omni and ascertain that they were recorded correctly by the Omni software.	No exceptions noted
	Contribution and rollover amounts and allocations are matched with approved forms.	Tested that contribution forms agree to trade detail reconciliation.	No exceptions noted

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<i>Control Objective</i>	<i>Control Description</i>	<i>Description of test performed</i>	<i>Exceptions noted</i>
	Disbursements are matched with approved request forms.	Test that approval of disbursement forms are appropriate and that the disbursement reconciliation agrees to fund report.	No exceptions noted with approval of disbursement; See Note 2 for exceptions noted in reconciliation agreement to fund report
11. Controls provide reasonable assurance that transactions requested via phone representatives are authorized and processed accurately and completely.	Cash management allocation is checked when settlements are reported.	Tested that contribution forms agree to trade detail reconciliation.	No exceptions noted
	Disbursements are reconciled and independently approved prior to release of funds.	Tested that (1) Approval of disbursement and reconciliation agrees to fund report (2) Ascertain that trade request include a fully authorized request, process, settlement and recording.	No exception noted in (1) Approval of disbursement; (2) Trade request includes: request, process, settlement, and recording. See Note 2 for exception noted in reconciliation agreement to fund report.
	Trade rejections and errors are timely researched and corrected.	Tested reconciliation of rejection reports and ascertain that it is resolved and documented.	Note 1
12. Controls provide reasonable assurance that	Cash management allocation is checked when settlements are reported.	Tested that contribution forms agree to trade detail reconciliation.	No exceptions noted

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<i>Control Objective</i>	<i>Control Description</i>	<i>Description of test performed</i>	<i>Exceptions noted</i>
transactions requested via the Voice Response System (VRS) are authorized and processed accurately and completely.	Disbursements are reconciled and independently approved prior to release of funds.	Test that (1) Approval of disbursement; reconciliation agrees to fund report (2) Trade request includes authorized request, process, settlement and recording.	No exception noted in (1) Approval of disbursement; (2) Trade request includes: request, process, settlement, and recording. See Note 2 for exception noted in reconciliation agreement to fund report.
	Trade rejections and errors are timely researched and corrected.	Tested reconciliation of rejection reports and ascertain that a resolution has been documented.	Note 1
13. Controls provide reasonable assurance that transactions requested via the internet are authorized and processed accurately and completely.	Cash management allocation is checked when settlements are reported.	Tested that contribution forms agree to trade detail reconciliation.	No exceptions noted
	Disbursements are reconciled and independently approved prior to release of funds.	Test that (1) Approval of disbursement; reconciliation agrees to fund report (2) Trade request includes: request, process, settlement, recording	No exception noted in (1) Approval of disbursement; (2) Trade request includes: request, process, settlement, and recording. See Note 2 for exception noted in reconciliation agreement to fund report.
	Trade rejections and errors are timely researched and corrected.	Tested reconciliation of rejection reports and ascertain that it is resolved and documented.	Note 1

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<i>Control Objective</i>	<i>Control Description</i>	<i>Description of test performed</i>	<i>Exceptions noted</i>
14. Controls provide reasonable assurance that contributions are credited to participant accounts on the Omni Plus System completely, accurately and timely.	Approved trade requests are traced from request form to final settlement and recording	Tested that contribution forms agree to trade detail reconciliation.	No exceptions noted
	Cash management allocation is checked when settlements are reported.	Tested that cash allocation check off forms are complete.	No exceptions noted
15. Controls provide reasonable assurance that distributions are authorized and processed accurately, completely and on a timely basis in compliance with plan provisions.	Settlements are reviewed and reconciled before disbursements are made.	Tested approval of disbursements and that disbursement reconciliation agrees to fund report.	No exceptions noted with approval of disbursement; See Note 2 for exceptions noted in reconciliation agreement to fund report
	Disbursements are matched with approved request forms.	Tested that trade request includes supporting documentation for the request, its processing, settlement and recording.	No exceptions noted
	Year ends individual 1099R are reconciled to reports of distribution made, including relevant withholding on applicable non-qualified withdrawals.	Tested a sample of year end 1099R reports to ascertain that it agrees to supporting documentation, including relevant tax withholding	No exceptions noted
	Trade rejections and errors are timely researched and corrected.	Tested reconciliation of rejection reports and ascertain that it is resolved and documented.	Note 1

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16. Controls provide reasonable assurance that distributions and payout transactions are reflected accurately and completely in year-end tax reports.	Settlements are reviewed and reconciled before disbursements are made.	Traced the approval of disbursement to a reconciliation of the fund report.	No exceptions noted with approval of disbursement; See Note 2 for exceptions noted in reconciliation agreement to fund report
	Year end reports are tested and reviewed.	Tested that year end reports are signed off at completion	No exceptions noted
17. Controls provide reasonable assurance that rejected contribution, distribution, exchange, account maintenance, and allocation change transactions are isolated, analyzed and corrected on a timely basis.	Settlements are reviewed and reconciled before disbursements are made.	Traced the approval of disbursement to a reconciliation of the fund report.	No exceptions noted with approval of disbursement; See Note 2 for exceptions noted in reconciliation agreement to fund report
	Contributed and rollovers amounts and allocations are matched with approved forms.	Test that initial plan trading workpapers are reconcile and reviewed	No exceptions noted
	Trade rejections and errors are timely researched and corrected.	Tested reconciliation of rejection reports and ascertain that they are resolved and the response documented.	Note 1
18. Controls provide reasonable assurance that	Contribution and rollover amounts and allocations are matched with approved forms.	Tested that contribution forms agree to trade detail reconciliation.	No exceptions noted

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Participant Statements, Plan Sponsor Administration and other reports are accurate, complete and sent on a timely basis.	Settlements are reviewed and reconciled before disbursements are made.	Tested approval of disbursement and that disbursements are reconciled to the fund report	No exceptions noted with approval of disbursement; See Note 2 for exceptions noted in reconciliation agreement to fund report
	Year end reports are tested and reviewed.	Tested that year end reports are signed off at completion	No exceptions noted
19. Controls provide reasonable assurance that plan year-end Annual Deferral Percentage (ADP)/Annual Contribution Percentage (ACP) tests are accurate and complete and updates to data tables in the ADP/ACP program are authorized.	Year end reports are tested and reviewed.	Tested that year end reports are signed off at completion	No exceptions noted
	ADP/ACP data is updated annually only by authorized users	Inquired and observed the user access list to the ADP/ACP application and that it is limited to appropriate personnel at Omni.	No exceptions noted
	Corrective action is reported to the plan timely at the conclusion of the annual tests' review.	Tested that year end corrective action procedures resulted in timely notification of the plans administrators.	No exceptions noted
20. Controls provide reasonable assurance that recordkeeping data is properly stored and retained.	Completeness of plan set up is checked and verified before the plan is officially initiated.	Test that plan administrators or broker approval is dated before plan initiation is complete.	No exceptions noted
	A written document retention policy is in place and effectively communicated and monitored.	Inquire and observed about written document retention policy control exists and how it is communicated.	No exceptions noted

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	Exception reports are produced timely and monitored by the appropriate manager	Tested reconciliation of rejection reports and ascertain that it is resolved and documented.	Note 1

Notes and exceptions:
<p>Note 1: In a sample of 93 rejection reports 1 exception was noted.</p> <p>Management response: The trade rejection response policy has been enhanced at the second half of 2008 to more completely document the response and resolution to trade rejection reports.</p>
<p>Note 2: In a sample of 42 disbursements, 1 disbursement amount was higher than the settlement amount reported by the fund.</p> <p>Management response: In the early part of 2008 and in previous years, small rounding errors went un-noticed because of the difference that OmniTrade and Omni record these amounts. The difference in the exception noted by the auditors is due to a dividend reinvestment that was recorded by the fund and was not timely recorded by the company.</p>