



America's Finest City

THE CITY OF SAN DIEGO

**Response to your Request for
Proposal for Investment Consulting Services**

History and Ownership

- a. **List your firm's complete name, address, telephone and fax numbers. Include the name and title of your proposed primary consultant and the location from which the consulting work will be done.**

Firm Information

Defined Contribution Advisors, Inc.
6385 Old Shady Oak Road, Suite 280
Minneapolis, MN 55344-7736
Email mail@dcadvisors.com
Phone: (952) 358-3400
Fax: (952) 912-0229

Primary Consultant

Mr. Brian Carrington
Chief Investment Officer
Defined Contribution Advisors, Inc.
6385 Old Shady Oak Road, Suite 280
Minneapolis, MN 55344-7736
Email bcarrington@dcadvisors.com
Phone: (952) 358-3403
Fax: (952) 912-0229

Consulting work will be done out of Minneapolis.

- b. **Provide a brief history of your firm and your parent organization.**

Defined Contribution Advisors, Inc. ("DC Advisors") was formed in 1994 and incorporated in 1995 as a Registered Investment Advisor. Since the firm's inception, our services have been devoted to retirement plans, resulting in a unique level of expertise. The firm has no affiliated companies.



A core value within our firm that remains a distinguishing characteristic within the consulting marketplace is our ability to provide truly objective and unbiased retirement plan consulting services to our clients. Our revenue only comes from fee-for-service arrangements and we do not accept any commissions or soft-dollar payments. This ensures our independence when providing recommendations and advice to our clients.

Over the history of the firm, we have worked with a diverse set of clients in various segments of the economy. Typical plans that we provide consulting services to have between \$25 million and \$1 billion in plan assets. Although the types of clients we work with are diverse, we have numerous clients within the tax-exempt marketplace.

The consultants of DC Advisors have extensive professional experience in the retirement plan and investment businesses. The investment team is comprised of individuals with backgrounds in portfolio management, security research, asset management, and consulting. In addition, we have consultants that were formerly plan sponsors, benefits managers, and service provider managers. Our backgrounds give us a balanced and unique perspective for creating solutions to your retirement benefit issues.

- c. Within the past three years, have there been any significant developments in your organization, such as changes in ownership, restructuring, or personnel reorganizations? Do you anticipate future significant changes in your organization? If yes, please describe.**

Within the past three years, DC Advisors has not had any significant developments in the organization. We do not anticipate any significant changes in the organization.

- d. Describe the ownership structure of your firm, giving specific details with regard to any parent or affiliates.**

DC Advisors is solely owned by Daniel J. Esch, the company's founder, noting the senior management team (Chief Investment Officer, Chief Consulting Officer and Chief Financial Officer) participate directly in business management and profits. All employees participate in a company sponsored profit sharing plan.

Organization

- a. **Within the last five years, has your firm or any officer or principal been involved in any business litigation or other legal proceedings relating to you consulting activities? If so, provide an explanation and indicate the current status or disposition.**

DC Advisors, DC Advisors' officers, and DC Advisors' principals have not been involved in any business litigation or other legal proceedings relating to our consulting activities.

- b. **Please describe the level of coverage for error and omissions insurance and any fiduciary or professional liability insurance your firm carries. List the insurance carrier(s) supplying the coverage.**

DC Advisors maintains errors and omissions/professional liability insurance with Chubb Insurance. Based on the number of clients and size of our business, we maintain an appropriate level of liability insurance. If selected for an interview, we will disclose specific levels of coverage.

- c. **Disclose any on-going business or contractual relationships you have with third party administrators/recordkeepers, investment managers or any other associated companies.**

We do not have any business or contractual relationships, nor are we affiliated with any organization that provides; participant recordkeeping, administration, actuarial services, auditing of mutual funds, or investment management products. All of our firm's revenues are "hard-dollar" consulting fees paid directly by our clients. We do not accept any commissions or 12(b)1 fees as payment for our services.

- d. **Explain any other potential conflict of interest your firm might have in advising the Trustee Board.**

DC Advisors does not have any conflicts of interest with advising the Trustee Board.

e. Identify the individual(s) who would perform the work. Describe their assigned responsibilities and provide:

- **Name and Title.**
- **Location.**
- **Responsibility.**
- **Number and size of Client Relationships.**
- **Years with the Organization.**
- **Years experience and credentials.**

BRIAN G. CARRINGTON, CFA, CHIEF INVESTMENT OFFICER

- Based in Minneapolis Minnesota
- Brian Carrington would be responsible for all of the consulting services provided to the City of San Diego. Within DC Advisors, he is the head of the investment consulting practice and oversees the management of the investment team.
- Brian Carrington has 12 client assignments that range in size from \$50 million to \$1 billion in plan assets. Approximately 35% of his clients fall within the \$500 million to \$1 billion range in plan assets.
- Brian Carrington has 10 years of experience with DC Advisors.
- Brian Carrington has over 20 years of experience with investment management companies.

Prior to joining DC Advisors, Brian was a portfolio manager / analyst with Piper Trust Company. In this position, Brian was responsible for developing investment strategies, recommending specific investments, and providing all related investment services for high net worth individuals and charitable foundations. Brian's background with Piper Jaffray also included work on the formation of an international investment advisory firm. Prior to serving with Piper Jaffray, he worked for EBF & Associates, a global arbitrage hedge fund manager.

Brian has a Bachelor of Arts degree in Finance and Accounting from Bethel University, St. Paul, Minnesota. He is a Chartered Financial Analyst and member of the Association for Investment Management and Research, and the Twin Cities Society of Securities Analysts. Brian is also a graduate of the American Bankers Association National Trust School.

ALLEN R. WEISZ, CPA (INACTIVE), CHIEF CONSULTING OFFICER

- Based in Minneapolis Minnesota
- Allen Weisz would be responsible for assisting in plan design consulting provided to the City of San Diego. Within DC Advisors, Allen Weisz is the head of the plan management consulting practice and oversees all activities relating to plan design and administration consulting.
- Allen Weisz has 13 client assignments that range in size from \$30 million to \$700 million in plan assets.
- Allen Weisz has 10 years of experience with DC Advisors.
- Allen Weisz has over 20 years of experience in retirement benefits.

Allen served as the Chief Financial Officer of the Minnesota Chamber of Commerce, managing payroll, all internal operations and benefit programs. Allen also served as Manager of Retirement Benefits and Payroll at RBC Dain Rauscher (formerly Interra Financial), consolidating multiple payroll departments, designing retirement benefit and total compensation communications, administering several deferred compensation programs, managing plan design and administrative outsourcing, and supervising plan audit. Prior to RBC Dain Rauscher, Allen was a Senior Staff Accountant at KPMG where he supported the employee benefits area performing compliance reviews and supervising tax processes.

Allen has a Bachelor of Arts degree in Accounting, cum laude, from the University of St. Thomas and is a member of the American Institute and Minnesota Society of Certified Public Accountants. Allen has served as past Chair and Vice Chair on the Minneapolis Pension Council.

f. Provide the following information pertaining to your current clients:

Portfolio Size (\$ Millions)	Category	Public Sector	Other Tax- Exempt	Other	Total
\$0-\$49	# of Clients		2	15	17
	Total \$ Amount		\$80	\$540	\$620
\$50-\$99	# of Clients		1	8	9
	Total \$ Amount		\$80	\$550	\$630
\$100-\$250	# of Clients		3	7	10
	Total \$ Amount		\$500	\$1,300	\$1,800
Over \$250	# of Clients		1	8	9
	Total \$ Amount		\$530	\$5,300	\$5,830
Total	# of clients		7	38	45
	Total \$ Amount		\$1,190	\$7,690	\$8,880

Sample Report

Enclosed are eight copies of the 2nd quarter 2008 investment monitoring report customized for the City of San Diego funds.

References

MeritCare Health System
 Contact: Roger Lee, Executive Partner Accounting
 720 4th Street North
 Fargo, ND 58122
 (701) 234-6201
 rogerlee@meritcare.com
 Type of Service: Full Plan Management
 Consultant: Brian Carrington

Pella Windows
 Contact: Myron Linn, Manager of Compensation and Government Affairs
 102 Main Street
 Pella, IA 50219
 (641) 621-6045
 mrlinn@pella.com
 Type of Service: Full Plan Management
 Consultant: Allen Weisz

TMC Healthcare
Contact: Tracy Nuckolls, Executive Vice President and General Counsel
5301 East Grant Road
Tucson, AZ 85712
(520) 327-5461
Tracy.nuckolls@tmcaz.com
Type of Service: Full Plan Management
Consultant: Dan Esch

Freeport McMoRan Copper & Gold
Contact: Carol Lindsay, Director, Treasury Operations
One North Central Avenue
Phoenix, AZ 85004-2306
(602) 366-7810
Carol_lindsay@FMI.com
Type of Service: Full Plan Management
Consultant: Dan Esch

Fees

Our clients have expressed a preference for our method of compensation, which differs from other consulting firms. Our practice is to develop an all-inclusive retainer fee for each client. This provides our clients with a clear and definite expense that can be easily budgeted. As such, the fees outlined below would include all of the items that have been outlined in the Scope of Work.

As part of our ongoing services, we provide clients with routine consulting and plan design support. You can expect to receive advice on modifications and the ramifications of those changes to your plan. Our consultants are available to you for no additional charge for routine inquiries. We also monitor marketplace trends and developments and provide clients with industry updates as products and services change. Our commitment to continuous improvement in the administration and design of plans has proven beneficial to our clients.

The only variability in our fees is due to the out-of-pocket expenses we incur on your account. Out-of-pocket expenses, such as delivery services and travel expenses are billed at cost.

Our retainer fee would be \$17,000 per quarter, which is charged in arrears. We are willing to guarantee our fees for a two year period of time.