MEMBERS

JOHN CHIANG, CHAIRPERSON
State Treasurer

BETTY T. YEE
State Controller

MICHAEL COHEN
Director of Finance

NANCY BARGMANN
Director of Developmental Services

DR. APRIL LOPEZ
Chairperson of the State Council on Developmental Disabilities

JOE XAVIER
Director of Rehabilitation

LINDA SCHAEDLE
Chairperson of the State Independent Living Council

EXECUTIVE DIRECTOR
Christina Elliott

Achieving a Better Life Experience ("ABLE") Act Board

Request for Proposals No. ABLE 04-17
529A Program/Plan Manager

Notice to Prospective Bidders

June 19, 2017

DRAFT

You are invited to review and respond to this Request for Proposals No. ABLE 04-17 ("RFP") for 529A Program / Plan Manager Services.

In submitting your proposal, you must comply with all instructions in the RFP. The RFP includes the Sample Standard Agreement the winning bidder will be expected to execute. Note that all agreements entered into with the State of California will include by reference General Terms and Conditions and Contractor Certification Clauses that may be viewed and downloaded online at http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx. **THE TERMS AND CONDITIONS LISTED IN THE STANDARD AGREEMENT OF THIS RFP ARE NOT NEGOTIABLE.** Any proposal submitted with proposed changes to the Standard Agreement's Terms and Conditions may be considered non-responsive and rejected by the ABLE Act Board. If you do not have Internet access, a hard copy of the RFP, which includes these Terms and Conditions and Certification Clauses, can be provided upon request by contacting the person listed below.

All responses to this RFP must be submitted in electronic form to Christina.elliott@treasurer.ca.gov on behalf of the Board no later than **4 p.m. Pacific Time ("PT")** on **July 17, 2017.** Faxed submissions will not be accepted. The ABLE Act Board does not accept any responsibility for any proposals that are not submitted to the Board by the indicated deadline. All responsibility for technical difficulties or delays rests with the bidders.

In the opinion of the ABLE Act Board, this RFP is complete and without need of explanation. However, if you have questions or should you need any clarifying information, contact Christina Elliott, Executive Director, by email at Christina.Elliott@treasurer.ca.gov. All questions must be submitted by email by 4 p.m. PT June 21, 2017. There will be an Optional Pre-Proposal Conference on June 23, 2017 at 10 a.m. PT; firms interested in participating may call in to the conference at 1 (877) 411-9748 and dial the participation code: 6530665.

Please note that no *verbal* information given will be binding upon the State unless such information is issued in writing as an official addendum to this RFP.

PLEASE CAREFULLY READ THE RFP AND FOLLOW THE INSTRUCTIONS.

TABLE OF CONTENTS

1. PURPOSE AND DESCRIPTION OF SERVICES 4
   1.1 Scope Overview 4
   1.2 Sample Standard Agreement 4
   1.3 Background 4
   1.4 Scope of Work 7

2. MINIMUM QUALIFICATIONS 11

3. PROPOSAL REQUIREMENTS AND INFORMATION 11
   3.1 Schedule (Key Action Dates) 11
   3.2 Questions and Answers 12
   3.3 Optional Pre-Proposal Conference 12
   3.4 Submission of Proposal 12
   3.5 Evaluation Process 14
   3.6 Award and Protest 15
   3.7 Disposition of Proposals 15
   3.8 Agreement Execution and Performance 15

4. QUALIFICATIONS AND EXPERIENCE 16
   4.1 Firm Background and Organization 16
   4.2 Compliance 17
   4.3 Investment Structure and Experience 17
   4.4 Administration, Recordkeeping and Customer Service 19
   4.5 Marketing and Outreach 21
   4.6 Fees 22
   4.7 Other Fees 23

5. LEGAL, DISCIPLINARY, AND CONFLICT OF INTEREST DISCLOSURES 23

6. CALIFORNIA DISABLED VETERAN BUSINESS ENTERPRISE 25

7. PREFERENCE PROGRAMS 25
   7.1 Small Business or Microbusiness Preference 25
   7.2 Non-Small Business Preference 25
   7.3 Target Area Contract Preference Act (TACPA) 26

8. REQUIRED ATTACHMENTS 26

REQUIRED ATTACHMENTS

Attachment 1 - Required Attachment Check List
Attachment 2 - Proposal/Proposer Certification Sheet
Attachment 3 - Bidder References
Attachment 4 - Minimum Qualifications Certification
Attachment 5 - Securities and Exchange Commission Form ADV or Proof of Exemption
Attachment 6 - Key Personnel
Attachment 7 - Payee Data Record (STD. 204)
Attachment 8 - Contractor Certification Clauses (CCC 04/2017)
Attachment 9 - Darfur Contracting Certification
Attachment 10 - Small Business or Microbusiness Preference (if applicable)
Attachment 11 - Non-Small Business Preference (if applicable)
Attachment 12- Target Area Contract Preference Act (TACPA) (if applicable)
Attachment 13 - Audited Financials and SEC Filings

DRAFT

Attachment 14 - SSAE 16, if available
Attachment 15 - Bidder Declaration (GSPD-05-105)
Attachment 16 - California Civil Rights Laws Certification
Attachment 17 - Iran Contracting Act Certification
Attachment 18 - California ABLE Account Projections

SAMPLE STANDARD AGREEMENT

Standard Agreement (STD. 213 Form)
Exhibit A – Scope of Work
Exhibit B – Budget Detail and Payment Provisions
Exhibit C – General Terms and Conditions
Exhibit D – Special Terms and Conditions
Exhibit E – Additional Provisions

DRAFT

1. PURPOSE AND DESCRIPTION OF SERVICES

1.1 Scope Overview

The Achieving a Better Life Experience Act Board ("ABLE Act Board", "Board", or the "State") is the administrator of California's 529A Qualified ABLE Program as defined in Welfare and Institutions Code section 4875(k) ("ABLE Program," "CalABLE" or "Program"), and the State agency responsible for the effective and efficient administration of the California ABLE Program Trust ("Trust").

The Board is soliciting proposals from qualified firms, organizations, and/or a consortium of allied financial services companies to serve as Plan/Program Manager for the ABLE Program. A qualified program manager will (i) implement and manage a superior ABLE Program to primarily appeal and be sold directly to the California disability communities, (ii) offer a range of straightforward investment options with competitive investment performance geared to the anticipated needs and investment objectives of designated beneficiaries, (iii) design a simple and efficient enrollment process, (iv) provide and implement a strategic marketing plan designed to reach stakeholders and potential accountholders, and (v) provide seamless administration, recordkeeping and responsive customer service, all at the lowest possible cost to investors.

The Program is described in greater detail in Section 1.3 Background. More information about the ABLE Act can be found online at www.treasurer.ca.gov/able. The Board anticipates the Program will be launched in the second or third quarter of Fiscal Year 2017/2018.

1.2 Sample Standard Agreement

All terms and conditions noted in the Standard Agreement are not negotiable. Proposals that do not accept all items included in the Standard Agreement may be deemed non-responsive and excluded from evaluation. The term of the agreement entered into pursuant to this RFP, if any, will be five (5) years with five (5) one-year extension options, if desired by the Board, at the same or lower rate for a possible total term not to exceed ten (10) years.

1.3 Background

The ABLE Act Board

The California Legislature authorized creation of the Board, Program, and Trust in 2015 (Welfare and Institutions Code section 4875 et seq. ("Act")), intending it to be a qualified ABLE program as defined in Section 529A of the Internal Revenue Code of 1986, as amended ("Section 529A" or "529A", and "IRC", respectively). The Act authorizes Trust investments for a designated beneficiary's qualified disability expenses. The Board was established to administer the State's ABLE Program and is the State entity responsible for effective and efficient administration of the Trust. The seven-member Board expects to meet monthly. Meetings are held in accordance with the California Bagley-Keene Open Meeting Act and will generally be held in Sacramento, California at the State Treasurer's Office, 915 Capitol Mall, but may be held at other locations.

In 2016, the California Legislature agreed to provide approximately $1.5 million over the course of Fiscal Years 2016/2017 and 2017/2018 to the Board for implementation costs related to the ABLE Program. These funds are being used for start-up and administrative costs. The Board will be expected to repay these funds to the State from revenues generated by the Program. The Board has the right to collect revenues in the form of State administrative or account maintenance fees.

California ABLE Program

The federal Achieving a Better Life Experience Act of 2014 was enacted in December 2014 as Section 529A to provide for tax-advantaged savings programs established and maintained by state entities for eligible individuals with disabilities. In 2015, the State of California passed legislation to create and authorize the Board to establish, implement, and maintain a qualified

DRAFT

California ABLE Program (also referred to as "CalABLE") for the residents of California and other contracting states. The California ABLE Program will be established to assist eligible individuals with disabilities to save and pay for qualified disability expenses without jeopardizing their federal means-tested benefits, including Supplemental Security Income ("SSI") benefits.

Data is not available regarding the number of Californians eligible to participate in CalABLE. Thus, there is no empirical data to guide California on participation in CalABLE such as estimated number of accounts, account size, or number of transactions. As a result, the Board has conducted a survey and referenced certain data sources to better understand the potential California ABLE eligible population, contribution levels, and spending preferences.

CalABLE Education and Outreach

Since July 2016, staff has had a total of 298 stakeholder engagements. Of these, 60 were presentations to various agencies throughout California and about 13,000 people. In these engagements, especially with potential ABLE account owners, staff asked for preferences for program features, which we have incorporated into this RFP.

In November 2016, CalABLE hosted its first webinar on the CalABLE Program, which had a total of 294 people attending live, with a total 499 registrants. Since then, another 144 people watched this archived webinar via the GotoWebinar platform. As of June 2017, there have been an additional 578 views of the webinar on YouTube.

The focus of the outreach effort was to incorporate the desires of CalABLE's target population into the design of the program. For too long programs have been designed for people with disabilities without much input from the disability community around how those programs will play out in real life for these millions of people and their families. Along with program design features outlined his request for proposal, the stakeholders we engaged assisted with the creation of the Board's Vision, Mission, and Values Statements. They are as follows and lay the foundation for the Program:

VISION:

To provide greater financial security to Californians living with a disability.

MISSION:

To meet the diverse needs of our customers and their families. We pledge to be customer driven, accountable, and a trusted partner in providing financial services. We are committed to transparent, accessible services that meet the needs of our participants.

VALUES:

Adaptability and Flexibility – We will encourage an entrepreneurial mindset to consistently improve and solve problems through creativity and feedback from our customers
Humility – We seek to listen and learn from our participants and our peers.
Integrity – We are committed to operating business in a reliable and trustworthy fashion.
Transparency and Accountability – We will always take ownership and responsibility for our actions and outcomes.
Sustainability – We are committed to growing CalABLE accounts in a responsible manner that will promote long term sustainability of the program and long term growth of account balances.
Collaboration – We will not operate in a silo; we will engage stakeholders at multiple levels to ensure consistency across impacted federal and state agencies.

Survey of Potential Participants. From September 19, 2016 to December 23, 2016, the Board conducted a Survey of Potential Participants ("CalABLE Survey") developed and

DRAFT

administered through SurveyMonkey and distributed electronically and in hard-copy to 60,000 individuals through the following channels: CalABLE electronic listserv, social media (e.g., Facebook and Twitter) and through stakeholder mailing lists and/or their social media. The Survey was intended to gain clarity on potential CalABLE participants' demographics, use of public benefits, anticipated contributions, preferred method of contribution, use of CalABLE accounts and concerns regarding the Program.

Based upon a total of 924 respondents, a majority (67%) of whom are parents of potential ABLE account owners, the Board expects that an average CalABLE potential participant may have the following characteristics:

Characteristic	Description	Percent of Respondents
Age	6 to 26 years old	57%
Race	Identifies as "White"	60%
Primary Language	English	93%
Annual Household Income	$24,999	62%
Use of Public Benefits	Receives SSI/SSDI, Medicaid/Medi-Cal, and low-income housing assistance	70%
Expected Use of CalABLE Account	Long-term investment and/or savings Transactional account	60% 38%
Expected Contribution	$0 to $14,999	45%

Survey respondents stated a strong preference for the following CalABLE account features:

- Low or no fees
- Broad range of investment options
- Debit card or prepaid card
- Safeguards and protective features to help prevent fraud
- Contributions through electronic transfers from a bank account
- Online/website interface in terms of communicating with customer service

Concerns shared by respondents were related to:

- Medi-Cal/Medicaid recovery upon the account owner's death
- Misuse of funds in CalABLE accounts by account owners or legal representatives
- Responsibility of tracking and documenting "qualified disability expenses," in particular because some participants may have cognitive challenges related to their disability that hinder their ability to manage finances adequately

CalABLE Account and Asset Projections. According to the United States Census Bureau, six percent of the California population, or approximately 2.4 million Californians, have a disability. Other estimates vary, for example, the Kaiser Family Foundation estimates that about ten percent of Californians have a disability. Considering the eligibility criteria for ABLE accounts and consumer report data from the State Department of Developmental Services and the Social Security Administration ("SSA"), a conservative assumption would show that about 400,000 people in California may qualify:

DRAFT

Estimate	Population
2016 California Population	40,000,000
Individuals with Disabilities[1]	2,400,000
Eligible Individuals[2]	400,000+

[1] Six percent of total California population.
[2] One percent of total California population. Includes all forms of ABLE eligibility, including age of onset and self-certification.

Hypothetically, if all 400,000 eligible Californians were to open accounts at the maximum annual contribution of $14,000, the California ABLE Program Trust could hold up to $5.6 billion in assets.

Assuming a much more conservative projection and for illustrative purposes, the Board could also estimate the following accounts and assets in Year 1-5*:

	Year 1	Year 2	Year 3	Year 4	Year 5
Accounts	25,000	37,500	54,375	65,703	78,844
CalABLE Market Value	$175,000,000	$363,125,000	$635,769,531	$936,683,569	$1,297,563,215

In the CalABLE Survey, about 45 percent of respondents reported expecting to contribute up to the maximum allowable amounts (currently $14,000 but referred to in the Survey as $14,999). Currently offered Qualified ABLE Programs have reported an average account balance of approximately $5,000. Because CalABLE is a new financial savings tool, the Board assumes that account owners may choose to contribute less initially before contributing the maximum. Considering the current $14,000 limit on annual contributions and assuming just 25,000 accounts in the first year, the Trust could potentially hold just $175,000,000 million as shown above.

1.4 Scope of Work

The following Scope of Work details the Board's expectations for the Investment Manager and Program Administrator ("Plan Manager" or "Program Manager"). These Plan Manager services include the following:

a) General Compliance

(i) The Contractor will provide, under the supervision and direction of the ABLE Act Board, all program management services for the compliance, investment, marketing, administration, banking (including transaction processing), recordkeeping and customer service functions of CalABLE in compliance with all RFP requirements and the resulting contract.

(ii) The Contractor will manage CalABLE in compliance with state and federal laws, including Section 529A, applicable Treasury and SSA requirements and regulations, applicable Municipal Securities Rulemaking Board ("MSRB") and Securities Exchange Commission ("SEC") requirements and other state and federal requirements.

(iii) In the event applicable final Treasury and SSA rules and regulations are not issued prior to the launch of CalABLE, the Contractor will undertake to comply with final rules and regulations once issued within a commercially reasonable period of time to the satisfaction of the Board.

(iv) On an ongoing basis, the Contractor will monitor for changes in the legal and

* For details and assumptions, please see RFP Attachment 18 - California ABLE Account Projections

DRAFT

regulatory environment that may materially affect the Plan, and it will make recommendations for amendments or supplements to the Plan processes and offering materials.

(v) The Contractor must adhere to the Board's applicable standards and policies, as and when adopted by the Board. The Contractor must comply with the Americans with Disabilities Act ("ADA") and Section 508 of the Rehabilitation Act ("Section 508") for any disclosures, plan descriptions, participation agreements and Program forms, and website.

(vi) Services shall be performed at the offices of the Contractor, appropriate affiliates, subsidiaries and subcontractors. The Contractor, affiliates, subsidiaries and subcontractors must provide services in compliance with all federal and State regulatory bodies.

(vii) The Contractor will designate a dedicated key personnel team to serve the Board and it will notify the Board of any changes to the management or compilation of that team as they occur. Such changes include re-assignments, resignations, terminations, additions or other changes to the employment status or composition of the professionals assigned to the team.

(viii) All work to be performed by the Contractor will be reviewed by the Board or its designee. Such review will not relieve the Contractor of any liability in connection with such work.

(ix) The Contractor must assist the Board with launching CalABLE as soon as possible in Fiscal Year 2017/2018.

b) Investment Services

(i) The Contractor must develop and recommend investment options, underlying funds and fee structures to appeal to both long-term savers and transactional users with various risk tolerances and varying contribution levels. Investments should be simple yet offer maximum flexibility to satisfy various account owner objectives and needs. The Board must approve any and all recommended investment options. Per statute, the Board will establish a Statement of Investment Policy ("Investment Policy Statement") for CalABLE following the selection of the Program Manager with the assistance of CalABLE's investment consultant and input from the Program Manager as well. The Contractor shall comply with the terms of the Investment Policy Statement.

(ii) The Contractor must offer a federally-insured checking and/or traditional savings account option, with the opportunity to offer a debit card or prepaid card feature to CalABLE account owners.

(iii) The Contractor must recommend a proprietary line-up of underlying investments, investments from a single mutual fund company, or investments from multiple investment managers. In either case, the Contractor must support its recommendations to the Board, demonstrating the superiority of the recommendation over other possible investment line-ups.

(iv) The Contractor will comply with Monitoring Procedures and Criteria to be established by the Board and by which the Contractor's performance will be measured. The Contractor must also demonstrate that it (and any investment management subcontractor) has rigorous internal monitoring procedures in place for the funds and investment vehicles proposed as underlying investments.

(v) The Contractor shall provide regularly scheduled investment performance reports compared to agreed-upon benchmarks. The Contractor should expect to provide these reports on a quarterly basis, at a minimum.

DRAFT

(vi) On at least a quarterly basis, and more frequently as necessary, the Contractor must inform the Board about significant changes in the investment climate, market conditions or investment philosophies that could affect Plan investments.

c) Administration, Recordkeeping, Banking, and Customer Service

(i) The Contractor will administer the Program, maintain all records, and comply with all applicable laws and reporting requirements set forth under Section 529A, the SSA, the California Franchise Tax Board ("FTB"), federal and State securities regulators, and the Board imposed administrative performance criteria. The Contractor's reporting requirements include the annual report and audit of the Plan as may be required in section 4881 of the Welfare and Institutions Code.

(ii) The Contractor shall provide all necessary services, including the following:

A. Provide enrollment online and through a central mailing location that can receive express deliveries and deliveries by normal U.S. postal services.

B. Maintain contact information for designated beneficiaries and authorized legal representatives, as applicable.

C. Provide separate accounting for each account and designated beneficiary; and account payment and distribution history.

D. Provide banking services to process contributions through ACH or physical delivery of checks, and process withdrawals via check or, if possible, ACH transfers to designated and allowable payees.

E. Monitor limitations on maximum annual contributions, twice-per-year investment changes, account balances for SSI benefit purposes (currently $100,000), and maximum limits for overall account balances. Provide daily NAVs; generate and distribute periodic statements and Internal Revenue Service ("IRS") forms (e.g., 1099-QAs and 5498-Qs); provide 24/7 online account access and account maintenance; provide account information on a monthly basis to SSA and IRS; and implement a fraud prevention program.

F. Process rollovers to/from Qualified ABLE programs; SSI and SSDI direct deposits; payroll direct deposits; and requests for Program literature and forms and any other reasonably-related administrative services necessary to operate CalABLE.

G. Develop and provide a secure and ADA-compliant website, which provides access to account information.

H. Develop and provide updates to official disclosure statements.

(iii) The Contractor must keep and protect the confidentiality of personal information, including identification numbers or account codes in accordance with all applicable federal and State laws.

(iv) The Contractor's customer service representatives must be knowledgeable about CalABLE, provide information about the impact of ABLE account on any assets on federal means-tested benefits, and engage in responsive conversation.

(v) At a minimum, live customer service will be required from 8:00 a.m. to 7:00 p.m. PT, Monday through Friday, except holidays. These customer service representatives must be available on the phone and through an online/website interface, as indicated by the CalABLE Survey respondents. There also must be a voice response unit and online servicing access in all other hours. In person customer service is not a requirement of the program, however the Board would like to offer face to face customer service if possible.

DRAFT

(vi) The Contractor shall provide required monthly reports to federal and State entities regarding accounts and account activity. The Contractor will also provide regularly scheduled reports to the Board regarding the number of new accounts and assets generated for the agreed-upon time period and currently in existence, any relevant account activity, and other program administration information prescribed by the Board.

(vii) The Contractor also will provide a quarterly report outlining customer service inquiries and results, the number and types of complaints and the manner in which they were resolved, and such other information as the Board requests, including prior year comparisons on requested information.

(viii) The Contractor must attend or be represented at all Board meetings (expected to be monthly) unless otherwise notified by the Board Chair or his or her designee, and provide program-related reports as requested by the Board or its staff.

(ix) The Contractor must also respond to the need for telephone consultation within a 24-hour period and be available at minimum to the Board and the staff between the hours of 8 a.m. to 5 p.m. PT.

(x) Upon request, the Contractor shall provide the Board access to all files, records, documents and data pertaining to the Plan that are in its possession and control, regardless of how that information is stored ("Plan Records"). The Plan Records shall be provided in a reasonable time and in a form acceptable to the Board. At its expense, the Contractor also shall provide the Board all Plan Records in a useable electronic form after notice from the Board that the Agreement will terminate.

(xi) The Contractor's performance will be measured by administrative performance criteria, which the Board will establish ("Administrative Benchmarks") once a Bidder is chosen and which will be included in the Agreement. The Board and/or the Contractor may review and recommend modifications to the Administrative Benchmarks on an annual basis based on industry norms and national trends; any modifications will require approval by the Board.

d) Marketing and Outreach

(i) The Contractor must work with national and California-based disability advocates to aggressively market and promote CalABLE.

(ii) The Contractor must provide investor education and outreach across California, including some materials in Spanish. The Contractor will lead the Board's efforts to reach all possible eligible individuals through initiatives directed specifically toward California residents with disabilities.

(iii) The Contractor, working with any firms retained by the Board for marketing or public relations services, will present an annual marketing plan to the Board for review and approval. The marketing plan should include all strategies and mechanisms anticipated to reach the broadest audience of eligible individuals in California. The annual marketing plan will be based upon the Contractor's annual marketing commitment, to be used for marketing and promotional expenditures, excluding overhead charges. All marketing plans will be subject to the Board's approval.

(iv) The Contractor will provide regularly scheduled reports on marketing expenditures and will be expected to provide an analysis of the effectiveness of its marketing strategies.

DRAFT

2. MINIMUM QUALIFICATIONS

Bidder must complete Attachment 4 certifying that the Bidder meets the following minimum qualifications.

Bidders must establish each of the following minimum qualifications. If the Bidder is a consortium or includes subcontractors, all partners/subcontractors must also establish compliance with each of the following minimum qualifications:

a) Bidder(s) must hold and maintain all licenses and registrations required by or otherwise comply with applicable federal and state laws for businesses offering securities, investment and municipal advisory services. All licenses and registrations must be current and in good standing.

b) Must be qualified to do business in the State of California. If awarded the contract, Bidder must be able to provide, at the State's request, evidence of qualification to do business in the State of California from the California Secretary of State, including the qualification of any subcontractor.

c) Bidder(s) may not currently or during the term of the Agreement executed pursuant to this RFP have a contractual or other business relationship with the Board's ABLE consultant (AKF Consulting) or with its investment consultant (Pension Consulting Alliance).

d) Bidder must provide or include subcontractors or partners that collectively can provide the services detailed under Section 1.4 Scope of Work, including (i) general compliance, (ii) investment services, (iii) administration, recordkeeping, banking and customer service, and (iv) marketing and outreach.

3. PROPOSAL REQUIREMENTS AND INFORMATION

3.1 Schedule (Key Action Dates)

All Bidders are hereby advised of the following schedule and will be expected to adhere to the required dates and times (all times are Pacific Time (PT)).

Date	Action
June 19, 2017	RFP Available to Prospective Bidders
June 21, 2017, 4pm PT	**Deadline for Written Question Submission**
June 23, 2017, 10am PT	Optional Pre-Proposal Conference
June 30, 2017, 1pm PT	Answers to Written Questions Distributed
July 17, 2017, 4pm PT	**Deadline for Proposal Submission**
August 9, 2017	Notice of Intent to Award
August 16, 2017	Contract Award
August 30, 2017	Commencement of Contract (pending DGS approval)
Fiscal Year 2017/18	Launch of CalABLE

The Board reserves the right to change the above dates and times, and, if so, an addendum to the RFP will be issued, available online at www.treasurer.ca.gov/ABLE, and potential Bidders that submit contact information in accordance with Section 3.3(l) of this RFP will be notified via email. The Board also reserves the right to reject all bids and not to award an agreement at all.

DRAFT

3.2 Questions and Answers

In the opinion of the Board, this RFP is complete and needs no further explanation. However, if you have questions, or should you need any clarifying information, you may submit written questions no later than 4 pm PT on June 21, 2017 by email to Christina.Elliott@treasurer.ca.gov or by fax to (916) 589-2860.

Answers to all written questions received by 4 pm PT on June 21, 2017 will be available online at www.treasurer.ca.gov/able by close of business on June 30, 2017.

3.3 Optional Pre-Proposal Conference

a) An optional pre-proposal conference call is scheduled for June 23, 2017 at 10:00 am PT via conference call by calling 1 (877) 411-9748 and dialing participation code: 6530665 when prompted, for the purpose of discussing concerns regarding this RFP.

b) In the event a potential proposer is unable to attend the optional pre-proposal conference call, an authorized representative may attend on their behalf. The representative may only sign-in for one (1) company. Subcontractors may not represent a potential proposer at the optional pre-proposal conference.

c) For contractors who need assistance due to a physical impairment, a reasonable accommodation will be provided by the awarding agency, upon request for the preproposal conference call. The Contractor must notify Carrie Fisher Stone at (916) 653-0665 no later than the fifth working day prior to the scheduled date and time of the pre-proposal conference call to arrange for a reasonable accommodation.

3.4 Submission of Proposal

a) Proposals should provide straightforward and concise descriptions of the Bidder's ability to satisfy the requirements of this RFP. The proposal must be complete and accurate. Omissions, inaccuracies, or misstatements may be cause for rejection of a proposal.

b) In preparing proposals, Bidders must:

(i) Include a cover letter stating:

A. The name, address, email, phone and fax numbers of the principal contact responsible for the oversight of the engagement. Indicate the availability of this person for meetings with Board and Board staff.

B. The name, address, email, phone and fax numbers of the project representative who will be available to the Board and its staff on a day-to-day basis during the term of the Agreement.

C. The name, address, email, phone, fax number and name of a key contact at each partner, if a consortium, and subcontractor, and what the person would be responsible for under the Agreement.

(ii) List responses to each Question in Sections 4 and 5 in the same order as listed in this RFP.

c) All proposals must be submitted in electronic copy via email to Christina.Elliott@treasurer.ca.gov by **4pm PT on July 17, 2017**, unless the Board provides notice that the date has been changed. **Proposals received after this date and time will not be considered**. Proposals received by fax will be rejected. Bidder takes full responsibility for any technical difficulties that may prevent timely delivery of a proposal.

DRAFT

d) **Proposals that omit the Minimum Qualifications Certification that are included in Attachment 4 of Section 8 will not be considered.** Proposals shall include each of the required attachments on the Required Attachment Check List. Proposals that do not comply with the requirements of the RFP shall be deemed non-responsive. This includes not meeting the minimum qualifications outlined in Section 2 of this RFP and failure to submit all of the required attachments outlined in Section 8 of this RFP. A proposal deemed non-responsive will be rejected.

e) The Board reserves the right to reject all bids and not to award an Agreement. The Board may, in its sole discretion, enter into an agreement with any state or consortium of states to administer CalABLE and not award a contract pursuant to this RFP.

f) Proposals must be submitted for the performance of all the services described herein. Any deviation from the work specifications will not be considered and will cause a proposal to be rejected.

g) A proposal may be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. The Board may reject any or all proposals and may waive any immaterial deviation in a proposal. The Board's waiver of immaterial defects shall in no way modify the RFP document or excuse the Bidder from full compliance with all requirements if awarded the Agreement.

h) The Bidder is solely responsible for the costs of developing proposals and costs incurred in anticipation of award of the Agreement. Such costs shall not be charged to the Board.

i) An individual who is authorized to bind the proposing firm contractually shall sign Required Attachment 2 in Section 8, the Proposal/Proposer Certification Sheet. The signature must indicate the title or position that the individual holds in the firm. An unsigned proposal may be rejected.

j) A Bidder may modify a proposal after its submission by withdrawing its original proposal and resubmitting a new proposal prior to the proposal submission deadline as set forth in the Schedule (Key Action Dates) in Section 3.1 of this RFP. The submission of a new proposal must comply with the requirements in this section. Proposal modifications offered in any other manner, oral or written, will not be considered.

k) A Bidder may withdraw its proposal by submitting a written withdrawal request to the Board, signed by the Bidder or an agent authorized in accordance with subsection j) in this Section 3.4 above. A Bidder may thereafter submit a new proposal prior to the proposal submission deadline. Proposals may not be withdrawn without cause subsequent to the proposal submission deadline.

l) The Board may modify this RFP prior to the date fixed for submission of proposals by the issuance of an addendum to all interested Bidders providing contact information, including an email address and phone number. The contact information should be provided to Christina Elliott at Christina.Elliott@treasurer.ca.gov by June 21, 2017, when the Board will provide answers to any questions submitted in accordance with Section 3.2 of this RFP. The Board will also provide updates by email to all Bidders who have expressed interest and provided contact information.

m) Upon announcement and release of this RFP and until selection of the winning Bidder (and notice of intent to award the agreement), Bidders (or potential Bidders) are not permitted to communicate with the Board, its staff or its Consultants with respect to the RFP except in connection with process and procedures related to the RFP. Any communication must be directed to Christina Elliott at Christina.Elliott@treasurer.ca.gov.

DRAFT

n) Bidders are cautioned to not rely on the Board to discover and report to the Bidder any defects and errors in the submitted documents. Before submitting their proposals, Bidders should carefully review them, correct all errors, and confirm compliance with all of the RFP requirements.

o) More than one proposal from any firm, organization, partnership, corporation or association under the same or different names, will not be considered. Reasonable grounds for believing that any Bidder has submitted more than one proposal for the work contemplated herein will cause the rejection of all proposals submitted by that Bidder. If there is reason for believing that collusion exists among the Bidders, none of the participants in such collusion will be considered in this or future procurements.

p) Where applicable, Bidder should carefully examine work sites and specifications. No additions or increases to the agreement amount will be made due to a lack of careful examination of work sites and specifications.

q) No oral understanding or agreement shall be binding on either party.

3.5 Evaluation Process

a) All proposals will be reviewed by an Evaluation Committee. The initial review of the proposals will confirm that all information has been submitted in conformity with the requirements of this RFP. The absence of required information will cause a proposal to be deemed nonresponsive and may result in the proposal's disqualification. Responsive proposals will then be scored according to criteria herein. Proposals that do not accept the Terms and Conditions contained in the Standard Agreement may be considered non-responsive and rejected by the ABLE Act Board. The scored categories and the corresponding weighting of each scored category is as follows:

Evaluation Criteria	Weighting
Firm Background, Organization and Compliance	10 points
Investment Structure and Experience	20 points
Administration, Recordkeeping, Banking and Customer Service	20 points
Marketing and Outreach	20 points
Fees (15 points for average Total Investment Option Fees, and 15 points for Account Maintenance Fees)	30 points
Total	**100 points**

The Evaluation Committee will allot points for each component of the RFP, up to 100 points. If necessary, the Evaluation Committee will provide all Bidders with a common list of questions it deems necessary to clarify the written proposal.

b) The following point scale will be used to score the responses to each scored category except with regard to fees.

Percent of Maximum Score Allotted to Particular Weighted Criterion
100% - Excellent response backed by demonstrated ability.
85%- Good response backed by demonstrated ability.
75%- Fair response backed by demonstrated ability.
60%- Poor response.
0% - Bidder does not demonstrate ability.

DRAFT

c) Proposals that contain false or misleading statements, or provide references that do not support an attribute or condition claimed by the Bidder, may be rejected. If, in the opinion of the Board, such information was intended to mislead the Board in its evaluation of the proposal, and the attribute, condition, or capability is a requirement of this RFP, it will be the basis for rejection of the proposal.

d) The Evaluation Committee will review all proposals for the quality of the written proposal, including clarity and thoroughness of the responses.

e) The contract will be awarded to the responsible and responsive Bidder with the highest total score.

f) The Board is not required to award an Agreement.

3.6 Award and Protest

a) Notice of the proposed award shall be posted in a public place at the Office of the Board, 915 Capitol Mall, Room 101, Sacramento, CA 95814 and online at www.treasurer.ca.gov/able for five (5) working days prior to awarding the agreement.

b) If any Bidder, prior to the award of the agreement, files a protest with the Board and the DGS Office of Legal Services, 707 Third Street, 7th Floor, Suite 7-330, West Sacramento, CA 95605, on the grounds provided under Public Contract Code Section 10345(b), the agreement shall not be awarded until either the protest has been withdrawn or DGS has decided the matter. It is suggested that any protest be submitted by certified or registered mail.

c) Within five (5) days after filing the initial protest, the protesting Bidder shall file with the Board and the DGS Office of Legal Services a detailed written statement specifying the grounds for the protest. It is suggested that this detailed written statement be submitted by certified or registered mail.

3.7 Disposition of Proposals

a) Upon proposal opening, all documents submitted in response to this RFP will become the property of the Board and the State, and will be regarded as public records under the California Public Records Act (Government Code Section 6250 et seq.) and subject to review by the public.

b) The Board has the right to use any or all ideas or concepts presented in any proposal. Selection or rejection of the proposal does not affect this right.

3.8 Agreement Execution and Performance

a. Performance shall start on the agreement start date, or on the express date set by the Board and the Contractor, after all approvals have been obtained and the agreement is fully executed. If the Contractor fails to commence work at the agreed upon time, the Board, upon five (5) days written notice to the Contractor, reserves the right to terminate the agreement. In addition, the Contractor shall be liable to the State for the difference between Contractor's proposal price and the actual cost of performing work by another contractor.

b. All performance under the agreement shall be completed on or before the termination date of the agreement.

DRAFT

c. The Sample Standard Agreement contains the language that the Board expects to utilize for this engagement. Once this RFP has been issued, the terms of the Standard Agreement are non-negotiable. The term of the agreement entered into pursuant to this RFP, if any, will be five (5) years with five (5) options, at the Board's sole discretion, to extend the agreement for up to one year at the same or lower rate(s) for a possible total term not to exceed ten (10) years. The agreement may require approval by the Department of General Services ("DGS"). In no event shall services be performed prior to approval by the DGS Office of Legal Services, if required.

4. QUALIFICATIONS AND EXPERIENCE

Questions in this Section 4 are intended to demonstrate the Bidder's qualifications. Points will be awarded for the Bidder's response(s) to each question. The allocation of points is defined in Section 3.5 of this RFP entitled "Evaluation Process." Questions should also be answered for each relevant partner or subcontractor. In preparing proposals, the Bidder must list each question and then provide the Bidder's response to that question in the same order listed in this RFP.

4.1 Firm Background and Organization

a) Explicitly identify the entity that will serve as the Agreement party, as well as all affiliates, subsidiaries, subcontractors and other entities that will provide services to meet the requirements of this engagement.

b) If the Agreement party is not a parent entity, indicate your willingness to provide a parent guarantee or propose a suitable alternative (e.g., insurance coverage) to ensure performance of the services to be provided pursuant to the Agreement.

c) Please describe your California presence, if any. From what geographic location or locations would you provide the services sought by this RFP?

d) Complete the table in Attachment 6 of Section 8 identifying all key personnel who will be responsible for performing services pursuant to this RFP. This should include: the executive with overall responsibility for the firm's engagement to the Board, the day-to-day manager, the investment professional responsible for the overall investment structure, the senior-most marketing professional, and the senior-most professional(s) responsible for administration, recordkeeping and customer service (hereafter referred to as Key Personnel). Provide professional resumes for each of these individuals in Attachment 6.

e) Please indicate in the following table whether your firm currently manages or otherwise provides services similar to those sought by this RFP to a 529, 529A or comparable plan. If so, list the details, including type of program (529 prepaid, 529 savings, ABLE or other), number of accounts and assets, services provided (specify if acting as a subcontractor), and the start and expiration dates of your current contract(s).

State Client	Plan Type	12/31/2016		Services Provided	Length of Service
		Assets	Accounts		

DRAFT

f) Provide a timeline showing explicit milestones or actions for a launch in the second or third quarter of Fiscal Year 2017/2018. Are there any issues or concerns that could cause delay?

g) Are you registered or exempt from registration under the Investment Advisors Act of 1940, the Securities Exchange Act of 1934, as amended, any state regulatory agency, or any U.S. Government department or agency? If you claim exemption, please explain the basis for your exemption.

h) The Securities Exchange Commission (SEC) has determined that investments held in 529 and 529A accounts are municipal securities. As a result, the SEC's rules related to municipal advisors apply to firms engaged as advisors or consultants to 529A plans. Please explain how your firm intends to comply with those rules if selected as the CalABLE program manager.

i) Are you current on all required SEC and other regulatory filings? If no, please explain.

j) Are you a member of SIPC, FDIC, or NCUA? If SIPC, state the amount of SIPC protection.

k) Attach a copy of or provide an online link to your most recent audited financial statements and the immediately preceding two years. If audited financial statements are not available, provide a copy of or access to your most recent unaudited financial statements or annual report and the immediately preceding two years as compiled, reviewed and attested by an independent certified public accountant or certified accurate by your Chief Financial Officer.

l) What will distinguish your service in support of CalABLE?

4.2 Compliance

a) Describe how you will ensure that all access to services and materials will be compliant with ADA, Web Content Accessibility Guidelines ("WCAG") 2.0 (Level AA), and Section 508 of the Rehabilitation Act, use person-first language, and be easily understandable by individuals who are not sophisticated investors.

b) Describe your firm's procedures to ensure compliance with the requirements of Section 529A and other applicable laws, including the IRS, SSA, MSRB, the SEC, and California statutes and regulations. Do you have a procedures manual in place for 529A programs?

c) Upon Program launch, identify whether you would offer a distribution process that allows a withdrawal to be made through a debit card or prepaid card. If so, describe your Payment Card Industry Data Security Standard ("PCI DSS") compliance status and program. Do you have current PCI DSS certification? If yes, what level certification do you have?

d) Identify the auditor that reviews your funds annually, and provide information on the audit activities you will conduct regarding recordkeeping. If an SSAE 16 is available, include your most recent copy as Attachment 14 in Section 8. If you do not have an SSAE 16, would your firm be willing to provide one in the future?

4.3 Investment Structure and Experience

The CalABLE Survey participants noted a preference for a broad range of investment options to meet the needs of both long-term savers and short-term transactional users. Sixty percent

DRAFT

of Survey respondents reported an intent to use CalABLE for long-term investments and savings, while nearly forty percent reported an intent to use their accounts for transactional purposes.

a) Describe the investment options you propose to offer, including the asset allocations if using a multi-asset investment. Your response should distinguish between passive and active options. Please specify the investment option(s) proposed for the most conservative investors and for beneficiaries who intend to use their accounts for transactional purposes.

b) Complete the following table for each underlying investment that you propose to include in the investment options which you have identified in your response to 4.3(a) above. If the underlying investment is not a registered mutual fund, then write "N/A" on the categories that do not apply. Attach additional sheets if necessary.

	Fund Name	**Fund Name**	**Fund Name**
Ticker			
Investment Option Fund Will Be In			
Share Class (specify if retail or institutional)			
Total Annual Fees			

c) In the context of asset allocation, discuss how the investment options proposed and the underlying investments identified in your responses to 4.3(a) and 4.3(b) are consistent with your understanding of the investment objectives of the ABLE Plan and the expected needs of designated beneficiaries.

d) Please describe the structure of the investment option that would be offered for account owners / beneficiaries who intend to use the account for transactional purposes. Will the investment be guaranteed (whether through federal insurance or otherwise)? Please provide its yield as of December 31, 2016.

e) Indicate your willingness to work with California-based financial or other institutions to offer federally-insured investment options.

f) The Board has learned that ABLE programs throughout the nation experience a significant drop in the enrollment process when people reach the page where Investments are chosen. This aligns with information the Board gathered during its stakeholder engagement during the Fall and Winter of Fiscal Year 2016/2017. Investment decisions can be intimidating to people, how can your firm utilize the Investment selection process as a way to provide Financial Literacy/Education to prospective participants and make that decision less daunting?

g) If the underlying investments in your response to 4.3(b) are from non-affiliated investment managers, explain the choices you have made and why. Include information about revenue sharing arrangements, if any, currently in place or that you intend to establish. The Board expects to be informed of any such arrangements currently in place or to be implemented in the future.

h) Describe the internal procedures your firm uses to monitor the performance of its funds and its fund managers.

DRAFT

i) Describe your firm's risk management governance and integration of risk management across your organization. Detail the reporting chain for the risk team when issues are identified.

j) The Board may be interested in providing open architecture, including a diversified group of investment managers. Would you agree to multiple, non-proprietary investment managers and, if so, is there a maximum number or percentage of unaffiliated investment managers you would accept? If you do not agree with a multi-manager platform, would you consider substituting non-proprietary funds in the future if proprietary funds consistently underperform their benchmarks?

k) Describe in detail the data, information, and advice you will provide the Board on a monthly or quarterly basis to analyze and interpret the investment results of CalABLE. Provide at least one recent client report, similar to what you would provide to the Board.

4.4 Administration, Recordkeeping, Banking and Customer Service

a) Describe the recordkeeping system that you propose to use for the Program. Do you currently use the system, and if so, how long have you used it?

b) Describe your technical environment, including hardware, application and database software. Include the security features of your operating systems, including daily back-up procedures, disaster recovery plans, and business continuity plans. Indicate when a disaster recovery test was last performed. Confirm your disaster recovery location is off-site in a secure location.

c) What are your fraud protection practices? Describe how you will prevent misuse of funds in CalABLE accounts by either the account owner or by the individual who has legal authority to manage it.

d) Please confirm that you will be able to comply with and provide the following reports:
   (i) Monthly reports to SSA as required
   (ii) Quarterly reports to the Board on new accounts and assets, investment performance, fees, administrative, customer service and marketing information
   (iii) Ad hoc reports on a periodic basis
   (iv) Audited financial statements annually
   (v) 1099-QA, 5498-Q and other requirements of the IRS
   (vi) Quarterly and annual account statements by mail and or electronically if approved by the recipient

e) Describe the enrollment processes (both paper and online) you would offer. Include your process for maximizing the accuracy of the information entered into your database.

f) The Program Manager will be required to provide direct banking services for the processing of contributions and withdrawals and will not be able to utilize the State's banking relationships for such purposes. Please identify the banking institution you will use to process contributions and withdrawals. Does this banking institution offer a debit card that can be linked to an ABLE Account or a prepaid card that can otherwise receive transfers from an ABLE Account?

g) If you do not have a banking institution that you work with regularly, please describe the process you would use to solicit banking services. Would you be willing to partner with a California-based institution?

DRAFT

h) What do you propose as the minimum initial investment and the minimum subsequent investment in the ABLE Plan? Specify whether different minimum initial and subsequent investments apply to accounts with automatic contributions.

i) How would you provide the Board with electronic access to all account information? Would that access be real time? If not, what would be the delay?

j) Describe in detail the account information and transaction history that would be accessible on the "My Account" website. Would you provide online/website interface in terms of communicating with customer service?

k) Can you provide designated beneficiaries with the ability to direct distributions to be made via electronic transfer, paper check and a pre-paid card?

l) Include any relevant information you will provide or require regarding rollovers to and from other 529A programs.

m) Describe your process for identifying when a recipient of program-to-program rollover is an eligible individual who is also a member of the family of the current designated beneficiary or when the 60-day requirement described in the Treasury proposed regulations to implement Section 529A has been satisfied.

n) Describe how you would handle accounts when notified of the death of a beneficiary.

o) Describe how you would respond to claims filed by a state Medicaid agency for repayment of Medicaid services.

p) Describe whether dedicated customer service staff will be assigned to CalABLE. Where is the customer service staff located?

q) Describe your procedures for monitoring account owner satisfaction, including your process for tracking, monitoring, and handling customer complaints.

r) Is the customer service you provide under other contracts evaluated or audited by any third-parties? If permissible, provide the last three audits or evaluations.

s) Confirm that you will be able to provide customer service from 8 a.m. to 7 p.m. PT Monday through Friday, except for days that the NYSE is closed.

t) Provide the following call center statistics for the quarter ended December 31, 2016. Identify the program(s) for which Call Center statistics are related to.
   (i) Number of calls
   (ii) Number of calls answered
   (iii) Number of calls abandoned
   (iv) Average wait time
   (v) Average talk time
   (vi) Average hold time

u) Indicate any additional staffing, including customer service staff that you would add if you are awarded a contract.

v) Describe the credentials and training of your proposed customer service staff.

w) Describe your online account services for use by account holders for account inquiry and maintenance, including any transactional capabilities. How often is it updated?

DRAFT

4.5 Marketing and Outreach

The Program Manager will be the lead entity for Marketing and Outreach for the program:

a) Please describe your firm's experience (i) providing outreach and educational materials to persons with disabilities or (ii) working with any organization that represents persons with disabilities? If applicable, provide work samples of such materials.

b) Describe in detail the strategies that you propose to work with national and California-based disability advocates to reach eligible individuals and their family members to promote CalABLE awareness and participation.

c) How do you propose to make CalABLE the most attractive option for Californians?

d) Are you currently under contract to provide services for another ABLE program? If so, how would you differentiate between marketing materials for CalABLE versus the other ABLE program?

e) Please outline your CalABLE Marketing Plan.

f) Complete the following table showing your annual marketing commitment for CalABLE. The Board expects the entire marketing commitment to be spent in each year for actual marketing and outreach, but not general overhead. Unspent dollars at the end of any year will roll forward to the following year.

Year	Marketing Commitment
1	
2	
3	
4	
5	
Total	

g) Describe your firm's presence in California, including the number of employees available to provide information to the general investing public. Will you dedicate field representatives to market CalABLE and, if so, how many?

h) Describe what your firm or entity does on an ongoing basis to market your organization and any research demonstrating name brand recognition of your firm. With this in mind, how do you envision the interplay between your firm's brand and the CalABLE brand for marketing materials?

i) Describe how you will use the Internet (and specifically social media) to market CalABLE. What information or tools will you provide online?

j) Please provide your targets for ABLE AUM and number of accounts for Years 1 to 5. Each year's figures should be cumulative.

DRAFT

Year End	Assets	Accounts
1		
2		
3		
4		
5		

4.6 Fees

The formulas described below shall be used for the award of points for a) average Total Investment Option Fees, and b) Account Maintenance Fees. Note that any fees not included in your responses to 4.6 a), b) or c) **will not** be accepted.

The proposal with the lowest average **Total Investment Option Fees** (total average for all investment options proposed) shall be awarded a maximum 15 points. Other proposals shall be awarded Total Investment Option Fees points based on the following calculation:

- (Lowest Bidder's Average Total Investment Option Fees) / (Other Bidder's Average Total Investment Option Fees) = (Factor)
- Fee Points awarded to Other Bidder = (Factor) x (Maximum Points)

EXAMPLE:

- A maximum of 15 points is available. The Bidder with the lowest average Total Investment Option Fees receives the maximum 15 points.
- Lowest Bidder's Average Total Investment Option Fees = 25 bps

  Other Bidder's Average Total Investment Option Fees = 50 bps
- (Lowest Average Total Investment Option Fees proposal / Other Average Total Investment Option Fees proposal) = 25 bps / 50 bps = ½
- Points awarded to Other Bidder = ½ x 15 maximum points = 7.5 points

The proposal with the lowest **Account Maintenance Fees** shall be awarded a maximum 15 points. Other proposals shall be awarded Account Maintenance Fees points based on the following calculation:

- (Lowest Bidder's Account Maintenance Fees) / (Other Bidder's Account Maintenance Fees) = (Factor)
- Points awarded to Other Bidder = (Factor) x (Maximum Points)

EXAMPLE:

- A maximum of 15 points is available. The Bidder with the lowest Total Investment Option Fees receives the maximum 15 points.
- Lowest Bidder's Account Maintenance Fees = $30
  Other Bidder's Total Investment Option Fees = $60

DRAFT

- (Lowest Account Maintenance Fees proposal / Other Total Account Maintenance Fees proposal) = $30 / $60 = ½

- Points awarded to Other Bidder = ½ x 15 maximum points = 7.5 points

a) Total Investment Option Fees (in Basis Points ("bps")) – 15 maximum points

Complete the following table showing the proposed fee structure for each investment option proposed. If your proposed fee structure cannot be captured in this chart, please explain the structure and specify the fees.

Investment Option (Bidder to specify)	Stated in Basis Points		
	Estimated Investment Expenses	Program Management Fee	Total Investment Option Fees

b) Account Maintenance Fees (in Dollars) – 15 maximum points

Please indicate whether your firm would charge annual Account Maintenance Fees. If so, specify the fee(s) (in dollars) that your firm will charge each ABLE account. The Board reserves the right to (i) impose an Account Maintenance Fee to recover expenses of administering the Program or (ii) have a portion of the Contractor's Account Maintenance Fee paid to the Board to cover such expenses.

4.7 Other Fees

Provide any other transaction-related fees that could be charged to the investors. These fees will not be part of the evaluation, but any fee not included in your proposal will not be accepted.

5. LEGAL, DISCIPLINARY, AND CONFLICTS OF INTEREST DISCLOSURES

For purposes of the following Questions, and for this RFP generally, the term "related entity" means any partnership, joint venture, sub-contractual relationship, and all other direct or indirect affiliations of the Bidder, entities that own the Bidder, and subsidiaries of the Bidder that could, in any reasonable capacity, affect the Program or impact the Program investment portfolio.

The Board may reject a proposal due to any disclosure or conflict of interest (potential or actual) that is material in the sole opinion of the Board.

1) Advise if any partner, officer, principal, investment officer, portfolio manager, research analyst, or trader of the Bidder's firm has been convicted or pleaded no contest in a case stemming from a felony indictment under federal or state law. Any such conviction or plea must be disclosed and must be accompanied by a full explanation of the circumstances surrounding it.

2) Advise if the Bidder is or was a defendant in litigation relating to any services which it proposes to provide to the Board. Any final settlement, administrative decision, or judgment made in connection with this litigation must be disclosed and must be accompanied by a full explanation of the circumstances surrounding it.

DRAFT

3) Advise if the Bidder, any partner, related company (parent, subsidiary, sister), affiliate or joint venture, or any owner, officer, director, principal, or management level employee of the Bidder been involved in any enforcement action by the SEC or any other governmental regulatory agency or been named a defendant in litigation where there was an allegation of violation of fiduciary responsibility. If yes, explain in detail.

4) Disclose any other legal or disciplinary event that is material to the Board's evaluation of the Bidder or the integrity of Bidder's management or advisory personnel by either: (1) identifying the specific type of event and specifically referring to the relevant portions of the Bidder's most recent Forms MA or MA-I (and, if doing so, providing detailed information specifying where the Board may electronically access such forms), or (2) providing a writing that fully and fairly discloses the information required to be disclosed and documented under MSRB Rule G-42(b) and (c).

5) Advise if the Bidder has ever been terminated for cause from any contract. If the answer is yes, cite the background of the contract, reason for the termination, and what the Bidder has done to change operations or personnel to preclude the circumstances regarding the termination from re-occurring.

6) Describe all existing 529A relationships or pending proposals that would have a material impact on your firm ability to serve as the CalABLE Program or Plan Manager. In addition, specifically address whether any other 529A relationships would prohibit: (1) marketing the Program or the Plan nationally; (2) the Board's control over its pricing structure; and (3) assurance that the Board's fees will always match the most attractively-priced 529A plan managed by your firm.

7) If not already included in your response to 1 through 6, immediately above, disclose any business relationships, which may be construed to be potential or actual conflicts of interest. The Contractor will have a continuing requirement to disclose any business relationships that may be construed to be a potential or actual conflict. The disclosure must be sufficiently detailed to inform the Board of the nature, implications and potential consequences of each conflict and must include an explanation of how the Bidder addresses, or intends to manage or mitigate, each conflict.

8) Has the Bidder, any related entity, a parent company, an affiliate, subsidiary, or any affiliated mutual or commingled fund been subject to any enforcement action or investigation by, or entered into settlements or is party to litigation with, or been subject to any audits or regulatory or investigative inquiries by, the IRS, the SEC, FINRA or a state regulatory or investigative agency in connection with mutual fund, investment management, college savings or ABLE businesses (including market timing, late trading, collusion with third parties, preferential fund family treatment, directed brokerage payments or other sales practices, or a failure to supervise sales professionals) at any time? If yes, explain in detail.

9) (A) Does your firm have an active Broker-Dealer license issued by the SEC in the firm's name?
   (B) Is your firm registered with the SEC under the 40 Act? Is your firm a registered Municipal Advisor?
   (C) Is your firm required by the SEC or FINRA to file Financial and Operational Combined Uniform Single Reports (FOCUS Reports)? If so, please provide a copy of your most recent FOCUS Report. If your firm is not required to file a FOCUS Report, please provide a copy of your firm's most recent audited financial statement.
   (D) Is your firm a current member in god standing with the FINRA?
   (E) Does your firm have an active current registration as a Broker-Dealer with the State of California Department of Corporations?

DRAFT

(F) Please provide your firm's SEC file number, Central Registration Depository (CRD) number and identification of one employee with a FINRA Series 53 license.

10) Within the past 24 months, has your firm or any of its current principals been the subject of an investigation by the SEC, FINRA, NYSE, California Department of Corporations or any other governmental or securities industry-based regulatory agencies?

11) Within the past 24 months, has your firm or any of its principals been involved in any litigation, arbitration, disciplinary or other official actions arising from the firm's underwriting, underwriting practices or management, or the purchase, sale or distribution of taxable or tax-exempt municipal securities or other governmental obligations (other than individual retail customer claims) of municipal securities?

12) Within the past 24 months, has your firm or any of its principals been involved in any litigation, arbitration, disciplinary or other official actions arising from any other business of the firm?

13) Has your firm ever filed for protection under federal or state bankruptcy laws?

14) Has your firm or any of its current principals been subject to criminal action under either federal or state law?

6. CALIFORNIA DISABLED VETERAN BUSINESS ENTERPRISE

The Disabled Veteran Business Enterprise (DVBE) participation requirement, including DVBE incentive, for this RFP have been waived.

7. PREFERENCE PROGRAMS

7.1 Small Business or Microbusiness Preference (if applicable)

(If there are any inconsistencies herein with the applicable statutes, regulations, and State Contracting Manual, the statutes, regulations, and State Contracting Manual shall supersede.)

A five percent (5%) preference will be applied to certified small businesses submitting proposals for this RFP. To obtain the preference, Proposer must either be certified as a small business and submit a copy of their certification approval letter from DGS/Office of Small Business and DVBE Services (OSDS) or submit a complete application for certification to DGS/OSDS by 5:00 p.m. PT on the proposal due date. However, the proposed winning Proposer must be a certified small business at the time of contract award. The 5% preference is used only for computation purposes to determine the winning Proposer and does not alter the amounts of the resulting contract.

Once each proposal has been scored, if the highest scored proposal is from a non-certified small business, then 5% of the highest scoring proposal is added to the total "earned" points for each proposal submitted by a certified small business. These final numbers, with the 5% included, are then used to determine the highest scoring proposal.

Questions regarding the small business certification or preference approval should be directed to the OSDS at (916) 375-4940 or can be found online at http://www.dgs.ca.gov/pd/Programs/OSDS.aspx.

7.2 Non-Small Business Preference (if applicable)

(If there are any inconsistencies herein with the applicable statutes, regulations, and State Contracting Manual, the statutes, regulations, and State Contracting Manual shall

DRAFT

supersede.)

A five percent (5%) preference is available to a non-small business claiming twenty-five percent (25%) California certified small business subcontractor participation. If claiming the non- small business subcontractor preference, the proposal must include a list of the small business(es) with which the Proposer commits to subcontract in an amount of at least 25% of the net proposal price with one or more California certified small businesses. Each listed certified small business must perform a "commercially useful function" in the performance of the contract as defined in Government Code Section 14837(d)(4).

The required list of California certified small business subcontractors must be attached to the proposal and must include the following: 1) subcontractor name, 2) address, 3) phone number, 4) a description of the work to be performed and/or products supplied, 5) and the dollar amount or percentage of the net proposal price (as specified in the solicitation) per subcontractor.

Proposers claiming the 5% preference must commit to subcontract for at least 25% of the net proposal price with one or more California certified small businesses. Completed certification applications and required support documents must be submitted to the OSDS no later than 5:00 pm PT on the proposal due date. Questions regarding certification should be directed to the OSDS at (916) 375- 4940 or can be found online at http://www.dgs.ca.gov/pd/Programs/OSDS.aspx.

The preference to a non-small business firm that commits to California certified small business subcontractor participation of 25% of its net proposal price shall be 5% of the highest scoring proposal. A non-small business, which qualifies for this preference, may not take an award away from a certified small business.

7.3 Target Area Contract Preference Act (TACPA) (if applicable)

(If there are any inconsistencies herein with the applicable statutes, regulations, and State Contracting Manual, the statutes, regulations, and State Contracting Manual shall supersede.)

The TACPA preference will be granted for this procurement. Proposers wishing to take advantage of the TACPA preference will need to review the following website and submit the appropriate response with the proposal:

http://www.dgs.ca.gov/pd/Programs/DisputeResolution.aspx

Proposers wishing to take advantage of the TACPA preference are required to submit the following applications/forms:

- TACPA (STD. 830)
- Bidder's Summary of Contract Activities and Labor Hours (DGS/PD 525)
- Manufacturer Summary of Contract Activities and Labor Hours (DGS/PD 526)

8. REQUIRED ATTACHMENTS

Refer to the following pages for additional Required Attachments.

DRAFT

ATTACHMENT 1

REQUIRED ATTACHMENT CHECK LIST

Complete this checklist to confirm the inclusion of attachments listed below. Place a check mark or "X" next to each item that you are submitting to the Board. **For your proposal to be responsive, all required attachments must be included in a binder separate from the rest of the written proposal. Two (2) copies of this binder must be submitted to the Board. RETURN THIS CHECKLIST WITH YOUR PROPOSAL PACKAGE**.

ATTACHMENT	ATTACHMENT NAME/DESCRIPTION
☐ Attachment 1	Required Attachment Check List
☐ Attachment 2	Proposal/Proposer Certification Sheet
☐ Attachment 3	Bidder References
☐ Attachment 4	Minimum Qualifications Certification
☐ Attachment 5	Securities and Exchange Commission Form ADV or Proof of Exemption from Registration
☐ Attachment 6	Key Personnel
☐ Attachment 7	Payee Data Record (STD. 204)
☐ Attachment 8	Contractor Certification Clauses (CCC 04/2017)
☐ Attachment 9	Darfur Contracting Act Certification Form
☐ Attachment 10	Small Business or Microbusiness Preference (if applicable). Additional information about this preference can be found online at www.dgs.ca.gov/pd/Programs/OSDS.aspx.
☐ Attachment 11	Non-Small Business Preference (if applicable). Additional information about this preference can be found online at www.dgs.ca.gov/pd/Programs/OSDS.aspx.
☐ Attachment 12	Target Area Contract Preference Act (if applicable) The forms and additional information about these preference programs can be found online at www.dgs.ca.gov/pd/Programs/DisputeResolution.aspx.
☐ Attachment 13	Audited Financials and SEC filings for Bidder (3 years) or Subcontractors (1 year)
☐ Attachment 14	SSAE 16, if available
☐ Attachment 15	Bidder Declaration (GSPD-05-105)
☐ Attachment 16	California Civil Rights Laws Certification
☐ Attachment 17	Iran Contracting Act Certification
☐ Attachment 18	California ABLE Account Projections

ATTACHMENT 2

PROPOSAL/PROPOSER CERTIFICATION SHEET

This Proposal/Proposer Certification Sheet must be signed and returned along with all the "required attachments" as an entire package in duplicate with original signatures. The proposal must be transmitted in a sealed envelope in accordance with RFP instructions.

A. Place all required attachments behind this certification sheet.

B. The signature affixed hereon and dated certifies compliance with all the requirements of this proposal document. The signature below authorizes the verification of this certification.

C. The signature below certifies to the best of your knowledge that the information provided on this document is true and complete.

An Unsigned Proposal/Proposer Certification Sheet May Be Cause For Rejection

1. Company Name	2. Telephone Number ( )	2a. Fax Number ( )
3. Address		
Indicate your organization type: 4. ☐ Sole Proprietorship	5. ☐ Partnership	6. ☐ Corporation
Indicate the applicable employee and/or corporation number: 7. Federal Employee ID No. (FEIN)	8. California Corporation No.	
9. Indicate applicable license and/or certification information:		
10. Proposer's Name (Print)	11. Title	
12. **Signature**	13. Date	
14. Are you certified with the Department of General Services, Office of Small Business Certification and Resources (OSBCR) as: a. California Small Business Yes ☐ No ☐ If yes, enter certification number: _____	b. Disabled Veteran Business Enterprise Yes ☐ No ☐ If yes, enter your service code below: _____	
NOTE: A copy of your Certification is required to be included if either of the above items is checked **"Yes"**. Date application was submitted to OSBCR, if an application is pending:		

DRAFT

Completion Instructions for Proposal/Proposer Certification Sheet

Complete the numbered items on the Proposal/Proposer Certification Sheet by following the instructions below.

Item Numbers	Instructions
1, 2, 2a, 3	Must be completed. These items are self-explanatory.
4	Check if your firm is a sole proprietorship. A sole proprietorship is a form of business in which one person owns all the assets of the business in contrast to a partnership and corporation. The sole proprietor is solely liable for all the debts of the business.
5	Check if your firm is a partnership. A partnership is a voluntary agreement between two or more competent persons to place their money, effects, labor, and skill, or some or all of them in lawful commerce or business, with the understanding that there shall be a proportional sharing of the profits and losses between them. An association of two or more persons to carry on, as co-owners, a business for profit.
6	Check if your firm is a corporation. A corporation is an artificial person or legal entity created by or under the authority of the laws of a state or nation, composed, in some rare instances, of a single person and his successors, being the incumbents of a particular office, but ordinarily consisting of an association of numerous individuals.
7	Enter your federal employee tax identification number.
8	Enter your corporation number assigned by the California Secretary of State's Office. This information is used for checking if a corporation is in good standing and qualified to conduct business in California.
9	Complete, if applicable, by indicating the type of license and/or certification that your firm possesses and that is required for the type of services being procured.
10, 11, 12, 13	Must be completed. These items are self-explanatory.
14	If certified as a California Small Business, place a check in the "yes" box, and enter your certification number on the line. If certified as a Disabled Veterans Business Enterprise, place a check in the "Yes" box and enter your service code on the line. If you are not certified to one or both, place a check in the "No" box. If your certification is pending, enter the date your application was submitted to OSBCR.

DRAFT

ATTACHMENT 3

BIDDER REFERENCES

Submission of this attachment is mandatory. Failure to complete and return this attachment with your proposal will cause your proposal to be rejected and deemed nonresponsive.

Bidder must submit at least five (5) references (if a Bidder is a consortium or will use subcontractors, it should submit three (3) references for each member of the consortium, partner or subcontractor) for services performed within the last five (5) years, which are similar to the scope of work to be performed in this contract. If the Bidder (or any of its subcontractors) manages or otherwise is engaged by one or more 529A programs, then it must provide references for each 529A engagement. Other references should include governmental agencies, preferably State of California agencies or agencies located in California, which are charged with overseeing the investment of funds held in trust for others.

REFERENCE 1			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service*	
Brief Description of Service Provided			

REFERENCE 2			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service*	
Brief Description of Service Provided			

REFERENCE 3			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service*	
Brief Description of Service Provided			

REFERENCE 4			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service*	
Brief Description of Service Provided			

*Optional

DRAFT

REFERENCE 5			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service*	
Brief Description of Service Provided			

SUBCONTRACTOR REFERENCES (if applicable)

List below three (3) references for services performed by your subcontractor(s) within the last five (5) years, which are similar to the scope of work to be performed in this contract. If three (3) references cannot be provided, provide an explanation on an attached sheet of paper.

REFERENCE 1			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service*	
Brief Description of Service Provided			

REFERENCE 2			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service*	
Brief Description of Service Provided			

REFERENCE 3			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service*	
Brief Description of Service Provided			

*Optional

DRAFT

ATTACHMENT 4

MINIMUM QUALIFICATIONS CERTIFICATION

The Bidder certifies that it fulfills all the minimum qualifications outlined in Section 2 of this Request for Proposals No. ABLE 04-17 ("RFP"). By signing this attachment, the Bidder also agrees that if selected as the Program Manager for California's ABLE Program, it will notify the ABLE Act Board immediately upon its failure to continue to meet the minimum qualifications.

On behalf of _____, I certify that said firm,
(Bidder Name)

including any and all partners (if a consortium) and subcontractors, complies with the Minimum Qualifications set forth in Section 2 of the RFP.

_____ _____
(Authorized Signature of Firm) (Firm Name)

_____ _____
(Print Name) (Date)

_____
(Title)

DRAFT

ATTACHMENT 5

SECURITIES AND EXCHANGE COMMISSION FORM ADV OR PROOF OF EXEMPTION

Attach the Securities and Exchange Commission Form ADV or Proof of Exemption from Registration

DRAFT

ATTACHMENT 6

KEY PERSONNEL

Name	Location	Title and Responsibility	Total Years Experience	Years With Firm	Years In Current Capacity	Expected % of Time Committed to Program

DRAFT

ATTACHMENT 8

CCC 04/2017

CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

Contractor/Bidder Firm Name (Printed)	*Federal ID Number*
By (Authorized Signature)	
Printed Name and Title of Person Signing	
Date Executed	*Executed in the County of*

CONTRACTOR CERTIFICATION CLAUSES

1. STATEMENT OF COMPLIANCE: Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 11102) (Not applicable to public entities.)

2. DRUG-FREE WORKPLACE REQUIREMENTS: Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about:

1) the dangers of drug abuse in the workplace;

2) the person's or organization's policy of maintaining a drug-free workplace;

3) any available counseling, rehabilitation and employee assistance programs; and,

4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

DRAFT

1) receive a copy of the company's drug-free workplace policy statement; and,

2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES $50,000 OR MORE- PRO BONO REQUIREMENT: Contractor hereby certifies that Contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lessor of 30 multiplied by the number of full time attorneys in the firm’s offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

5. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further

DRAFT

declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.

b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS: For contracts of $100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.3.

8. GENDER IDENTITY: For contracts of $100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.35.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.

2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.

2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

DRAFT

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.

c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation

DRAFT

of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.

DRAFT

ATTACHMENT 9

DARFUR CONTRACTING ACT CERTIFICATION

Pursuant to Public Contract Code section 10478, if a bidder or proposer currently or within the previous three years has had business activities or other operations outside of the United States, it must certify that it is not a "scrutinized" company as defined in Public Contract Code section 10476.

Therefore, to be eligible to submit a bid or proposal, please insert your company name and Federal ID Number and complete only one of the following three paragraphs (via initials for Paragraph # 1 or Paragraph # 2, or via initials and certification for Paragraph # 3):

Company/Vendor Name (Printed)	*Federal ID Number*
Printed Name and Title of Person Initialing (for Options 1 or 2)	

1. _____ Initials — We do not currently have, or we have not had within the previous three years, business activities or other operations outside of the United States.

OR

2. _____ Initials — We are a scrutinized company as defined in Public Contract Code section 10476, but we have received written permission from the Department of General Services (DGS) to submit a bid or proposal pursuant to Public Contract Code section 10477(b). A copy of the written permission from DGS is included with our bid or proposal.

OR

3. _____ Initials — We currently have, or we have had within the previous three years, business activities or other operations outside of the United States, + certification but we certify below that we are not a scrutinized company

CERTIFICATION For # 3.

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective proposer/bidder to the clause listed above in # 3. This certification is made under the laws of the State of California.

By (Authorized Signature)	
Printed Name and Title of Person Signing	
Date Executed	*Executed in the County and State of*

DRAFT

ATTACHMENTS 10, 11 & 12

PREFERENCE PROGRAMS (IF APPLICABLE)

Attach proof in claiming Small Business or Microbusiness Preference, Non-Small Business Preference, or Target Area Contract Preference Act, if applicable.

Small Business or Microbusiness Preference
www.dgs.ca.gov/pd/Programs/OSDS.aspx

Non-Small Business Preference
www.dgs.ca.gov/pd/Programs/OSDS.aspx

Target Area Contract Preference Act Program
www.dgs.ca.gov/pd/Programs/DisputeResolution.aspx

DRAFT

ATTACHMENT 13

AUDITED FINANCIALS AND SEC FILINGS

Attach the audited financials and SEC filings for the Bidder or Subcontractor(s).

DRAFT

ATTACHMENT 14

SSAE 16 (IF AVAILABLE)

Attach SSAE 16, if available.

DRAFT

ATTACHMENT 15

BIDDER DECLARATION (GSPD-05-105)

State of California—Department of General Services, Procurement Division
GSPD–05–105 (REV 08/09)

Solicitation Number_____

BIDDER DECLARATION

1. Prime bidder information **(Review attached Bidder Declaration Instructions prior to completion of this form)**:

a. Identify current California certification(s) **(MB, SB, NVSA, DVBE):** _____ **or None** _____ (If "None", go to Item #2)

b. Will subcontractors be used for this contract? **Yes** ___ **No** ___ (If yes, indicate the distinct element of work your firm will perform in this contract e.g., list the proposed products produced by your firm, state if your firm owns the transportation vehicles that will deliver the products to the State, identify which solicited services your firm will perform, etc.). Use additional sheets, as necessary.

_____

_____

c. If you are a California certified DVBE: (1) Are you a broker or agent? **Yes** ___ **No** ___
(2) If the contract includes equipment rental, does your company own at least 51% of the equipment provided in this contract (quantity and value)? **Yes** ___ **No** ___ **N/A** ___

2. If no subcontractors will be used, skip to certification below. Otherwise, list all subcontractors for this contract. (Attach additional pages if necessary):

Subcontractor Name, Contact Person, Phone Number & Fax Number	Subcontractor Address & Email Address	CA Certification (MB, SB, NVSA, DVBE or None)	Work performed or goods provided for this contract	Corresponding % of bid price	Good Standing?	51% Rental?

CERTIFICATION: By signing the bid response, I certify under penalty of perjury that the information provided is true and correct.

ATTACHMENT 16

CALIFORNIA CIVIL RIGHTS LAWS CERTIFICATION

Pursuant to Public Contract Code section 2010, if a bidder or proposer executes or renews a contract over $100,000 on or after January 1, 2017, the bidder or proposer hereby certifies compliance with the following:

1. CALIFORNIA CIVIL RIGHTS LAWS: For contracts over $100,000 executed or renewed after January 1, 2017, the contractor certifies compliance with the Unruh Civil Rights Act (Section 51 of the Civil Code) and the Fair Employment and Housing Act (Section 12960 of the Government Code); and

2. EMPLOYER DISCRIMINATORY POLICIES: For contracts over $100,000 executed or renewed after January 1, 2017, if a Contractor has an internal policy against a sovereign nation or peoples recognized by the United States government, the Contractor certifies that such policies are not used in violation of the Unruh Civil Rights Act (Section 51 of the Civil Code) or the Fair Employment and Housing Act (Section 12960 of the Government Code).

CERTIFICATION

<table>
<tr><td colspan="2">I, the official named below, certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Proposer/Bidder Firm Name (Printed)</td><td>Federal ID Number</td></tr>
<tr><td colspan="3">By (Authorized Signature)</td></tr>
<tr><td colspan="3">Printed Name and Title of Person Signing</td></tr>
<tr><td>Date Executed</td><td colspan="2">Executed in the County and State of</td></tr>
</table>

DRAFT

ATTACHMENT 17

IRAN CONTRACTING ACT CERTIFICATION
(Public Contract Code sections 2202-2008)

Prior to bidding on, submitting a proposal or executing a contract or renewal for a State of California contract for goods or services of $1,000,000 or more, a vendor must either: a) certify it is **not** on the current list of persons engaged in investment activities in Iran created by the California Department of General Services ("DGS") pursuant to Public Contract Code section 2203(b) and is not a financial institution extending twenty million dollars ($20,000,000) or more in credit to another person, for 45 days or more, if that other person will use the credit to provide goods or services in the energy sector in Iran and is identified on the current list of persons engaged in investment activities in Iran created by DGS; or b) demonstrate it has been exempted from the certification requirement for that solicitation or contract pursuant to Public Contract Code section 2203(c) or (d).

To comply with this requirement, please insert your vendor or financial institution name and Federal ID Number (if available) and complete **one** of the options below. Please note: California law establishes penalties for providing false certifications, including civil penalties equal to the greater of $250,000 or twice the amount of the contract for which the false certification was made; contract termination; and three-year ineligibility to bid on contracts. (Public Contract Code section 2205.)

OPTION #1 - CERTIFICATION

I, the official named below, certify I am duly authorized to execute this certification on behalf of the vendor/financial institution identified below, and the vendor/financial institution identified below is **not** on the current list of persons engaged in investment activities in Iran created by DGS and is not a financial institution extending twenty million dollars ($20,000,000) or more in credit to another person/vendor, for 45 days or more, if that other person/vendor will use the credit to provide goods or services in the energy sector in Iran and is identified on the current list of persons engaged in investment activities in Iran created by DGS.

Vendor Name/Financial Institution (Printed)	*Federal ID Number (or n/a)*
By (Authorized Signature)	
Printed Name and Title of Person Signing	
Date Executed	*Executed in*

OPTION #2 – EXEMPTION

Pursuant to Public Contract Code sections 2203(c) and (d), a public entity may permit a vendor/financial institution engaged in investment activities in Iran, on a case-by-case basis, to be eligible for, or to bid on, submit a proposal for, or enters into or renews, a contract for goods and services.

If you have obtained an exemption from the certification requirement under the Iran Contracting Act, please fill out the information below, and attach documentation demonstrating the exemption approval.

Vendor Name/Financial Institution (Printed)	*Federal ID Number (or n/a)*
By (Authorized Signature)	

Printed Name and Title of Person Signing *Date Executed*

DRAFT

ATTACHMENT 18

CALIFORNIA ABLE ACCOUNT PROJECTIONS

California ABLE Accounts Projection

Year 1 through Year 7

	Participants						
Total Number of Blind and Disabled (based on SSA data from December 2015)	931,908						
Assumption ~50% meet ABLE eligibility requirements	465,954						
Total Potential ABLE Account Eligible	**465,954**						
	Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**
Account Growth Rate		*50.00%*	*50.00%*	*25.00%*	*25.00%*	*15.00%*	*10.00%*
Attrition Rate		*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*
Previous Year's Total Number of ABLE Accounts	-	25,000	36,250	52,563	63,075	75,690	83,259
Number of New ABLE Accounts Opened in Curre	25,000	12,500	18,125	13,141	15,769	11,354	8,326
Net Contributions	**25,000**	**37,500**	**54,375**	**65,703**	**78,844**	**87,044**	**91,585**
Cancelled Accounts or Rollovers Out	-	1,250	1,813	2,628	3,154	3,785	4,163
Total Accounts	**25,000**	**36,250**	**52,563**	**63,075**	**75,690**	**83,259**	**87,422**
Average Annual Account Contribution (50% of current limit of $14,000)	*$7,000*	*$7,000*	*$7,000*	*$7,000*	*$7,000*	*$7,000*	*$7,000*
Annual Investment Return	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*
Withdrawals Rate		*40.00%*	*40.00%*	*40.00%*	*40.00%*	*40.00%*	*40.00%*
Annual Market Value	-	$ 175,000,000	$ 363,125,000	$ 635,769,531	$ 936,683,569	$ 1,297,563,215	$ 1,676,094,286
New Account Contributions	$ 175,000,000	$ 253,750,000	$ 367,937,500	$ 441,525,000	$ 529,830,000	$ 582,813,000	$ 611,953,650
Withdrawals for Qualified Disability Expenses (40% of prior year)*	-	$ 70,000,000	$ 101,500,000	$ 147,175,000	$ 176,610,000	$ 211,932,000	$ 233,125,200
Market Value Attrition	-	$ 8,750,000	$ 18,156,250	$ 31,788,477	$ 46,834,178	$ 64,878,161	$ 83,804,714
Net Activity		**$ 350,000,000**	**$ 611,406,250**	**$ 898,331,055**	**$ 1,243,069,391**	**$ 1,603,566,054**	**$ 1,971,118,022**
Previous Year's Rate of Return	-	$ 13,125,000	$ 24,363,281	$ 38,352,515	$ 54,493,824	$ 72,528,232	$ 91,180,308
Total CalABLE Market Value	**$ 175,000,000**	**$ 363,125,000**	**$ 635,769,531**	**$ 936,683,569**	**$ 1,297,563,215**	**$ 1,676,094,286**	**$ 2,062,298,329**
Average Account Value	$7,000	$ 10,017	$ 12,095	$ 14,850	$ 17,143	$ 20,131	$ 23,590

DRAFT

STATE OF CALIFORNIA

STANDARD AGREEMENT **SAMPLE STANDARD AGREEMENT**

STD 213 (Rev 06/03)

AGREEMENT NUMBER
ABLE 04-17
REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

California ABLE Act Board

CONTRACTOR'S NAME

2. The term of this Agreement is: through

3. The maximum amount of this Agreement is: **$** Zero-dollar contract

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work	4 pages
Exhibit B – Budget Detail and Payment Provisions	1 page
Exhibit C* – General Terms and Conditions	GTC 04/2017
Check mark one item below as Exhibit D:	
[X] Exhibit - D Special Terms and Conditions (Attached hereto as part of this agreement)	1 page
[ ] Exhibit - D* Special Terms and Conditions	
Exhibit E – Additional Provisions	37 pages
Resumes	

RFP No. ABLE 04-17 and Contractor's Response to this RFP are hereby incorporated by reference and deemed to be part of this Agreement.

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto. These documents can be viewed at http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME *(if other than an individual, state whether a corporation, partnership, etc.)*

BY *(Authorized Signature)* ✍ | DATE SIGNED *(Do not type)*

PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

STATE OF CALIFORNIA

AGENCY NAME

California ABLE Act Board

BY *(Authorized Signature)* ✍ | DATE SIGNED *(Do not type)*

PRINTED NAME AND TITLE OF PERSON SIGNING

Christina Elliott, Executive Director

ADDRESS

915 Capitol Mall, Room 101, Sacramento, CA 95814

California Department of General Services Use Only

☐ Exempt per:

DRAFT

EXHIBIT A
(Standard Agreement)

SCOPE OF WORK

1. Contractor agrees to provide to the California ABLE Act Board (the "Board" or "State") program management services as described in Section 1.4 of Request for Proposals No. ABLE 04-17 ("RFP") and as restated herein:

   a) General Compliance

      (i) The Contractor will provide, under the supervision and direction of the ABLE Act Board, all program management services for the compliance, investment, marketing, administration, banking (including transaction processing), recordkeeping and customer service functions of CalABLE in compliance with all RFP requirements and the resulting contract.

      (ii) The Contractor will manage CalABLE in compliance with state and federal laws, including Section 529A, applicable Treasury and SSA requirements and regulations, applicable Municipal Securities Rulemaking Board ("MSRB") and Securities Exchange Commission ("SEC") requirements and other state and federal requirements.

      (iii) In the event applicable final Treasury and SSA rules and regulations are not issued prior to the launch of CalABLE, the Contractor will undertake to comply with final rules and regulations once issued within a commercially reasonable period of time to the satisfaction of the Board.

      (iv) On an ongoing basis, the Contractor will monitor for changes in the legal and regulatory environment that may materially affect the Plan, and it will make recommendations for amendments or supplements to the Plan processes and offering materials.

      (v) The Contractor must adhere to the Board's applicable standards and policies, as and when adopted by the Board. The Contractor must comply with the Americans with Disabilities Act ("ADA") and Section 508 of the Rehabilitation Act ("Section 508") for any disclosures, plan descriptions, participation agreements and Program forms, and website.

      (vi) Services shall be performed at the offices of the Contractor, appropriate affiliates, subsidiaries and subcontractors. The Contractor, affiliates, subsidiaries and subcontractors must provide services in compliance with all federal and State regulatory bodies.

      (vii) The Contractor will designate a dedicated key personnel team to serve the Board and it will notify the Board of any changes to the management or compilation of that team as they occur. Such changes include re-assignments, resignations, terminations, additions or other changes to the employment status or composition of the professionals assigned to the team.

      (viii) All work to be performed by the Contractor will be reviewed by the Board or its designee. Such review will not relieve the Contractor of any liability in connection with such work.

      (ix) The Contractor must assist the Board with launching CalABLE as soon as possible in Fiscal Year 2017/2018.

   b) Investment Services

      (i) The Contractor must develop and recommend investment options, underlying funds and fee structures to appeal to both long-term savers and transactional users with various risk tolerances and varying contribution levels. Investments should be simple yet offer maximum flexibility to satisfy various account owner objectives and needs. The Board must approve any and all recommended investment options. Per statute, the Board will establish a Statement of Investment Policy ("Investment Policy Statement") for CalABLE following

DRAFT

EXHIBIT A
(Standard Agreement)

the selection of the Program Manager with the assistance of CalABLE's investment consultant and input from the Program Manager as well. The Contractor shall comply with the terms of the Investment Policy Statement.

(ii) The Contractor must offer a federally-insured checking and/or traditional savings account option, with the opportunity to offer a debit card or prepaid card feature to CalABLE account owners.

(iii) The Contractor must recommend a proprietary line-up of underlying investments, investments from a single mutual fund company, or investments from multiple investment managers. In either case, the Contractor must support its recommendations to the Board, demonstrating the superiority of the recommendation over other possible investment line-ups.

(iv) The Contractor will comply with Monitoring Procedures and Criteria to be established by the Board and by which the Contractor's performance will be measured. The Contractor must also demonstrate that it (and any investment management subcontractor) has rigorous internal monitoring procedures in place for the funds and investment vehicles proposed as underlying investments.

(v) The Contractor shall provide regularly scheduled investment performance reports compared to agreed-upon benchmarks. The Contractor should expect to provide these reports on a quarterly basis, at a minimum.

(vi) On at least a quarterly basis, and more frequently as necessary, the Contractor must inform the Board about significant changes in the investment climate, market conditions or investment philosophies that could affect Plan investments.

c) Administration, Recordkeeping, Banking, and Customer Service

(i) The Contractor will administer the Program, maintain all records, and comply with all applicable laws and reporting requirements set forth under Section 529A, the SSA, the California Franchise Tax Board ("FTB"), federal and State securities regulators, and the Board imposed administrative performance criteria. The Contractor's reporting requirements include the annual report and audit of the Plan as may be required in section 4881 of the Welfare and Institutions Code.

(ii) The Contractor shall provide all necessary services, including the following:

A. Provide enrollment online and through a central mailing location that can receive express deliveries and deliveries by normal U.S. postal services.

B. Maintain contact information for designated beneficiaries and authorized legal representatives, as applicable.

C. Provide separate accounting for each account and designated beneficiary; and account payment and distribution history.

D. Provide banking services to process contributions through ACH or physical delivery of checks, and process withdrawals via check or, if possible, ACH transfers to designated and allowable payees.

E. Monitor limitations on maximum annual contributions, twice-per-year investment changes, account balances for SSI benefit purposes (currently $100,000), and maximum limits for overall account balances. Provide daily NAVs; generate and distribute periodic statements and Internal Revenue Service ("IRS") forms (e.g., 1099-QAs and 5498-Qs); provide 24/7 online account access and account maintenance;

DRAFT

EXHIBIT A
(Standard Agreement)

provide account information on a monthly basis to SSA and IRS; and implement a fraud prevention program.

F. Process rollovers to/from Qualified ABLE programs; SSI and SSDI direct deposits; payroll direct deposits; and requests for Program literature and forms and any other reasonably-related administrative services necessary to operate CalABLE.

G. Develop and provide a secure and ADA-compliant website, which provides access to account information.

H. Develop and provide updates to official disclosure statements.

(iii) The Contractor must keep and protect the confidentiality of personal information, including identification numbers or account codes in accordance with all applicable federal and State laws.

(iv) The Contractor's customer service representatives must be knowledgeable about CalABLE, provide information about the impact of ABLE account on any assets on federal means-tested benefits, and engage in responsive conversation.

(v) At a minimum, live customer service will be required from 8:00 a.m. to 7:00 p.m. PT, Monday through Friday, except holidays. These customer service representatives must be available on the phone and through an online/website interface, as indicated by the CalABLE Survey respondents. There also must be a voice response unit and online servicing access in all other hours. In person customer service is not a requirement of the program, however the Board would like to offer face to face customer service if possible.

(vi) The Contractor shall provide required monthly reports to federal and State entities regarding accounts and account activity. The Contractor will also provide regularly scheduled reports to the Board regarding the number of new accounts and assets generated for the agreed-upon time period and currently in existence, any relevant account activity, and other program administration information prescribed by the Board.

(vii) The Contractor also will provide a quarterly report outlining customer service inquiries and results, the number and types of complaints and the manner in which they were resolved, and such other information as the Board requests, including prior year comparisons on requested information.

(viii) The Contractor must attend or be represented at all Board meetings (expected to be monthly) unless otherwise notified by the Board Chair or his or her designee, and provide program-related reports as requested by the Board or its staff.

(ix) The Contractor must also respond to the need for telephone consultation within a 24-hour period and be available at minimum to the Board and the staff between the hours of 8 a.m. to 5 p.m. PT.

(x) Upon request, the Contractor shall provide the Board access to all files, records, documents and data pertaining to the Plan that are in its possession and control, regardless of how that information is stored ("Plan Records"). The Plan Records shall be provided in a reasonable time and in a form acceptable to the Board. At its expense, the Contractor also shall provide the Board all Plan Records in a useable electronic form after notice from the Board that the Agreement will terminate.

(xi) The Contractor's performance will be measured by administrative performance criteria, which the Board will establish ("Administrative Benchmarks") once a Bidder is chosen and which will be included in the Agreement. The Board and/or the Contractor may review and recommend modifications to the Administrative Benchmarks on an annual basis based on industry norms and national trends; any modifications will require approval by the Board.

DRAFT

EXHIBIT A
(Standard Agreement)

d) Marketing and Outreach

(i) The Contractor must work with national and California-based disability advocates to aggressively market and promote CalABLE.

(ii) The Contractor must provide investor education and outreach across California, including some materials in Spanish. The Contractor will lead the Board's efforts to reach all possible eligible individuals through initiatives directed specifically toward California residents with disabilities.

(iii) The Contractor, working with any firms retained by the Board for marketing or public relations services, will present an annual marketing plan to the Board for review and approval. The marketing plan should include all strategies and mechanisms anticipated to reach the broadest audience of eligible individuals in California. The annual marketing plan will be based upon the Contractor's annual marketing commitment, to be used for marketing and promotional expenditures, excluding overhead charges. All marketing plans will be subject to the Board's approval.

(iv) The Contractor will provide regularly scheduled reports on marketing expenditures and will be expected to provide an analysis of the effectiveness of its marketing strategies.

The Scope of Work is comprised of this Section of Exhibit A, the Contractor's Proposal submitted in response to the RFP, and Exhibit E to this Agreement.

2. The services shall be performed at the offices of the Contractor and at the offices of appropriate affiliates, related entities, subsidiaries and subcontractors.

3. Customer services for the California qualified ABLE program ("CalABLE") will be provided at a minimum from 8:00 a.m. to 7:00 p.m. Pacific Time (PT), Monday through Friday, except for holidays. All other services will be provided continuously as necessary to fulfill the services required under the RFP.

4. The project representatives during the term of this agreement will be:

State Agency: ABLE Act Board	Contractor:
Name: Christina Elliott	Name:
Phone: 916-653-4046	Phone:
Fax: 916-589-2860	Fax:

Direct all inquiries to:

State Agency: ABLE Act Board	Contractor:
	Section/Unit:
Attention: Christina Elliott	Attention:
Address: 915 Capitol Mall, Room 101 Sacramento, CA 95814	Address:
Phone: 916-653-4046	Phone:
Fax: 916-589-2860	Fax:

DRAFT

EXHIBIT B
(Standard Agreement)

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Invoicing and Payment

The Contractor shall not invoice the State for any fees or expenses since such amounts will be deducted from contributions to or otherwise charged against assets in the California ABLE Act Program Trust. The Contractor shall only be entitled to such amounts as disclosed to participants and as set forth in Exhibit E to this Agreement.

In the event that a material default or breach occurs pursuant to the terms of this Agreement, the Board may require that certain fees and expenses be placed in escrow for the benefit of the Program until such default or breach is cured.

2. Budget Contingency Clause

(a) As set forth in Section 9.3 of Exhibit E to this Agreement, the Services provided pursuant to this Agreement are not contingent upon the Budget Act of the current year and/or any subsequent years. At no time will moneys be appropriated under the Budget Act for payments to the Contractor under the Program.

(b) Notwithstanding subsection (a), above, it is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.

(c) Notwithstanding subsection (a), above, if funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

3. Prompt Payment Clause

The payment provisions contained in Government Code Chapter 4.5 do not apply to this Agreement as allowable fees and expenses will be deducted from contributions to or charged against assets in the California ABLE Program Trust. Allowable fees and expenses are only those set forth in Exhibit E to this Agreement, as approved by the Board and as are subject to future alteration based on industry norms and national trends.

4. Fees to Contractor

The Contractor shall be entitled to receive a monthly program management fee for CalABLE as set forth in Section 9.1 of Exhibit E to this Agreement.

5. Fees to the Board

The Board shall be entitled to receive a monthly administrative fee as set forth in Section 9.4 of Exhibit E to this Agreement.

DRAFT

EXHIBIT C
(Standard Agreement)

GENERAL TERMS AND CONDITIONS

Exhibit C to this Agreement, the General Terms and Conditions (GTC 04/2017), is hereby incorporated by reference and made part of this agreement as if attached hereto. The General Terms and Conditions can be viewed at http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx.

DRAFT

EXHIBIT D
(Standard Agreement)

SPECIAL TERMS AND CONDITIONS

Special Terms and Conditions are included in Exhibit E, Additional Provisions.

DRAFT

EXHIBIT E
(Standard Agreement)

ADDITIONAL PROVISIONS

1. DEFINITIONS.

"*Account*" shall have the meaning set forth in the California Welfare and Institutions Code section 4875, as amended from time to time.

"*Account Balance*" shall mean, with respect to an Account, the total cash contribution plus net earnings less (a) net losses attributable to such Account, (b) any Withdrawals directed by the Account Owner, and (c) any fees withdrawn from such Account in accordance with this Agreement.

"*Account Owner*" shall be the Beneficiary and shall have the meaning set forth in Section 529A.

"*Act*" shall mean the California Welfare and Institutions Code section 4875 et seq., as amended from time to time.

"*Administrative Performance Criteria*" shall mean the performance standards applicable to the Administrative Services as may be approved by the Board.

"*Administrative Services*" shall mean the product implementation, customer service, records administration and other general administrative services to be performed by the Contractor in connection with the Program as provided in Section 8 of this Exhibit E.

"*Agreement*" shall mean the Standard Agreement entered into between the California ABLE Act Board and the Contractor.

"*Applicable Law*" shall mean all applicable laws, regulations, judgments, decrees, injunctions, writs and orders of any court, tribunal, arbitrator or Governmental Authority and rules, regulations, orders, licenses and permits of any Governmental Authority or Regulatory Body. Any references to federal or state statutes or regulations shall be deemed to include a reference to any amendments thereof and any successor provisions thereto.

"*Authorized Legal Representative*" shall mean a Person who may act on behalf of the Account Owner with respect to the account if the Account Owner (1) is unable to exercise signature authority over his or her account, or (2) chooses not to exercise signature authority over his or her account. The Authorized Legal Representative may be a parent or legal guardian of the Account Owner or may be a person granted a valid durable power of attorney to manage banking and investment matters on behalf of the Account Owner and to take all necessary actions on behalf of the Account Owner with respect to the account.

"*Beneficiary*" shall have the meaning as "Designated Beneficiary" set forth in Section 529A and the Act.

"*Board*" shall mean the California ABLE Act Board, an agency of the State, established pursuant to the Act.

"Business Day" shall mean a day on which the New York Stock Exchange is open for trading.

"CalABLE Administrative Fee" shall mean the monthly administrative fee payable to the Board from the Trust, included in Section 9.4 of this Exhibit E.

DRAFT

EXHIBIT E
(Standard Agreement)

"*Code*" shall the mean the Internal Revenue Code of 1986, as amended from time to time.

"*Contractor's Proposal*" shall mean the Contractor's response to the RFP.

"*Executive Director*" shall mean the Executive Director, or designee, of the California ABLE Act Board.

"*FINRA*" shall mean the Financial Industry Regulatory Authority.

"*Giftor*" shall mean any Person other than an Account Owner or Authorized Legal Representative who contributes an amount to an Account for a Beneficiary.

"*Governmental Authority*" shall mean any federal, state, local, municipal or other governmental department, commission, district, board, bureau, agency, regulatory body, court, tribunal or other instrumentality (or any officer or representative thereof) of competent jurisdiction.

"*Investment Options*" shall mean the options for investment of Accounts in the Trust, to be made available in accordance with the Contractor's Proposal and this Agreement. Each Investment Option shall be a segregated investment portfolio of the Trust.

"*Investment Performance Criteria*" shall mean the performance standards to be set forth in the Monitoring Procedures to be adopted by the Board and attached as Appendix 3 to this Agreement.

"*Investment Policy Statement*" shall mean the Statement of Portfolio Investment Policy to be established for the Program by CalABLE, as such Policy Statement may be revised by CalABLE from time to time, and included as Appendix 2 to this Agreement.

"*Investment Services*" shall mean the Investment Services to be provided by the Contractor in connection with the Program as provided in Section 6 of this Exhibit E.

"*IRS*" shall mean the Internal Revenue Service.

"*Key Investment Professional*" shall mean a professional decision maker whose action or advice as part of an Underlying Investment's decision-making process normally contributes to performance results.

"*Marketing Performance Criteria*" shall mean the performance standards applicable to the Marketing Services as may be approved by the Board.

"*Marketing Plan*" shall mean the annual plan for marketing and promotion of the Program approved by CalABLE.

"*Marketing Services*" shall mean the marketing services to be provided by the Contractor in connection with the Program as provided in Section 7 of this Exhibit E.

"*Monitoring Procedures*" shall mean Monitoring Procedures and Investment Performance Criteria to be adopted by the Board and, when adopted, will be included as Appendix 3 to this Agreement, as may be modified from time to time.

"*MSRB*" shall mean the Municipal Securities Rulemaking Board.

DRAFT

EXHIBIT E
(Standard Agreement)

"*Net Asset Value*" or "*NAV*" shall mean the value of each unit of each Underlying Investment and each Investment Option at the close of trading on every Business Day.

"*Other Board Programs*" shall mean other programs that may be established by the Board as part of the Program under Section 529A.

"*Participation Agreement*" shall mean the agreement to be entered into by the Board and a prospective Account Owner with respect to an Account, as amended from time to time.

"*Person*" shall mean a natural person or any entity.

"*Program*" shall mean the California Qualified ABLE Program authorized by the Act to be developed and implemented by the Board as a Qualified ABLE Program under Section 529A.

"*Program Lists*" shall mean all lists, compilations and summaries of Authorized Legal Representatives and/or Beneficiaries and/or Giftors and/or Prospects.

"*Program Management Fee*" shall mean the monthly management fee payable to the Contractor for all Services under this Agreement as set forth in Section 9.1 of this Exhibit E.

"*Program Materials*" shall mean all promotional materials (including press releases), media materials and other documents and materials in hard copy or electronic form used in connection with management and administration of the Program, including the Marketing Plan, the Program Disclosure Booklet, the Participation Agreement, the Program websites maintained by the Contractor, and the application used to establish an Account.

"*Program Records*" shall mean the Program Materials, Program Lists, logos, slogans, trademarks, copyrighted materials and website content and marketing specific to the Program all as set forth in Section 15.1 of this Exhibit E.

"*Program Start Date*" shall mean [to be determined based on the date contract is awarded, but likely a date during the second or third quarter of Fiscal Year 2017/2018.

"Program Year" shall mean the twelve (12) month period commencing each January 1 and ending each December 31.

"Prospects" shall mean Persons requesting information or making inquiries as to the Trust or the Program.

"Qualified Disability Expense" shall have the meaning set forth in Section 529A.

"Qualified ABLE Program" shall have the meaning set forth in Section 529A.

"Regulatory Body" shall mean the MSRB, FINRA and any other State or federal entity or association that regulates the activities of the Contractor.

"Request for Proposals" or "*RFP"* shall mean Request for Proposals No. ABLE 04-17, for Plan/Program Manager (investment manager and program administrator services) for the California Qualified ABLE Act Program.

"SEC" shall mean the United States Securities and Exchange Commission.

DRAFT

EXHIBIT E
(Standard Agreement)

"Section 529A" shall mean Section 529A of the Code, as amended from time to time, and any regulations and official guidance issued by a Governmental Authority pursuant thereto.

"Securities Law Requirements" shall mean at the time of determination, with respect to the Services or the administration of any underlying investment: (i) all requirements of any federal or state securities law; and (ii) any judicial judgment, decree, injunction, writ, settlement, order or administrative ruling, order or determination by any Governmental Authority or Regulatory Body enforcing or interpreting any federal or state securities law.

"Services" shall mean, collectively, the Investment Services, the Marketing Services and the Administrative Services, in each case provided with respect to the Program.

"*SSA*" shall mean the Social Security Administration.

"State" shall mean the State of California and, in certain instances, the Board acting on behalf of the State.

"Subcontractor" shall mean the subcontractor to whom the Contractor has assigned its rights and obligations to perform Services as approved by CalABLE in accordance with the provisions of Section 3.3 of this Exhibit E.

"Term" shall mean the Initial Term together with any Extension Term or Terms as applicable in accordance with Section 13.1 of this Exhibit E.

"Trust" shall mean the California ABLE Program Trust established by the Act.

"Underlying Investments" shall mean those funds or other investment vehicles in which the assets of the Investment Options are invested.

"Withdrawal" shall mean a distribution from an Account without regard to how the proceeds of such distribution will be used.

2. INCORPORATION OF ADDITIONAL DOCUMENTS; RULES OF CONSTRUCTION.

(a) This Agreement, including documents that have been incorporated herein by reference, contains all representations and the entire understanding between the parties hereto with respect to the subject matter hereof. Any prior correspondence, memoranda or agreements are replaced in total by this Agreement.

(b) In the event there are any inconsistencies or ambiguities among the terms of this Agreement and incorporated documents, the following order of precedence shall be used: (i) Applicable Law; (ii) the terms and conditions of Exhibits A through E of this Agreement, including attachments; (iii) the RFP; (iv) Contractor's Proposal; and (v) any other provisions, terms, or materials incorporated herein.

(c) For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(i) Singular words shall connote the plural as well as the singular, and vice versa (except as indicated), as may be appropriate.

DRAFT

EXHIBIT E
(Standard Agreement)

(ii) References within this Agreement to articles, sections, paragraphs or clauses are references to articles, sections, paragraphs or clauses in or to this Agreement.

(iii) The words "herein," "hereof" and "hereunder" and other words of similar import used in this Agreement refer to this Agreement as a whole and not to any particular article, section, paragraph or clause.

(iv) References to any Person shall include such Person, the Person's successors and permitted assigns.

3. APPOINTMENT OF CONTRACTOR TO PROVIDE SERVICES.

3.1 Appointment and Acceptance. The Board hereby appoints the Contractor to provide the Administrative, Marketing and Investment Services, all as described herein. The Contractor accepts this appointment and agrees to perform the Services in accordance with this Agreement. The Contractor agrees that it shall cooperate with CalABLE and any consultants, advisors, auditors or legal counsel hired by the Board to review, evaluate or otherwise advise regarding the Trust or the Program.

3.2 General Duties.

(a) The Contractor will provide overall management services for the compliance, investment, marketing, administration, recordkeeping and customer service functions of the Program in compliance with all RFP requirements and the resulting contract.

(b) The Contractor will manage the Program in compliance with state and federal laws, including Section 529A, applicable U.S. Treasury Department ("Treasury"), IRS, and SSA requirements and proposed and existing regulations, applicable Municipal Securities Rulemaking Board ("MSRB") and Securities Exchange Commission ("SEC") requirements, and other state and federal requirements.

(c) In the event applicable final Treasury and SSA rules and regulations are not issued prior to the launch of the Program, the Contractor will undertake to comply with final rules and regulations once issued within a commercially reasonable period of time to the satisfaction of the Board.

(d) On an ongoing basis, the Contractor will monitor for changes in the legal and regulatory environment that may materially affect the Program, and it will make recommendations for amendments or supplements to the Program processes and offering materials.

(e) The Contractor must adhere to the Board's applicable standards and policies, as and when adopted by the Board. The Contractor must comply with the Americans with Disabilities Act ("ADA") and Section 508 of the Rehabilitation Act for any disclosures, plan descriptions, participation agreements and Program forms, and website.

(f) Services shall be performed at the offices of the Contractor, appropriate affiliates, subsidiaries and subcontractors. The Contractor, affiliates, subsidiaries and subcontractors must provide services in compliance with applicable rules, regulations, and official guidance of all federal and State regulatory bodies.

(g) The Contractor will designate a dedicated Key Personnel (as defined in Section 3.6 below) team to serve the Board and it will notify the Board of any changes to the management or compilation of that team as they occur. Such changes include re-assignments, resignations, terminations, additions or other changes to the employment status or composition of the professionals assigned to the team.

DRAFT

EXHIBIT E
(Standard Agreement)

(h) All work to be performed by the Contractor will be reviewed by the Board or its designee. Such review will not relieve the Contractor of any liability in connection with such work.

(i) The Contractor must assist the Board with launching CalABLE by the second or third quarter of Fiscal Year 2017/2018.

3.3 Delegation and Assignment of Responsibilities. [IF APPLICABLE TO CONTRACTOR'S PROPOSAL]

(a) The Board approves the delegation and assignment by subcontract to the specific entities of the particular Services under this Agreement by the Contractor as set forth in the Contractor's Proposal, subject to the terms of a written subcontract approved in writing by the Board. The Contractor may propose additional subcontractors to perform certain Services at any time, subject to the written approval of such additional subcontractors and of the applicable subcontract by the Board, which consent shall not be unreasonably withheld or delayed. The Contractor shall not delegate or subcontract the performance of Services for which it is responsible to any affiliate or third party except in accordance with this Section 3.3.

(b) No delegation or subcontract by the Contractor pursuant to this Section 3.3 shall relieve it of its responsibilities hereunder, and the Contractor shall be responsible for the performance of Services by its respective delegates and subcontractors and shall remain obligated hereunder as if no delegation or assignment by subcontract had been made.

(c) Each subcontract shall be a written agreement providing, in form satisfactory to the Board, unless waived in whole or in part by the Board, that:

(i) the subcontractor agrees to discharge the Services and perform the obligations of the Contractor to which such subcontract applies in accordance with the applicable provisions of this Agreement;

(ii) the Board is a third party beneficiary of such subcontract with the right to enforce such subcontract directly against the subcontractor;

(iii) the subcontractor shall in no event have (A) any right to payment from or to impose a lien on the Trust or (B) any right to payment from any other asset of the Board;

(iv) that the subcontract is non-assignable without the consent of the Board; and

(v) such other requirements as the Board may reasonably request.

(d) The Contractor warrants that all delegates and subcontractors engaged in performing the Services shall be properly licensed and otherwise authorized to do so under Applicable Law, and the Contractor agrees that it shall enforce the Service performance obligations of each respective subcontractor or, at the option of the Board, shall assist the Board in enforcing such obligations and provisions.

3.4 Standard of Care.

(a) The Contractor acknowledges that it has fiduciary duties to the Board, the Program, the Trust, the Account Owners and the Beneficiaries through Applicable Law and the Services it provides pursuant to this Agreement; provided, however, that the Board acknowledges that the Contractor does not provide investment advisory services to the Account Owners or the Beneficiaries.

(b) The Contractor acknowledges that it shall hold and administer the Accounts and amounts deposited therein in trust for the Account Owners and Beneficiaries thereof and that it is subject to the requirement to use prudence and care in its respective dealings with the Trust and the Underlying Investments and the Accounts therein relating to the Program, in accordance with Applicable Law and such other fiduciary requirements to which it is subject.

DRAFT

EXHIBIT E
(Standard Agreement)

(c) The Contractor specifically agrees that in performing its duties under the Agreement it will act not in regard to speculation, but with the care, skill, prudence and diligence under the circumstances then prevailing, specifically including, but not by way of limitation, the general economic conditions, the anticipated needs of the Trust and the Underlying Investments and the Accounts therein relating to the Program, and the Account Owners and Beneficiaries, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims to seek to attain the goals of the Program as determined from the Act and the Investment Policy Statement.

(d) The Contractor agrees to discharge its duties with respect to the Program and the Trust solely in the interest of the Board, the Account Owners and the Beneficiaries of the Program.

3.5 Employees of Contractor. The Contractor shall utilize its personnel to perform Services pursuant to this Agreement, and such personnel shall at all times remain employees or consultants of the Contractor, subject solely to the Contractor's direction and control. The Contractor shall alone retain full liability to its employees and consultants in all respects, including for their welfare, salaries, fringe benefits, legally required employer contributions and tax obligations. No facility of the Contractor used in performing Services shall be deemed to be transferred, assigned, conveyed or leased to the Board or the Program by such performance or use pursuant to this Agreement. The Contractor warrants that all employees engaged in the Services shall be qualified to perform the Services, shall be properly licensed and otherwise authorized to do so under all Applicable Law.

3.6 Contractor's Key Personnel.

(a) The key members of the Contractor's staff will be identified in Attachment 6 of the Contractor's Proposal according to the key role each staff member will provide. "Key Personnel" individually and collectively must include the overall business head responsible for the Contractor's engagement with the Board, the day-to-day manager, the investment professional responsible for the overall investment structure, the senior-most marketing professional, and the senior-most professional(s) responsible for operations, record keeping and customer service.

3.7 Changes in Control, Organization or Key Personnel.

(a) The Contractor shall promptly, and in any case within five (5) calendar days, notify the Board in writing: (i) of any change in the majority ownership, control, or business structure of the Contractor; (ii) of any other material change in the Contractor's business, partnership or corporate organization; or (iii) of any changes to Key Personnel. All written notices from the Contractor under this provision shall contain sufficient information, including resumes, to permit the Board to evaluate the changes within Contractor's organization under the same criteria as was used by the Board in its award of this Agreement to Contractor. The Contractor agrees to provide the Board with such additional information as requested by the Board.

(b) During the Term of this Agreement, the Contractor shall notify the Board of any proposed changes to the Key Personnel due to reassignments, resignations, terminations, or changes to the employment status of any Key Personnel prior to implementing such changes, or, if it is not feasible for Contractor to give prior notice of such event to the Board, then promptly after such a change.

(c) In the event of any changes to Key Personnel, the Contractor will immediately designate interim Key Personnel and, within six (6) months, permanent Key Personnel in conjunction with the notice provided pursuant to Section 3.7(a).

DRAFT

EXHIBIT E
(Standard Agreement)

(d) The Board shall have the right to request removal of any Key Personnel that it deems to be providing unsatisfactory or inadequate work. The Contractor shall comply with such a request in a timely manner and shall provide notice of interim or permanent Key Personnel pursuant to Section 3.7(a).

(e) The Agreement may be terminated immediately, in the sole discretion of the Board and upon written notice from the Board to the Contractor, due to any change in or departure of any Key Personnel, which shall be considered a material breach by the Contractor and constitute cause of termination pursuant to paragraph 7 of Exhibit C, if Contractor is unable to provide equal or substantially comparable permanent substitute personnel in experience, education, and other qualifications.

4. PROGRAM START DATE. The Contractor and the Board shall take all action necessary for the Program Start Date to be in second or third quarter of Fiscal Year 2017/2018.

5. CONDITIONS TO THE PROGRAM START DATE. At or before the Program Start Date, each of the following conditions shall be met (all or any of which conditions to the Program Start Date may be waived in whole or in part in writing by the Board and the Contractor):

(a) Representations and Warranties. Each of the representations and warranties made by the Board and the Contractor, respectively, in this Agreement shall be true and correct in all material respects on and as of the Program Start Date as though such representation or warranty was made on and as of the Program Start Date.

(b) Program Disclosure Booklet.

(i) Completion. The Program Disclosure Booklet shall have been prepared by the Contractor in such form and substance as shall be mutually acceptable to the Board and the Contractor.

(ii) Certificate of the Board. The Board shall have delivered to the Contractor a Certificate, dated the Program Start Date, to the effect that all portions of the Program Disclosure Booklet describing the Board and the Board's duties and responsibilities with respect to the Program are complete and accurate and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Nothing in this Section 5(b) shall require the Board to make any representations as to the portions of the Program Disclosure Booklet describing the Contractor, and the investment risks associated with the Program or the Contractor's or any other Persons' duties and responsibilities with respect to the Program.

(iii) Certificate of the Contractor. The Contractor shall have delivered to the Board a Certificate, dated the Program Start Date, to the effect that all portions of the Program Disclosure Booklet describing the Contractor's duties and responsibilities with respect to the Program (including such duties and responsibilities which have been delegated or subcontracted pursuant to Section 3.3 of this Exhibit E) are complete and accurate and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Nothing in this Section 5(b) shall require the Contractor to make any representations as to the portions of the Program Disclosure Booklet describing the duties and responsibilities with respect to the Program of the Board or any other Persons (other than any Person to whom duties are delegated or subcontracted by the Contractor in accordance with Section 3.3 of this Exhibit E).

DRAFT

EXHIBIT E
(Standard Agreement)

(c) Structuring of the Program. The Board and the Contractor shall have developed and agreed to the terms of the Program with the intent that the Program constitutes a Qualified ABLE Program.

(d) Opinion of Contractor's Counsel. An opinion of counsel shall have been provided by the Contractor, addressing the matters to which the Contractor has delivered its representations and warranties set forth in Section 10 of this Exhibit E.

(e) Insurance Coverage. The Contractor shall have provided proof of insurance coverage of the types and at the levels as set forth in Section 12.10 of this Exhibit E.

(f) Initial Marketing Plan. The Executive Director of the Board shall have reviewed and approved the initial Marketing Plan required to commence the marketing and selling of the Participation Agreements.

(g) Program Materials. All Program Materials necessary to offer and implement participation in the Program shall have been prepared by the Contractor and approved in form and substance by the Board and shall be finalized by the Contractor and available for such use.

(h) Administrative Systems. The Contractor shall have demonstrated to the satisfaction of the Board its ability to accept applications for Participation Agreements, to receive contributions and to establish Accounts.

(i) Performance Guarantee. Unless otherwise agreed upon, the Contractor shall have delivered a performance guarantee, an irrevocable letter of credit or a contract bond, as described in Section 12.11 of this Exhibit E.

6. INVESTMENT SERVICES.

6.1 Creation of the Trust.

(a) The Contractor shall manage the Program in accordance with the Code, the Act, other Applicable Laws, this Agreement, the RFP, and the Contractor's Proposal. The assets of the Trust's Investment Options shall be maintained in accounts registered in the name of the Trust (the "Trust Accounts"). The Trust shall consist of a program fund and an administrative fund. All assets will be deposited in the program fund until such time as the Contractor transfers funds to the administrative fund in accordance with Section 9.4 herein.

(b) The Contractor shall provide Investment Services as set forth in this Agreement. All monies received as contributions to the Accounts shall be deposited by the Contractor into the program fund of the Trust and invested in the Investment Option or Options designated by the Account Owner. The assets of the Trust shall be preserved, invested and expended by the Contractor solely pursuant to and for the purposes of the Program and shall not be loaned or otherwise transferred or used by the Contractor for any other purposes. Unless the prior written approval of the Board is received, the Contractor shall not withdraw or permit to be withdrawn any assets from the Trust except (i) to process a Withdrawal at the direction of the Beneficiary or his Authorized Legal Representative; or (ii) to pay the fees chargeable against the assets of the Trust provided in and in accordance with the provisions of Section 9 of this Exhibit E.

6.2 Investment Policies.

(a) The Contractor must develop and recommend investment options, underlying funds and fee structures to appeal to both long-term savers and transactional users with various risk tolerances and varying contribution levels. Investments should be simple yet offer maximum flexibility to satisfy various account owner objectives and needs.

(b) The Contractor may recommend a proprietary line-up of Underlying Investments, investments from a single mutual fund company, or investments from multiple investment managers. In

DRAFT

EXHIBIT E
(Standard Agreement)

either case, the Contractor must support its recommendations to the Board, demonstrating the superiority of the recommendation over other possible investment line-ups.

(c) The Contractor must offer a federally-insured checking and/or traditional savings account option, with the opportunity to offer a debit card or prepaid card feature to Account Owners.

(d) The Board must approve any and all recommended investment options. Per statute, the Board will establish a Statement of Investment Policy ("Investment Policy Statement") for the Program upon engagement of an investment consultant. The Contractor shall comply with the terms of the Investment Policy Statement.

(e) The Contractor shall invest and manage the assets of the Trust in a manner to ensure that the Investment Options and the Underlying Investments shall be in compliance with Section 6.3 of this Exhibit E and the Investment Policy Statement to be adopted at all times. Each Underlying Investment shall be invested in assets described in the Investment Policy Statement. Upon engagement of an investment consultant, the Board will establish Monitoring Procedures and Investment Performance Criteria with which the Contractor will comply and by which the Contractor's performance will be measured. The Contractor must also demonstrate that it (and any investment management subcontractor) has rigorous internal monitoring procedures in place for the funds and investment vehicles proposed as Underlying Investments. The Contractor shall provide regularly scheduled investment performance reports compared to agreed-upon benchmarks. The Contractor should expect to provide these reports on a monthly basis, at a minimum.

(f) On at least a quarterly basis, and more frequently as necessary, the Contractor must inform the Board about significant changes in the investment climate, market conditions or investment philosophies that could affect Program investments.

(g) The Contractor will provide to the Board a quarterly report describing the Contractor's compliance with the Investment Policy Statement in addition to the information set forth in Section 6.7 of this Exhibit E.

6.3 Investment Performance and Benchmarks.

(a) Except as otherwise agreed to by the Board and the Contractor, the Contractor shall at all times seek to provide performance consistent with Investment Performance Criteria for each fund or Investment Option managed on behalf of the Board. The Contractor shall at all times adhere to all policies, procedures, and criteria as set forth in the Investment Policy Statement and the Monitoring Procedures. The Contractor does not guarantee that investment performance or attainment of any particular investment return will be achieved.

(b) The Board shall assess the Contractor's overall performance in providing investment management services with consideration of, but not limited to, the following: level of the Board's confidence; material organizational changes pertaining to investment management operations; turnover of Key Personnel; adherence to investment mandates as determined by the Board; modifications to the Trust's active/passive allocation structure (due to performance related issues); relative performance of Investment Options; and quality and speed of investment reporting functions.

(c) Based on the performance of an Underlying Investment, the Contractor shall consider whether it is appropriate to recommend a change in any Underlying Investment and the Board may require a change in any Underlying Investment if the new investment satisfies the requirements in the Monitoring Procedures and the Investment Policy. In the event that the Contractor determines or the Board directs that a change in an Underlying Investment is appropriate or required, the Contractor shall be responsible for making a recommendation to the Board as to a suitable

DRAFT

EXHIBIT E
(Standard Agreement)

alternative investment. Such recommended investments shall be reviewed by the Board and its investment consultant to determine if the investments satisfy the criteria for selection of Underlying Investments set forth in the Monitoring Procedures. Any such recommendation made by the Contractor must be approved by the Board in writing prior to its implementation.

(d) The Board shall have the right to require the Contractor to replace an existing Underlying Investment managed by it with an alternative Underlying Investment managed by an entity that is not affiliated with the Contractor if (i) all similar alternative funds managed by the Contractor or an affiliate do not satisfy the criteria for selection of Underlying Investments set forth in the Monitoring Procedures, or (ii) the Board reasonably determines that such a change is in the best interests of the Account Owners.

6.4 Allocation Guidelines. The Contractor shall invest the assets in each of the Underlying Investments so that such assets are allocated as established by the Contractor and approved by the Board from time to time (the "Allocation Guidelines"). The initial Allocation Guidelines shall be the allocation guidelines established by the Contractor and approved by the Board as set forth in the Investment Policy Statement.

6.5 Contributions; Accounts. The Contractor shall establish an individual Account in the Trust as it relates to the Program, with the Investment Option(s) and for the Beneficiary as designated in the Participation Agreement or Account applications, for the receipt of contributions made on behalf of the Beneficiary by any Giftors. The Contractor shall receive contributions from Account Owners and Giftors and shall credit each such contribution received in good order to the Account to which such contribution is made, and to the Trust as it relates to the Program, (a) on the day of receipt of the contribution by the Contractor if received before the close of trading on the New York Stock Exchange or such earlier time as may be reflected in administrative rules agreed to from time to time by the Contractor and the Board, or as otherwise may be required by Applicable Law, on any Business Day; or (b) on the next Business Day following receipt of the contribution by the Contractor if received on a day other than a Business Day or if received after the close of trading on the New York Stock Exchange or such earlier time as may be reflected in administrative rules agreed to from time to time by the Contractor and the Board. Amounts credited to an Account as a result of contributions shall purchase units or shares of an Investment Option without delay. A Giftor shall forfeit any rights to contributions made to an Account by the Giftor. For purposes of Withdrawals from an Account, changes in the Beneficiary and for all other Account-related purposes, only the Account Owner may give directions to the Contractor regarding the Account.

6.5 Minimum Contribution and Maximum Account Balance Limits

(a) Contractor shall offer the following minimum initial contribution amounts for Program participants:

Method of Investment	Minimum Investment Level
Rollovers	Transfer accounts with any balance
Lump Sum Investments	
Automatic Investing (Direct Deposit/Payroll Deduction)	

(b) Contractor shall ensure that the maximum account balance for a Beneficiary shall not exceed the amount approved by the Board and as required by Section 529A and the Act.

6.6 Determination of Net Asset Value.

(a) The Net Asset Value of each unit of each Investment Option shall be calculated by the Contractor based on, and reflective of, the following:

DRAFT

EXHIBIT E
(Standard Agreement)

(i) the net asset value per share or unit of the Underlying Investments as of the market close on that Business Day;

(ii) adjustments, if any, to the net asset value per share of any Underlying Investment made after the market close;

(iii) net purchase orders and net redemption orders for each Investment Option received by the Contractor each Business Day;

(iv) the Contractor's deduction and payment of fees from the Investment Options in accordance with Section 9 of this Exhibit E; and

(v) the Contractor's reinvestment, into any Underlying Investment, of any income, dividends and/or capital gain distributions paid by such Investments.

(b) The value of any particular Account for each Investment Option in which the Account is invested shall be determined by multiplying the NAV of the unit of the Investment Option by the number of units of the Investment Option held in the particular Account.

(c) The assets of the Trust and each Investment Option shall be valued as of the close of each Business Day.

6.7 Reports and Financial Information.

(a) The Contractor shall keep adequate records of the Account Balance with respect to each Account, and it shall compile, prepare and deliver to the Board, Beneficiaries and Authorized Legal Representatives on a timely basis the financial information, reports and statements required of the Contractor under the Act, the Code, the Social Security Act , other Applicable Laws and by this Agreement. In particular, the Contractor shall prepare and deliver to the Board, within thirty (30) calendar days immediately following the end of each calendar quarter, reports in a form satisfactory to the Board including: (i) the type of investment, name of the issuer, the dollar amount invested, and, to the extent applicable, the date of maturity and par value of each security, investment and money within the Trust; (ii) to the extent applicable, the weighted average maturity of the investments in the Trust; (iii) any amounts in the Trust that are under the management an investment manager; (iv) the market value as of the date of the report and the source of this valuation for any security within the Trust; (v) its compliance with the Investment Policy Statement, and (vi) any other information mandated by the Act or reasonably requested by the Board.

(b) The Contractor shall provide oral or written progress reports and attend meetings as requested by the Executive Director to determine if the Contractor is performing to expectations, is on schedule, or present findings, conclusions, and recommendations, or to afford occasions for discussing and resolving problems encountered. At a minimum the Contractor shall provide quarterly reports that include information on accounts, assets, contributions, investment results, administrative performance and such other matters as may be specified by the Executive Director.

6.8 Proxy Voting. Decisions on voting of shares of all Underlying Investments held by the Program will be made by the Board on behalf of all Beneficiaries

7. MARKETING SERVICES.

7.1 Marketing Services.

(a) The Contractor shall provide marketing services to the Board in support of the Marketing Plan for the Program, in a manner which is commercially reasonable and in compliance with this Agreement and all Applicable Law (the "Marketing Services"). The Contractor must work with disability advocates across the State and nationally to aggressively market and promote the Program. The Contractor will support the Board’s efforts to reach all possible eligible individuals

DRAFT

EXHIBIT E
(Standard Agreement)

through initiatives directed specifically toward California residents with disabilities. The Contractor must provide investor education for and outreach across California to its diverse population, including marketing materials in languages other than English, including Spanish.

(b) The Contractor will present an annual marketing plan. The marketing plan should include all strategies and mechanisms anticipated to reach the broadest audience of eligible individuals in California. The marketing plan will be based upon the Contractor's annual marketing commitment, to be used for marketing and promotional expenditures, excluding overhead charges. All marketing plans will be subject to the Board's approval. The annual marketing commitment will cover costs directly allocable to the marketing and promotion of the Program, including all marketing and disclosure materials used in the acquisition of new accounts (but not including disclosure materials used for existing Accounts).

(c) No later than October 1 of each current Program Year, the Contractor working with any firms retained by the Board for marketing or public relations services will present to the Board for its review and approval a marketing plan for the following Program Year. The marketing plan should include all strategies and mechanisms anticipated to reach the broadest audience of eligible individuals in California. The marketing plan will be based upon the Contractor's annual marketing commitment, to be used for marketing and promotional expenditures, excluding overhead charges. All marketing plans will be subject to the Board's approval. The allocation of the annual marketing commitment will also be subject to the Board's approval, and it will include the Board's discretion over the annual marketing commitment to proposed marketing concepts and promotional activities for the Program.

7.2 Marketing Performance Criteria.

(a) The Marketing Performance Criteria will be agreed upon and used to evaluate the Contractor's marketing performance under the Agreement. The Contractor may propose modifications to the Marketing Performance Criteria, which the Board may accept or reject, or it may request further modifications taking into consideration industry norms and national trends.

7.3 Development and Approval of Program Materials.

(a) The Contractor shall only use Program Materials in the marketing and offering of the Program.

(b) The Contractor shall submit all Program Materials to the Board for written approval by the Executive Director prior to finalizing such Program Materials. The Executive Director shall promptly review all Program Materials so submitted, and approval of such Program Materials by the Executive Director shall not be unreasonably withheld or delayed to the extent consistent with the purposes of the Program. The Contractor shall not finalize, distribute or otherwise use any Program Materials until such Program Materials have been approved in writing by the Board. It is agreed that normal turnaround time for review and approval of Program Materials submitted by the Contractor to the Board for approval will be five (5) Business Days that the State is opened for business.

7.4 Branding of Program Materials; the Contractor Promotions.

(a) During the Term of this Agreement, the Contractor may be identified as the "Manager" for the Program, and the Contractor's brand name and logo may be displayed, on (i) each application to open an Account and each Participation Agreement; (ii) each Program Disclosure Booklet and any disclosure supplemental thereto; (iii) each Account statement; (iv) each pamphlet, brochure and other materials promoting or advertising the Program or the Trust; (v) each advertising of the

DRAFT

EXHIBIT E
(Standard Agreement)

Program in newspapers, periodicals and newsletters; and (vi) other Program Materials with the prior written consent of the Executive Director, and such approval will not be unreasonably withheld or delayed to the extent consistent with the purposes of the Program.

(b) All Program Materials shall display the "CalABLE" brand, and any "Plan brand" which may be developed, in a manner and at a level of prominence acceptable to the Board.

(c) The Contractor may advertise to the general public or any third parties unrelated to the Program or the Trust the Contractor's status with respect to the Program and the Trust, after prior approval of the Board of such advertisements.

(d) The Contractor shall display the "CalABLE" brand in a manner and at a level of prominence acceptable to the Board in connection with any California–specific promotions using the Contractor's brand.

7.5 Promotional Materials. The Contractor agrees that all Program promotional materials prepared and distributed by the Contractor shall comply with all Applicable Law regarding disclosures for Qualified ABLE Programs, including generalized disclosure on (a) the investment objectives, risks, charges and expenses associated with the Program, (b) availability of and the need to read carefully the Program Disclosure Booklet, (c) whether Section 529A programs offered by the home state(s) of the Account Owner or Beneficiary offer tax or other benefits not available through the Program, and (d) the provision that neither the principal deposited nor the investment return, if any, of the Program is guaranteed by the State, the Board, the Contractor or any of its affiliates, or the federal government or any agency thereof. All Program Materials also must refer to the Board as the issuer of and sponsor for the securities offered for investment in the Program.

7.6 Non-Program Communications. During the Term and following any termination or expiration of this Agreement, the Contractor shall not direct non-Program communications of any kind to Authorized Legal Representatives, Beneficiaries, Giftors or Prospects unless the Board approves. Notwithstanding the foregoing, the Contractor may direct non-Program communications to any Account Owner, Beneficiary, Giftor or Prospect that either (a) expressly consents to receive solicitations from the Contractor; (b) requests information about or opens non-Program accounts with a Contractor; (c) at any time was or becomes the owner of a product of the Contractor other than pursuant to a Participation Agreement or Account application; or (d) has been contacted based upon information obtained through a source independent of the Program.

7.7 Other Section 529A Programs. The Contractor shall not actively market or solicit the purchase of Investment Options for Section 529A programs other than the Program in California or to or by California residents generally. Notwithstanding the foregoing, nothing in this Agreement shall prevent the Contractor from responding to unsolicited requests from California residents for information concerning Section 529A programs other than the Program.

7.8 Marketing Reports. The Contractor shall compile, prepare and provide to CalABLE, within twenty (20) Business Days immediately following the end of each calendar quarter, a report containing a list of the Contractor's completed marketing activities during the preceding month, which report shall be in form and substance as approved by the Board. The Contractor also shall provide a written report of ongoing and completed marketing efforts and expenditures including an analysis of the effectiveness of its marketing strategies in form and substance as approved by the Board within thirty (30) Business Days of each calendar quarter end.

8. ADMINISTRATIVE SERVICES.

8.1 Records Administration and Customer Service. During the Term of the Agreement, the Contractor shall perform all necessary Administrative Services for the Program, including but not limited to the following:

DRAFT

EXHIBIT E
(Standard Agreement)

(a) Develop rules and procedures for all processes related to the Program operations and implement a fraud protection program and provide a copy of such rules, procedures, and program to the Board on or before the Program Start Date, and as such rules, procedures, and fraud protection program is updated or otherwise modified;

(b) The Contractor will administer the Program, maintain all records, and comply with all applicable laws and reporting requirements set forth under Section 529A, the SSA, the California Franchise Tax Board ("FTB"), federal and state tax, securities, and benefits regulators, and the Board-imposed administrative performance criteria. The Contractor's reporting requirements include the annual report and audit of the Program as may be required in section 4881 of the Welfare and Institutions Code.

(c) Facilitate compliance with Section 529A by imposing appropriate monitoring safeguards on contributions to and Withdrawals from Accounts, and on changes to Account Owners and Beneficiaries, including monitoring limitations on maximum annual contributions, twice-per-year investment changes, account balances for SSI benefit purposes (currently $100,000), and maximum limits for overall account balances;

(d) Calculate daily NAVs, provide account information on a monthly basis to SSA and IRS, and implement a fraud prevention program.

(e) Create and distribute appropriate training materials to agents, customer service representatives, and other interested parties;

(f) Accept Prospect calls and inquiries, and maintain a database of such inquiries if the Prospect provides contact information;

(g) Accept and process Account applications from any individuals eligible to be Account Owners under the Code received in good order online and through a central mailing location that can receive express deliveries and deliveries by normal US postal services;

(h) Accept and process initial and subsequent contributions received in good order and ensure that contributions do not exceed the maximum allowed by Section 529A;

(i) Maintain contact information for Beneficiaries and Authorized Legal Representatives, as applicable;

(j) Maintain separate accounting for each Account and Beneficiary; and Account payment and distribution history;

(k) Create or designate a customer call center to respond to Direct Plan Account Owner inquiries from 8:00 a.m. to 7:00 p.m. Pacific Time (PT), Monday through Friday, except holidays. These customer service representatives must be available on the phone and through an online/website interface, as indicated by the CalABLE Survey respondents. There also must be a voice response unit and online servicing access in all other hours. In-person customer service is not a requirement of the Program; however, the Board would like to offer face to face customer service if possible. The Contractor's customer service representatives must be knowledgeable about the Program, provide information about the impact of ABLE account on any assets on federal means-tested benefits, and engage in responsive conversation.

(l) Accept and process Withdrawals and rollovers for Accounts, including (i) Withdrawals for Qualified Disability Expenses; and (ii) process rollovers to/from Qualified ABLE Programs; transactions via ACH; SSI and Social Security Disability Income, direct deposits; payroll direct deposits; and any other reasonably-related administrative services necessary to operate the Program;

DRAFT

EXHIBIT E
(Standard Agreement)

(m) Establish aggregation procedures for the Program and Other Board Programs, if any, to satisfy Section 529A;

(n) Prepare and provide all required monthly reports to federal and state entities regarding Accounts and account activity (e.g., reports on Account information on a monthly basis to the SSA and the IRS); State and federal tax reporting documents (e.g., IRS forms 1099-QAs and 5498-Qs), the Contractor will also provide regularly scheduled reports to the Board regarding the number of new Accounts and assets generated for that month and currently in existence, any relevant Account activity, and other Program administration information prescribed by the Board.

(o) The Contractor will also provide a quarterly report outlining customer service inquiries and results, the number and types of complaints and the manner in which they were resolved, and such other information as the Board requests, including prior year comparisons on requested information.

(p) Maintain a secure 24/7 online account access and account maintenance on a ".com" California ABLE Program ADA-compliant website and create or establish a web address with its own URL separate and unique to California ABLE Program, which provides access to Account information, including enabling users (i.e., prospective and existing Account Owners, as applicable) to:

(i) receive information about the Trust and the Program;

(ii) enroll online;

(iii) download an Application to establish an Account with the Trust;

(iv) access all Account information;

(v) process Withdrawals online; and

(vi) make certain Account changes online

(q) Accept direct deposits from employers (including the State) on behalf of Account Owners by payroll deduction and automatic checking/savings account Withdrawals;

(r) Provide accurate quarterly and annual statements to Account Owners including opening and closing asset balances and units held as well as Account activity during the quarter or year as applicable, and such other matters as the Board reasonably requests;

(s) Provide an annual report to Account Owners or Beneficiaries to satisfy the requirements of the Act.

(t) Provide a way for Account Owners to make changes to their Accounts, including but not limited to, address changes, telephone number changes, and change of Beneficiary, while still maintaining the confidentiality of information as required by Section 16 of this Exhibit E;

(u) Provide a means for Account Owners or Beneficiaries to view or retrieve Account activity, and to express concerns, comments or complaints on a daily basis through a voice response unit and a secure website;

(v) Provide timely fulfillment of Program Materials, including but not limited to the Program Disclosure Booklet, and other promotional materials and forms, and maintain a systematic history of fulfillment activity at the customer service center established by the Contractor for each Prospect and Account Owner; and

(w) Maintain a systematic history of Prospect and Account Owner comments, calls, and other communications and inquiries at the customer service center established by the Contractor.

DRAFT

EXHIBIT E
(Standard Agreement)

(x) The Contractor must attend or be represented at all Board meetings (monthly) unless otherwise notified by the Board Chair or his or her designee, and provide Program-related reports as requested by the Board or its staff.

(y) The Contractor must also respond to the need for telephone consultation within a 24-hour period and be available at minimum to the Board and the staff between the hours of 8 a.m. – 5 p.m. PT.

(z) Upon request, the Contractor shall provide the Board access to all Program Records. The Program Records shall be provided in a reasonable time and in a form acceptable to the Board. At its expense, the Contractor also shall provide the Board all Program Records in a useable electronic form after notice from the Board that the Agreement will terminate.

(aa) The Contractor's performance will be measured by administrative performance criteria, which the Board will establish ("Administrative Benchmarks") which will be included as an exhibit or schedule to this Agreement. The Board and/or the Contractor may review and recommend modifications to the Administrative Benchmarks on an annual basis based on industry norms and national trends; any modifications will require approval by the Board.

8.2 Administrative Performance Criteria. The Contractor will provide Administrative Services under this Agreement in accordance with Administrative Performance Criteria approved by the Board. Contractor may review and recommend to the Board modifications to such Criteria annually based on industry norms and national trends. Modifications shall be approved by the Board.

8.3 Withdrawals. The Contractor shall process requests by Account Owners for Withdrawals from the Accounts in accordance with the written withdrawal procedures which are developed by the Contractor and provided in writing to and subject to the approval of the Board (the "Withdrawal Procedures"). The Contractor shall transfer all or a portion of the Account Balance pursuant to a Withdrawal request in accordance with the Withdrawal Procedures.

8.4 Administrative and Other Reports. The Contractor shall compile, prepare and provide to the Board a report or reports of records administration and customer service activities of the Contractor during the preceding period, which reports shall be in form and substance as approved by the Board. The reports of activity shall include, among other things, the items set forth by the Board. The Contractor shall provide such reports in electronic and hard copy form to the Board fifteen (15) Business Days immediately following the end of each calendar month or quarter as applicable, and shall use commercially reasonable efforts to provide such reports within such shorter period following the end of each calendar month or quarter as applicable in the case of the accounting reports as necessary to meet the Board's needs for such reports.

9. CONTRACTOR'S FEES AND CHARGES; CalABLE ADMINISTRATIVE FEE.

9.1 Contractor's Fees and Charges.

(a) The Contractor shall bear all of its own respective direct and indirect costs and expenses associated with this Agreement, the Trust, the Program and the Services and its other obligations and responsibilities under this Agreement (including but not limited to, as applicable, the annual marketing commitment, preparation of all offering materials for the Program, including the Program Disclosure Booklet, and broker-dealer, investment advisor, transactional and other fees associated with investment of the Underlying Investments other than as acknowledged or set forth in Section 9.1(b), Section 9.2, Section 9.2(a) or Section 9.7 of this Exhibit E). No such costs or expenses shall be paid from or reimbursed out of the Trust or by the Board or the State.

(b) The Contractor shall be entitled to accrue daily and withdraw monthly a Program Management Fee from the Trust as described in Section 9.2 of this Exhibit E (the "Program Management Fee"), which Fee shall be inclusive of the fees and expenses (including transaction costs) for each Underlying Investment as described in the most recent prospectus for each Underlying Investment.

DRAFT

EXHIBIT E
(Standard Agreement)

The Program Management Fee will be calculated by multiplying the applicable annual rate by the daily market value of the Trust assets based on a 365/366 calendar year during the applicable period. The Program Management Fee and other fees permitted under Sections 9.2(a), 9.6, and 9.7 of this Exhibit E shall be the Contractor's sole compensation for performing all of the Services hereunder.

(c) The Contractor shall be entitled to charge an annual Account Maintenance Fee. The Fee will be deducted from each account on [the first day of each calendar year].

(d) The Board and the Contractor may review fees annually based on industry norms and national trends. In the event of a change in Applicable Law during the term of this Agreement, which change materially impacts the duties of the Contractor hereunder (as mutually agreed upon by the Board and the Contractor), the Board and the Contractor shall consider a change to the application of the annual marketing commitment detailed in Section 7.2 of this Exhibit E, and then a change to allowable fees.

9.2 Computation and Withdrawal of the Program Management Fee; Audit by the Board.

(a) The Contractor shall deliver to the Board a report setting forth the procedures it proposes for determining its Program Management Fee and the format for reporting such Program Management Fee in accordance with this Agreement, which procedures and format shall be subject to review and approval by the Board.

(b) On or before the fifteenth (15) day of each month following the Program Start Date, the Contractor shall deliver to the Board, by electronic or other such means requested by the Board, a summary report of its calculation of the Program Management Fee for the preceding month, based on the procedures and in the format approved by the Board as required by Section 9.2(a) of this Exhibit E. Such report shall set forth, at a minimum, the average assets of the Trust invested for each day of the preceding month.

(c) If, within seven calendar days following receipt of the report delivered pursuant to Section 9.2(b), the Board does not advise the Contractor that it objects to or wishes to confirm such report, the Contractor may at that time withdraw the amount of the Program Management Fee from the Trust. If within such seven-day period, the Board advises the Contractor that it objects to or wishes to confirm such calculation, the Board and the Contractor shall, in good faith, attempt to resolve such objection or complete such confirmation as soon as reasonably practicable. If the Board objects to a portion of such calculation, the Contractor may withdraw such portion of the Program Management Fee that is not in dispute. The calculation and collection of the Program Management Fee shall remain subject to post-audit adjustment, and neither the Board's failure to advise the Contractor with respect to any monthly calculation, nor any transfer by the Contractor in payment of a prior amount calculated and submitted but not objected to by the Board, shall prevent the Board from adjusting the Program Management Fee to reflect the Board's identification of improper prior payments during the course of a post-audit, or requiring repayment by the Contractor of any overage to the Trust.

(d) To collect the Program Management Fee to which it is entitled in accordance with the foregoing provisions of this Section 9.2, the Board on behalf of the Trust hereby authorizes the Contractor to deduct the Program Management Fee, directly from the assets of each Investment Option and at the time periods as provided in this Section 9.2, the pro rata portion of the Program Management Fee accrued during the previous month as calculated in accordance herewith.

(e) In the event of a material default or breach under the Agreement, the Board may require certain fees and expenses to be placed in escrow, pending cure of the breach or default. At such time as the breach or default is cured, moneys in escrow not otherwise applied for services shall be transferred to the Contractor.

DRAFT

EXHIBIT E
(Standard Agreement)

9.3 No Board or State Obligation for Fees.

(a) The Board and the State shall have no liability to the Contractor for fees or compensation for the Services. The only compensation for the Services received by the Contractor shall be the Program Management Fee, which shall be payable only from amounts available in and withdrawn from the Trust, and the Account Maintenance Fee, and payments, if any, received from insurance companies issuing funding agreements to the Trust or third-party mutual funds or their advisers, as described in Section 9.7 of this Exhibit E, unless the Board approves specific account charges as set forth in Section 9.6 of this Exhibit E.

(b) The Services provided pursuant to this Agreement are not contingent upon the Budget Act of the current year and/or any subsequent years. At no time will moneys be appropriated under the Budget Act for payments to the Contractor under the Program.

9.4 CalABLE Administrative Fee. The Board will receive from the Contractor a monthly administrative fee (the "CalABLE Administrative Fee") accrued and computed daily against the market value of the net assets of the Trust (based on a calendar year of 365/366 days) during the applicable period. The CalABLE Administrative Fee shall remain in effect until such time as the Board changes this Fee, which it may do at any time in its sole discretion in order to provide funds for marketing, consumer outreach and/or other programs, or to maintain the competitiveness of the Program. The Contractor will distribute the CalABLE Administrative Fee to the Board on a monthly basis according to a payment schedule and procedures to be agreed upon by the Contractor and the Board.

9.5 Withdrawal and Payment of CalABLE Administrative Fee. On or before the fifteenth (15th) Business Day of each month following the Program Start Date, the Contractor shall withdraw from the program fund of the Trust the CalABLE Administrative Fee accrued in accordance with the provisions of Section 9.4 of this Exhibit E and shall transfer such amount to the administrative fund or as further directed by the Board by the thirtieth (30th) day of such month. To pay the CalABLE Administrative Fee to the Board as provided herein, the Board on behalf of the Trust hereby authorizes the Contractor to deduct, directly from the assets of each Investment Option, the pro rata portion of the CalABLE Administrative Fee accrued during the previous month as calculated in accordance herewith.

9.6 Penalties or Charges.

(a) Except for the penalties and charges described in (b) below and the Annual Account Fees no fee, charge or penalty shall be imposed in connection with the establishment or maintenance of any Account or transaction therein, Withdrawals therefrom, or transfers thereof. Nothing in this Agreement shall prevent the Contractor from charging Account Owners for services not required by this Agreement (e.g., electronic funds wire charges and overnight delivery charges) or an account maintenance fee for non-California residents, provided such amounts are approved in writing in advance by the Board.

(b) If required by Applicable Law or Section 529A, or by prior agreement between the State and Contractor, the Contractor may collect federal or State penalties on behalf of the Program.

9.7 Acknowledgment of Payments from Third-Party Funds. The Board acknowledges that: (i) the Contractor may receive fees on assets invested in insurance company funding agreements or third-party mutual funds (i.e., funds advised by a Person unaffiliated with the Contractor receiving the fee) from such funds or the advisers thereof in consideration of performing various services in connection with the Trust's investment in such funds, (ii) unless otherwise agreed to, such fees will not be paid or credited to the Trust, and (iii) such fees will be in addition to the Program Management Fee payable to Contractor hereunder. The Contractor shall specifically disclose the amount of such fees to the Board at the time it proposes such insurance company funding agreements or third party funds as Underlying Investments.

DRAFT

EXHIBIT E
(Standard Agreement)

9.8 Payment of Taxes. The Board is exempt from federal excise taxes and shall not make any payment for any personal property taxes levied on Contractor or any taxes levied on employee wages. The Board will pay any applicable State or local sales or use taxes on the Services rendered pursuant to this Agreement. The State also may pay any applicable sales and use taxes imposed by another state.

10. REPRESENTATIONS AND WARRANTIES OF THE CONTRACTOR.

(a) Organization. [Note: This representation will be modified for the Contractor selected pursuant to the RFP.] The Contractor is a [TO COME] company, duly organized, validly existing and in good standing under the laws of the State of [TO COME]. The Contractor is duly qualified and in good standing under the laws of each jurisdiction (including California) where its ownership or lease of property or the conduct of its business requires such qualification. The Contractor has been and is in material compliance with, all governmental approvals, consents, licenses, permits, certificates, franchises and requirements under Applicable Law, that are necessary for such Contractor to conduct its business generally and in the State of California and to enter into and perform its obligations under this Agreement and the other documents relating to the Program and the Trust. The Contractor has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. The Contractor, or any subcontractor approved under Section 3.3, that is distributing Units of the Program, preparing Program Materials, or providing Marketing Services is a registered broker-dealer under the Securities Exchange Act of 1934. The Contractor's or approved subcontractor's personnel responsible for performing Marketing Services will have the necessary licenses under applicable federal and state securities law and regulatory requirements. The Contractor meets and will continue to meet the minimum qualifications of the RFP, and as certified in Contractor's Proposal (Attachment 4, Minimum Qualifications Certification), throughout the Term of the Agreement.

(b) Enforceability. The execution and delivery by the Contractor of this Agreement, and the performance by the Contractor of its obligations hereunder, have been duly and validly authorized, with no other corporate action on the part of the Contractor or its stockholders being necessary. The Contractor has the full legal right, power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement has been duly and validly executed and delivered by the Contractor and constitutes a legal, valid and binding obligation of the Contractor enforceable against the Contractor in accordance with its terms.

(c) No Conflicts. The execution and delivery by the Contractor of this Agreement, the performance by the Contractor of its duties and obligations hereunder and the consummation of the transactions contemplated hereby do not conflict with or result in a violation, default or breach of: (i) any term or provision of any law, rule, regulation, judgment, decree, order or injunction applicable to the Contractor or any of its assets and properties, (ii) any contractual restriction of any kind binding on or affecting the Contractor or any of its properties; (iii) any of the terms, conditions or provisions of the charter or by-laws of the Contractor; or (iv) any material agreement to which the Contractor is a party, or any material obligation or responsibility which the Contractor has to any third party (with or without notice or lapse of time or both). No contract to which the Contractor is a party requires the Contractor to actively promote interests in a Qualified ABLE Program in California or to California residents or otherwise take action in conflict with the agreements and covenants of the Contractor in this Agreement. Contractor will amend its contracts with other states for which it provides services related to Qualified ABLE Programs, before the Program Start Date, so as to eliminate all provisions that are in conflict with the provisions of this Agreement.

(d) No Relationships. The Contractor shall not have a contractual relationship with any entity engaged by the Board, including its Investment Advisor and its 529A Advisor.

DRAFT

EXHIBIT E
(Standard Agreement)

(e) Approvals and Filings. Except as noted in subparagraph (c), no consent, approval (except for the approval of the Board) or action of, or filing with or notice to, any governmental or regulatory authority is required on the part of the Contractor in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby. In addition, all consents or approvals of any other Person, including the holders of any indebtedness or obligations of the Contractor, required in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby, have been obtained by the Contractor.

(f) No Litigation. There is no action, suit, investigation or proceeding pending or, to the best knowledge of the Contractor, threatened against the Contractor before any court, arbitrator or administrative or governmental body which might result in any material, adverse change in the operations of the Contractor or which might materially and adversely affect the ability of the Contractor to perform the respective Services or otherwise comply with its obligations under this Agreement.

(g) Investment Advisers Act. The Contractor is, or will engage a approved subcontractor that is, a registered investment adviser under the Investment Advisers Act of 1940, as amended, to perform Investment Services. The Contractor's or approved subcontractor's personnel responsible for performing Investment Services will have the necessary licenses under applicable federal and state securities law and regulatory requirements.

(h) The Contractor shall promptly, and in any case within five (5) calendar days, notify the Board in writing if any of the Contractor's representations and warranties, as set forth in this Agreement, ceases to be true at any time during the Term of this Agreement.

(i) The Contractor warrants by execution of this Agreement, that no Person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the Board shall, in addition to other remedies provided by law, have the right to annul this Agreement without liability, paying only for the value of the work actually performed, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

(j) Municipal Advisor. The Contractor is, or will engage a subcontractor that is, an SEC- and MSRB-registered municipal advisor under the Securities and Exchange Act of 1934, as amended. The Contractor's or approved subcontractor's personnel responsible for this engagement will have the necessary licenses under applicable federal and state securities law and regulatory requirements.

11. REPRESENTATIONS AND WARRANTIES OF CalABLE.

(a) State Agency. The Board is an agency of the State of California created to administer the Trust and oversee the Program by (i) appointing the program administrator for the Trust and the manager of the Program, (ii) adopting regulations for administration of the Program, and (iii) establishing an investment policy for the Trust assets.

(b) Authority; Enforceability. The execution and delivery by the Board of this Agreement and the performance by the Board of its obligations hereunder, have been duly and validly authorized. The Board has the full legal right, power and authority to execute and deliver this Agreement and perform its obligations hereunder. This Agreement has been duly and validly executed and delivered by the Board and constitutes a legal, valid and binding obligation of the Board, enforceable against it in accordance with its terms. Nevertheless, this Agreement is subject to the approval of DGS and this Agreement shall not be effective until and unless such approval is given by DGS.

DRAFT

EXHIBIT E
(Standard Agreement)

(c) No Conflicts. The execution and delivery by the Board of this Agreement, the performance by the Board of its obligations hereunder, the offer and sale of interests by the Board in the Trust and the consummation of the transactions contemplated hereby do not: (i) conflict with or result in a violation or breach of any term or provision of any law, rule, regulation, judgment, decree, or injunction applicable to the Board or the Trust or (ii) conflict with or result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default under any agreement or other instrument to which the Board is a party, or any material obligation of the Board to a third party.

(d) Governmental Approvals and Filings. Except for the approval of DGS, all consents, approvals and actions of, and filing with or notice to, any agency or instrumentality of the State in connection with the execution, delivery and performance of this Agreement by the Board and the consummation of the transactions contemplated hereby by the Board have been obtained.

(e) Section 529A Status; Compliance with Act. The Act establishes and creates the Trust pursuant to which the Program has been created. As of the Program Start Date, the Program and the Trust will be a Qualified ABLE Program. The Board shall not knowingly take any action that would jeopardize the compliance of the Program and the Trust with the requirements of the Act or the treatment of the Program and the Trust as a Qualified ABLE Program.

12. COVENANTS OF THE CONTRACTOR.

12.1 Compliance with Requirements of Applicable Law. The Contractor and subcontractor shall offer and sell interests in the Trust and shall otherwise provide the Services and perform its obligations under this Agreement in compliance with the requirements of all Applicable Law, including but not limited to the following:

(a) The Contractor nor any subcontractor shall knowingly take any action that would jeopardize: (i) the compliance of the Trust with the requirements of the Act; (ii) the treatment of the Trust as a Qualified ABLE Program; and (iii) the exemption from registration under and compliance with the federal or state securities law of the Participation Agreements or the Trust. The Contractor also shall not take any action in connection with federal or State legislative or regulatory proposals which may directly or indirectly have a material adverse effect on the Program.

(b) The Contractor's offer and sale of interests in the Trust and performance of the Services under this Agreement shall be performed in material compliance with all requirements of FINRA, the MSRB and any other Governmental Authority or Regulatory Body to the extent such requirements may be or become applicable to the Contractor.

(c) The Contractor shall promptly provide to the Board copies of all regulatory filings and reports made by the Contractor in connection with the Program during the Term or while it is holding any Trust assets, other than confidential filings or reports that will not become part of the Trust. The Contractor shall make available for review by the Board the results of any periodic examination by any Governmental Authority or Regulatory Body relating to the Program, except to the extent that such report or reports may not be disclosed under Applicable Law or the rules of such authority.

(d) The Contractor shall use the Program Disclosure Booklet in connection with the offer and sale of interests in the Trust only so long as the Certificate delivered by the Contractor to the Board pursuant to Sections 5(b)(iii) of this Exhibit E remains true and correct at the time of such offer and sale.

(e) The Board may seek such legal advice concerning the status of the Program and the Trust as it deems advisable, including (i) preparing and filing on behalf of the Trust an IRS Private Letter Ruling request, and (ii) preparing and filing a request for an SEC No-Action Letter. The costs and expenses of the Board in obtaining such advice shall be shared equally between the Board and the

DRAFT

EXHIBIT E
(Standard Agreement)

Contractor. The Contractor shall render assistance to the Board in the preparation of a request for an IRS Private Letter Ruling and/or SEC No-Action Letter. At no time during the Term shall the Contractor seek an IRS Ruling, SEC No-Action Letter, or any other interpretation of Applicable Law by any Governmental Authority or Regulatory Body specifically relating to the Trust or the Program independent of the efforts of the Board to obtain such interpretation and without the express written consent of the Board, which consent shall not be unreasonably withheld to the extent consistent with the Program and the Trust. Nothing in this Section shall be deemed to prohibit the Contractor from seeking an interpretation relating to another state-administered Qualified ABLE Program.

(f) In the event that the Trust or objectives of the Trust are adversely affected due to interpretations of existing federal tax law (including, without limitation, if the Private IRS Letter Ruling negatively impacts the Trust or the IRS refuses to issue the IRS Private Letter Ruling), State tax law or federal or State securities laws, (i) the Board shall use commercially reasonable efforts to restructure the Trust and the Contractor shall restructure the Services hereunder within the constraints of Applicable Law to address such adverse consequences, and (ii) each of the parties hereto shall pay its own expenses in connection with such efforts through the date of such restructuring.

12.2 Further Cooperation. The Contractor shall cooperate with the Board in a commercially reasonable manner in order that the conditions to the Program Start Date contained in Section 5 of this Exhibit E are satisfied and the duties and obligations of the parties hereunder may be effectively, efficiently and promptly discharged. The Contractor shall, at its expense, execute and deliver to the Board such further instruments and documents, and shall take such further action, as the Board may from time to time reasonably request in order to carry out the intent and purpose of this Agreement, including development of procedures for communications regarding the Trust as it relates to the Program. To that end, the Contractor shall, at all reasonable times during normal business hours and as reasonably necessary, make available for discussion with the Board properly authorized personnel.

12.3 Compliance with Applicable Securities Law Requirements. The Contractor currently complies, and during the Term of this Agreement, the Contractor shall comply, in all material respects with all Securities Law Requirements applicable to any distribution or investment services or to the administration of any Investment Options to which Trust Account funds are invested.

12.4 Covenant to Notify. The Contractor will notify the Board as soon as practicable, but in any event within fifteen (15) Business Days, of any of the following involving the Contractor, its affiliates, any subcontractor or its affiliates, or any Key Personnel:

(a) Receipt or actual knowledge of any subpoena, summons, complaint, order instituting proceedings, notice of investigation, indictment, criminal information or other legal process, involving any Governmental Authority or Regulatory Body with jurisdiction over federal or state securities laws, with respect to any alleged violation of securities laws applicable to the distribution or investment services provided by the Contractor, its affiliates, related entities or any subcontractor;

(b) Entry into a settlement agreement by the Contractor or by any affiliate, related entity or subcontractor in any proceeding described in clause (a), or the issuance by any Governmental Authority or Regulatory Body of any “consent order”, “cease and desist order” or similar order or sanction applicable to the Contractor, any affiliate, related entity or subcontractor with respect to any alleged securities law violation(s) described in clause (a); or

(c) Any admission by the Contractor, any affiliate, related entity or subcontractor in any proceeding described in (a) that the Contractor, affiliate, or related entity or subcontractor has violated any applicable securities laws; or

DRAFT

EXHIBIT E
(Standard Agreement)

(d) Any administrative determination or entry of judgment in any proceeding described in subparagraph (a), above, that the Contractor, affiliate, related entity or subcontractor has violated any applicable securities laws; or

(e) Any of the foregoing as it relates to any Applicable Law.

12.5 Legal Update. The Contractor shall update the Board quarterly (no later than 30 days after March 31, June 30, September 30, and December 31) regarding any changes to its Licensing, Registration, Disciplinary Action and Litigation disclosure or the Legal Disclosure Certification information. This also includes disclosure of any new actions that have been brought against Contractor subsequent to its initial disclosure at the time of the execution of this Agreement. If no changes or new actions have occurred, the Contractor will state so in its quarterly report to the Board. Required back-up documentation for the quarterly update include copies of the Contractor's most recent 10-K and 10-Q (Legal Proceedings sections only) if such filings are required of the firm with the SEC; and an updated copy of any Contractor's Schedule to its Form BD of FINRA regarding regulatory actions.

12.6 Tax Reports. As required by the Act, the Contractor shall:

(a) report to the IRS, the California Franchise Tax Board (the "FTB"), an Account Owner, Beneficiary or any other Person to the extent required by Applicable Law, if there are any Withdrawals from the Trust by any individual or for the benefit of any individual during a calendar year and generally comply with all tax law reporting as is or may be required under Section 529A, by the FTB, or any other federal or State regulations, including aggregation for federal tax law purposes;

(b) provide an annual listing to the FTB on magnetic tape or in other suitable electronic form, and in a manner agreed upon by the FTB and the Trust, of all Withdrawals, including payment of benefits and refunds, to any individual with respect to an interest in an Account; and

(c) prepare and file statements and information relating to the Trust and the Accounts to the extent required by federal and State tax law, with written confirmation of such filing provided to the Board.

12.7 Audits.

(a) Financial and Related Audits. At its cost and expense, the Contractor shall provide at the Board's request:

(i) Draft annual audited financial statements for the Program no later than thirty (30) Business Days prior to the Board's required filing date, if any.

(ii) Final annual audited financial statements for the Program no later than fifteen (15) Business Days prior to the Board's required filing date, if any.

Such annual statements shall be audited by a certified public accountant or firm of such accountants duly licensed to practice and practicing as such under the laws of the State, who is independent and not under the control of the Contractor, and who does not have any substantial interest, direct or indirect, in the Contractor. Selection of the certified public accountant or firm of such accountants as well as the scope of the audit will be subject to approval by the Executive Director. Contractor also shall provide the Board with any SSAE 16 audit report received in connection with the Program.

(b) Performance Audit. The Board or the Executive Director may arrange, or may require the Contractor to arrange for a performance audit of any or all of the services under this Agreement. The Board shall select the auditor for such a performance audit and it shall pay the reasonable expenses of such auditor. The Contractor shall, and shall cause its affiliates, related entities, subsidiaries, and subcontractors to cooperate fully with the designated auditor performing and to provide complete access to all Program records in order to conduct such an audit.

DRAFT

EXHIBIT E
(Standard Agreement)

(c) Required Access to Information and Audit. In accordance with Section 4 of Exhibit C, the Contractor agrees that the Board, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement.

(d) Other Audits. The Board shall be entitled to conduct other audits with respect to the Trust from time to time, and shall give the Contractor reasonable notice of its intent to conduct any such audit. The Contractor shall, and shall cause its affiliates, related entities, subsidiaries, and subcontractors, as applicable, to cooperate fully and to provide complete access to all Program records in order to conduct such an audit.

12.8 Continuing Disclosure Undertaking. To the extent applicable in connection with the offering of the Program, the Board shall execute and deliver a continuing disclosure undertaking to make appropriate filings with respect to compliance with Rule 15c2-12 of the Securities and Exchange Act of 1934 ("Rule 15c2-12"). Throughout the Term of this Agreement, in order to allow the Board to comply with Rule 15c2-12, the Contractor shall deliver to the Board on a timely basis such information concerning the Trust, including but not limited to information concerning investment performance of the Trust and other facts related to the Trust which are in the control of the Contractor. Further, on a quarterly basis, the Contractor shall certify its absence of knowledge of any uncured material default in the performance of its Services.

12.9 Amendments to Program Disclosure Booklet. The Contractor shall amend or supplement the Program Disclosure Booklet to take into consideration material developments subsequent to the preparation and delivery of the initial Program Disclosure Booklet. The Board and the Contractor shall cooperate in the determination of whether a particular development warrants an amendment or supplement to the Program Disclosure Booklet. At the request of the Board, on each date that the Program Disclosure Booklet is amended or supplemented, the Contractor shall confirm in writing that the representations and statements contained in its certificate delivered pursuant to Section 5(b)(iii) of this Exhibit E remain true and correct as of such date.

12.10 Insurance Coverage.

(a) The Contractor shall, during the Term of this Agreement and as applicable, maintain insurance coverage of the types and at the levels as set forth below:

(i) Errors & Omissions Insurance. With respect to the Investment Services provided by the Contractor hereunder, Investment Advisors' Errors & Omissions insurance coverage, provided by an insurance carrier with an AM Best's rating of A- or better unless otherwise approved by the Board, shall be maintained by the Contractor in the amount of not less than ten million dollars ($10,000,000.00) with a deductible of not more than $1 million. The Contractor agrees to maintain Errors & Omissions insurance coverage in accordance with this Section 12.10(a)(i) for at least five years beyond the termination of this Agreement.

(ii) General Liability Insurance. The Contractor agrees to maintain General Liability insurance coverage in the amount of ten million dollars ($10,000,000.00), with a policy which contains, or is endorsed to contain, the following provisions:

(A) The State, the Board, its officers, officials, employees and volunteers are to be covered as additional insureds.

DRAFT

EXHIBIT E
(Standard Agreement)

(B) For any claims related to the Services to be performed pursuant to this Agreement, the insurance coverage shall be primary insurance as respects the Board, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the Board, its officers officials, employees, agents or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

(b) Each insurance policy required by this Section 12.10 shall be endorsed to state that coverage shall not be canceled by the Insurer except after thirty (30) days prior written notice has been given to the Executive Director.

(c) Any deductibles or self-insured retentions must be disclosed to and approved by the Board.

(d) If the General Liability Insurance coverage to be provided under subsection (a)(ii) hereof is written on a Claims Made form, the Contractor agrees that:

(i) The "Retro Date" must be shown, and must be before the date of the Agreement or the beginning of Agreement Services.

(ii) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the Term of this Agreement. Insurance carrier must have an AM Best's rating of "A-" or better.

12.11. Performance Guarantees. Unless otherwise agreed upon, the Contractor will provide an unconditional performance guarantee issued by an entity that evidences sufficient financial strength to ensure performance of the Contractor and all affiliates, related entities, subsidiaries and subcontractors engaged to provide services pursuant to the Agreement. In lieu of a performance guarantee, the Contractor may provide either:

(a) an irrevocable Letter of Credit in an amount sufficient to meet the Contractor's program management obligations (including any dollars committed to marketing) pursuant to the Agreement for a period of one year. Such Letter of Credit shall be issued by a bank doing business in California and insured by the Federal Deposit Insurance Corporation. The Contractor shall further provide for honor of a draft or demand for payment presented with the Board's written statement certifying that there has been loss, damage, or liability resulting from the Contractor's performance or non-performance of duties and obligations under the Agreement, or from the negligence or act of omission by the Contractor or its agents, servants, and employees, and that the amount of the demand or draft is, therefore, now due and payable; or

(b) a Surety Bond payable to the Board in an amount sufficient to meet the Contractor's program management obligations (including any dollars committed to marketing) pursuant to the Agreement for a period of one year. The Surety Bond must be maintained in current status at all times throughout the Term of the Agreement. If the term of the Bond is less than the Term of the Agreement, the Board will require that evidence of renewal be submitted to the Board no less than 60 days prior to the expiration date of the Bond.

12.12 Keeping of Records and Books of Account. The Contractor shall keep accurate books and records connected with the performance of this Agreement. The Contractor shall ensure that books and records of subcontractors, suppliers, and other providers shall also be accurately maintained. Such books and records shall be kept in a secure off-site storage facility, with a copy at a secure back-up recovery facility as described in Section 20 of this Exhibit E, and shall be available for inspection and copying by the Board and its representatives at any time.

12.13 Protection of Trademark. The Contractor shall take all commercially reasonable steps to assist the Board in protecting the name, slogan and logo for, and any other trademarks or service marks associated with, the Program from infringement by third parties.

DRAFT

EXHIBIT E
(Standard Agreement)

13. TERM OF AGREEMENT; TERMINATION.

13.1 Term of Agreement. The Term of this Agreement shall be for a period of five years, beginning on [term to be inserted], unless terminated earlier or extended by amendment (the "Initial Term"). At the pleasure of the Board, this Agreement may be extended for five one-year terms (the "Extension Term" or "Extension Terms"). An Extension Term of this Agreement, and any amendments to this Agreement in connection with such Extension Term, shall be affected through a written amendment executed by the Contractor and the Board, subject to approval by the California Department of General Services.

13.2 Termination by the Board for Deficient Performance.

(a) The Board will continually monitor the performance of work pursuant to this Agreement as described in the Marketing, Administrative and Investment Performance Criteria or as otherwise incorporated by reference. Each portion of the Agreement will be evaluated separately on an annual basis.

(i) If at any time the Board finds that the Contractor's marketing or administrative performance is not adequate as determined by comparison to the Marketing or Administrative Performance Criteria, and if the performance would be curable but it remains uncured for more than sixty (60) days after the Board has given written notice thereof to the Contractor (unless the Board reasonably determines such deficient performance would be curable over a longer period of time), then the Board may treat such deficient performance as a material breach and it may terminate this Agreement.

(ii) If at any time the Board finds the Contractor in material breach in accordance with Section 6.3(d) herein, then the Board may terminate this Agreement.

(iii) If at any time the Board finds the Contractor's investment performance is otherwise deemed inadequate as set forth in Section 6.3(c) herein, and such performance remains uncured for more than a one (1) year period after the Board has given written notice thereof to the Contractor, then the Board may treat such inadequate performance as a material breach and it may terminate this Agreement.

(b) Without waiving any of its rights with respect to a finding of material breach, the Board in its sole discretion may allow the Contractor to continue to perform work under the Agreement, but it may require that up to the full amount of the Program Management Fees or other available fees otherwise due to the Contractor be placed in escrow until all identified deficiencies are cured. During the pending default, the Board may apply the escrowed fees to actual costs incurred as a result of the default. Once the default is cured or the Contractor's performance has improved to the Board's satisfaction, any amounts remaining in the escrow will be transferred to the Contractor.

(c) Deficient performance, including any material breach of this Agreement, shall constitute cause of termination pursuant to paragraph 7 of Exhibit C.

13.3 Termination for Insolvency. The Contractor shall notify the Board immediately in writing in the event that it, any parent, affiliate, related entity, subsidiary or subcontractor files any federal bankruptcy action or state receivership action, any federal bankruptcy or state receivership action is commenced against any of these parties, or any of these parties is adjudged bankrupt, or a receiver is appointed and qualifies. In the event of any of the foregoing events, or if the Board determines, based on reliable information, that there is a substantial probability that the Contractor, parent, affiliate, related entity, subsidiary, or subcontractor will be financially unable to continue performance under this Agreement, the Board may terminate this Agreement and all further rights and obligations immediately by giving five (5) days' notice in writing to the Contractor. Insolvency shall constitute cause for purpose of termination pursuant to paragraph 7 of Exhibit C.

DRAFT

EXHIBIT E
(Standard Agreement)

13.4 Termination for Expatriation. The Contractor shall notify the Board immediately in writing in the event that it [or its parent] files any notice with the SEC that Contractor intends to reincorporate offshore. In the event of such notice, the Board may terminate this Agreement and all further rights and obligations immediately by giving five (5) days' written notice to the Contractor. In this instance, the Board may require the Contractor to continue to provide Services under this Agreement until a replacement contractor can assume management of the Program.

13.5 Transition upon Termination.

(a) When the Contractor ceases to perform any portion or all of the work contemplated in this Agreement, whether such cessation is at the direction of the Board or due to termination of the Agreement, the Contractor shall do everything in its power to facilitate the transfer of such work from the Contractor to any workforce, agency, contractor, or other entity designated by the Board. The Contractor, its employees, agents, and subcontractors shall provide the Board, its staff, and whoever the Board selects to perform future work for the Program, complete, immediate, and unimpeded access to all records, data, files, and information pertinent to performing the work which the Contractor will be ceasing to perform. The Contractor shall continue to perform all work under this Agreement during a transition of up to one year as determined by the Board to ensure an orderly transition of services provided pursuant to a new agreement, except that the Contractor and the Board must mutually agree upon any longer transition period.

(b) The Contractor shall take all steps necessary to ensure that all system materials, including documentation, are current and adequate to facilitate the orderly transfer of all files, data, information, and assets of or relating to the Trust in a reasonable and sortable electronic form within a medium mutually agreed upon by the Contractor and the Board.

(c) When work is transferred from the Contractor, the Contractor shall take all steps necessary to ensure that its employees, agents, and subcontractors do not impede or delay the orderly transfer of work. In the event of a transfer of work from the Contractor, if there is any delay in the transfer which is the direct or indirect result of actions of the Contractor, its employees, agents, or subcontractors which impedes the transfer of work, the Board may, at its discretion, require the Contractor to pay to escrow fees otherwise allowable under the terms of this Agreement until such time as the transition is complete.

(d) Collection by the Board of the amount authorized in this provision does not limit the Board's ability to collect any other amounts that the Board is authorized to pursue and collect pursuant to other provisions of this Agreement or Applicable Law.

13.6 Collection of Fees. In addition to giving written notice of breach to the Contractor under Section 13.2, if such breach is not cured within the applicable time periods set forth in Section 13.2, the Board may order that the portion of the Contractor's Program Management Fee which would otherwise accrue during the period from the date of such notice until such time as the Board has determined that the Contractor has not cured the breach shall be withdrawn by the Contractor as otherwise permitted by Section 9.1(b) and transferred to the Board to be held in escrow during such period and may be used by the Board to pay its expenses in enforcing the terms of this Agreement. In the event that the Contractor shall cure such breach, the escrowed fees (net of any amounts payable to the Board) will be transferred to the Contractor. Nothing in this Section 13.6 or any other provision of this Agreement shall limit the Board's right or ability to pursue any other remedy available to it at law or in equity or both.

13.7 Additional Termination at Board's Option. Unless otherwise specified by the provisions of Paragraph 7 of Exhibit C, this Agreement may not be terminated by the Board without cause during the first five years of its term. Upon completion of the Initial Term, this Agreement may be terminated in whole or in part at any time upon 180 calendar days' written notice by the Board, for any reason. Upon

DRAFT

EXHIBIT E
(Standard Agreement)

receipt of a termination notice, the Contractor shall promptly discontinue all services affected unless the notice specifies otherwise.

13.8 Termination upon Expiration of the Initial Term Without Cause. This Agreement shall be terminated upon expiration of the Initial Term unless at least ninety (90) days prior to the expiration date the Board has provided written notice to the Contractor of extension for an Extension Term pursuant to Section 13.1.

13.9 Contractor Rights upon Termination. In the event of termination of this Agreement for any reason set forth in this Section 13, the Contractor will be entitled to withdraw its Program Management Fee in accordance with Section 9 for satisfactory services performed prior to the termination, net of any amounts transferred to the Board in accordance with Section 13.6 above. The Contractor shall not be entitled to additional compensation.

13.10 Software and Other Program Records to be Available to Trust. At the termination of this Agreement, the Contractor will cooperate with the Board to effect an efficient transition of Program Records and data to a new contractor, including the granting of nonexclusive, royalty free, nontransferable limited use licenses for all software which permits participants and/or beneficiaries to participate in and interact with the Program. These limited use licenses will be used to effect the transition of data, including testing and reconciliation, and will expire upon successful transition of program records and data to a new contractor. All Program Records and data shall be readily accessible to the Board and a successor contractor, at the Contractor's expense, in a reasonable and sortable electronic form within a medium mutually agreed upon by the Contractor and the Board.

13.11 Post-Term Restrictions. Upon termination or expiration of this Agreement, the Contractor agrees that it shall not make any direct solicitation of any Account Owner, Beneficiary, Giftor and/or Prospect except to the extent permitted by and in accordance with Section 7.7 of this Exhibit E. The Contractor further agrees that it shall not use the Program Records after termination or expiration of this Agreement for any purpose other than as may be required in connection with on-going Services to Accounts, if any.

14. CONTACT PERSONS; MEETINGS.

14.1 Contact Persons. The Board and the Contractor shall each appoint an individual who shall serve as a contact person for the purpose of carrying out this Agreement and who shall be authorized to act on behalf of his/her respective party as to the matters pertaining to this Agreement. Effective upon execution of this Agreement, the initial contact persons shall be those set forth in Section 4 of Exhibit A to this Agreement. Each party shall notify the other, in writing, as to the name, address and telephone number of any replacement for any such designated contact persons or any additional contact person or replacement thereof.

14.2 Meetings. Appropriate Key Personnel shall attend all formal Board meetings unless otherwise notified by the Board Chair, Chair's designee, or the Executive Director that participation via telephonic connection is acceptable. The Contractor must prepare a report on the Trust's investments and other Program related updates for the Board's review at these meetings.

15. OWNERSHIP AND CUSTODY OF PROGRAM RECORDS AND MEDIA MATERIALS; RELATED INFORMATION.

15.1 Program Records. The following shall constitute the Program Records:

(a) all written and electronic records, books, data, documents, reports, analyses, designs, drawings, correspondence, papers and files for or relating solely or primarily to the Program, including all Program Materials, regardless of by whom created and whether or not in the Board's or the

DRAFT

EXHIBIT E
(Standard Agreement)

Contractor's possession and control or how that information is stored, and including, without limitation, all Program Lists;

(b) any logo, slogan developed for and any trade names, trademarks and service marks developed in connection with the Program;

(c) any copyrighted materials relating solely or primarily to the Program; and

(d) the website content and marketing, advertising and public relations materials that are specific to the Program.

15.2 Ownership of Program Records; Contractor's Internal Information. The Board shall own, and as such shall have all right, title, interest in and beneficial ownership of, the Program Records. Although the Contractor shall not own the Program Records, the Contractor shall be and remain the sole owner of all of its respective internal records, books, documents, files, know-how and other intellectual property developed and utilized by the Contractor to perform the Services under this Agreement (including without limitation investment allocation methodologies and know-how, and any software and analytical tools as are otherwise owned by the Contractor and utilized and developed by or for the management, marketing and administration of the Program) (the "Contractor Intellectual Property"); provided, however, that the Board shall not be restricted in any manner in connection with the continuation of the Program after the Term of this Agreement in using the same or substantially the same structure of the Program or portions thereof (including the investment and allocation guidelines components) as have been in effect prior to termination or expiration of this Agreement, and the Contractor shall be deemed to have granted the Board a non-exclusive, perpetual, royalty-free, non-transferable license to so use the same or substantially the same structure of the Program or portions thereof (including the investment and allocation guidelines components) as have been in effect prior to termination or expiration of this Agreement (the "Program Structure").

15.3 Use and Custody of Program Records. The Board shall be deemed to have granted to the Contractor during the Term of this Agreement, and after termination or expiration of this Agreement only to the extent set forth in Section 13.9 of this Exhibit E, a non-exclusive, royalty-free non-transferable license to use Program Records in connection with its Services under this Agreement. Program Records reflecting aggregate Program and Account data (but excluding Program Lists and transaction and Account Owner specific data) shall be made available to the Board, upon its request, at the Contractor's expense, in a reasonable and sortable electronic form within a medium mutually agreed upon by the Contractor and the Board. Program Records reflecting Program Lists and transaction and Account specific data shall be made available to the Board upon its request, provided that the Board protects and safeguards such information consistent with the Board's privacy policy and the provisions set forth in Section 16. During the Term of this Agreement and so long as the Contractor is providing services to the Board in accordance with this Agreement, the Contractor shall at its sole discretion either transfer ownership to the Board, or obtain adequate license rights for the Board to use in Program Records copyrighted or patented materials that (i) are owned by the Contractor, or by a third party that has granted such Contractor the right to sublicense relevant use rights to the Board, and (ii) were incorporated by the Contractor into any Program Records. The form and substance of any such licenses to use such materials shall be subject to prior approval by the Board. The Contractor shall not use the Program Records during the Term of this Agreement or after termination hereof other than as may be required in connection with the Services.

15.4 Ownership and Use of Names and Property by Contractor

(a) The Board shall own and have all right, title, interest in and exclusive beneficial ownership of, any logo, any slogan developed for and any trade names, trademarks or service marks in connection with the Program during and after the Term of this Agreement, including ownership of, any website or toll-free phone number used for servicing and promotion of the Program. The Board

EXHIBIT E
(Standard Agreement)

will be deemed to grant the Contractor a royalty-free and non-transferable (other than to a subcontractor) license to use the name, the logo, any slogans, trademarks, service marks, trade names, the websites and the toll-free numbers throughout the Term of the Agreement.

(b) The Contractor shall not use the names of the Program, the State or the Board, or material relating to the Program in any manner other than in a manner approved prior thereto by the Executive Director; provided, however, the Executive Director shall not withhold approval of such use when the use merely refers to such names in accurate terms (and in type no larger or bolder than in the textual material in the document in which its name appears) and is in connection with a description of the appointment of the Contractor hereunder or is required by the SEC, a state securities commission, or any federal or state bank regulatory authority.

16. CONFIDENTIALITY. The requirements of confidentiality under this Agreement apply to the Contractor, its employees and agents, and to all affiliates, related parties, subsidiaries, and subcontractors, and to their employees and agents.

a) All financial, statistical, personnel, technical and other data or information relating to the Board's operation and personal information (including identification numbers or Account codes) which is considered confidential as defined by law or is designated as confidential by the Board and is made available to the Contractor in order to carry out this Agreement, shall be protected by the Contractor from unauthorized use, disclosure or destruction through the observance of all applicable federal and California State information security and confidentiality laws and procedural requirements.

(b) The Contractor shall implement and maintain a Confidentiality Program and Privacy Policy, which collectively establish policies and procedures designed to prevent the unauthorized disclosure of confidential data, and define what is considered confidential data and what is considered public data. The Board shall respond to questions by the Contractor regarding the classification of data. The Board shall have the opportunity, if desired, to review all related policies and procedures. Confidentiality Program and Privacy Policy policies and procedures must include, but are not limited to:

(i) Secure systems development practices utilizing industry standards.

(ii) Software testing program utilizing industry best practices prior to production to ensure system and data integrity.

(iii) Operating system security patches, upgrades, and anti-virus software.

(iv) Access controls to CalABLE data with no generic account access.

(v) Disaster recovery plan to protect CalABLE data in the event of data loss or destruction.

(vi) Standards for the transmission and storage of data. At a minimum, confidential information must be encrypted in transit, and at rest on portable storage devices.

(c) The Confidentiality Program and Privacy Policy shall be implemented and maintained in accordance with all applicable federal, State, and the State Treasurer's Office requirements, including but not limited to:

(i) Section I of Article I of the State of California Constitution;

(ii) Information Practices Act of 1977 (Civil Code Sections 1798 – 1798.78;

(iii) Civil Code Sections 1798.80 – 1798.86;

(iv) Financial Information Privacy Act (Financial Code Sections 4050 – 4060);

(v) California Public Records Act (Government Code Sections 6250 – 6268); and

DRAFT

EXHIBIT E
(Standard Agreement)

(vi) Online Privacy Protection Act of 2003 (Business and Professions Code Sections 22575 – 22579).

(vii) State Administrative Manual Section 5300 Information Security.

(d) The Contractor shall not disclose any information classified as confidential or private without advance authorization from the Executive Director or as required by law.

(e) The Contractor shall not be required to keep confidential any data or information which is or becomes publicly available, is independently developed by the Contractor, or is rightfully obtained from third parties.

(f) The Contractor certifies that it understands and is in conformance with all applicable federal and State information security and confidentiality laws and requirements.

(g) The Contractor represents, warrants and covenants that it has implemented and will maintain, as part of its Confidentiality Program and Privacy Policy an information security program reasonably designed to protect confidential data, which program includes administrative, technical and physical safeguards to ensure the security of such confidential data, to protect against anticipated threats or hazards to the security or integrity of such confidential data and to protect against unauthorized access to or use of such confidential data.

(h) The Contractor specifically agrees that it shall not, and shall cause its affiliates, related parties, subsidiaries, or subcontractors not to, sell, provide or otherwise disclose information from, any Program List to any third party unless otherwise directed to or approved by the Board or required by Applicable Law.

(i) The Board staff may conduct on-site visits to Contactor facilities to ensure the California Qualified ABLE Program data is protected per the requirements contained in this confidentiality statement.

(j) The Contractor shall notify the Board and the State Treasurer's Office Chief Information Security Officer simultaneously if the Contractor suspects or has confirmed a security incident such as breach or loss of data. Notification to the Board and the State Treasurer's Office Chief Information Security Officer must occur no more than four hours after a suspected or confirmed security incident.

17. LIABILITY AND INDEMNIFICATION.

17.1 Indemnification by the Contractor. As set forth in Section 5 of Exhibit C, the Contractor agrees to indemnify, defend and save harmless the Board, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other Person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any Person, firm or corporation who may be injured or damaged by the Contractor in the performance of this Agreement.

17.2 Payment of Costs. The Contractor shall pay its own costs associated with the defense of actions brought against the Contractor or its employees for actions or inactions which are within the Contractor's scope of responsibility. The Board shall pay its own costs associated with the defense of actions brought against the Board arising out of actions or inactions which are within the Board's scope of responsibility.

18. DOCUMENT REVIEW. In accordance with the terms of Section 4 of Exhibit C and as provided under Section 12.7 of this Exhibit E, upon request of the Board, the Contractor shall make all of its audit, accounting or other work papers, notes or other documentation received or prepared by it in connection with the services provided under this Agreement available for review by the Board or its representatives. Any such review by the Board shall be performed during normal working hours and otherwise in a manner so as to not unreasonably interfere with or disrupt the Contractor's normal business operations in any

DRAFT

EXHIBIT E
(Standard Agreement)

material respect. All materials available for review by the Board under this Section 18 shall be subject to the provisions of Section 16 of this Exhibit E.

19. NOTICES. All notices required or permitted to be given under this Agreement shall be in writing and shall be deemed duly given upon delivery if personally delivered, upon confirmation of transmission if sent by facsimile transmission, upon the third Business Day that the State is opened for business after mailing if sent by registered or certified mail, postage prepaid, and upon receipt if sent by reputable courier, as follows, or to such other address or Persons any party may hereafter designate by notice to the other parties hereunder:

If to the Board:

Christina Elliott, Executive Director
California ABLE Act Board
915 Capitol Mall, Room 101
Sacramento, CA 95814
Phone: (916) 653-4046
Fax: (916) 589-2860

If to the Contractor: [TO COME]

Either party may, from time to time by notice in writing served upon the other, designate a different mailing address or a different or additional Person to which all such notices or demands thereafter are to be addressed.

20. CONTINGENCY PROGRAM. The Contractor at all times must have a Contingency Program to ensure that Program operations will continue in the event of a variety of possible business disruptions due to natural disasters, technical disasters, and internal and external malicious activity (including cyber-attacks that affect systems and / or business networks).

The Contingency Program must identify all resources that require backup and the priority of such backup, and it must address or provide for:

(a) Personnel responsibilities in the event of business disruption;

(b) Back-up recovery facilities that, at a minimum, provide for adequate hardware/software compatibility between the backup facility and the operations facility, and adequate workspace and equipment to conduct on-going business;

(c) Back-up strategies for data files and system files, including the frequency of back-up and the storage of back-up media;

(d) Environmentally controlled and secure off-site storage (i) located an adequate distance from the operations facility to avoid both facilities being impaired by the same event and (ii) which will contain at a minimum storage of procedures and user manuals, backup operating instructions, reference and data files, system documentation and software files, and operational files;

(e) Access to multiple communication modes as needed to continue full operations;

(f) A quarterly test of the backup facility's ability to assume full operations; and

(g) Review of the Contingency Program at least annually and in connection with any significant changes to the Contractor's business operations and environment.

At the Board's discretion, it may observe any or all backup and recovery tests.

DRAFT

EXHIBIT E
(Standard Agreement)

21. DISPUTES.

(a) In the event of a dispute, the Contractor shall file a "Notice of Dispute" with a Deputy Treasurer of the State Treasurer's Office within ten (10) days of discovery of the problem. Within ten (10) days, the Deputy Treasurer shall meet with the representatives of the Contractor and the Board identified in Paragraph 4 of Exhibit A for purposes of resolving the dispute. The decision of the Deputy Treasurer shall be final. In the event of a dispute, the language contained within this Agreement shall prevail over any other language including that of the RFP or the Contractor's Proposal. Contractor shall continue with the responsibilities under this Agreement during any dispute.

(b) As provided in Section 14 of Exhibit C, this Agreement is governed by and shall be interpreted in accordance with the laws of the State of California (without regard to any conflict of laws provisions).

(c) Any suit brought under this Agreement (including any action to compel arbitration or to enforce any award or judgment rendered thereby) shall be brought in State court sitting in Sacramento, California, the parties hereby waiving any claim or defense that such forum is not convenient or proper. Each party agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by State law.

(d) The rights and remedies provided herein are cumulative and are not exclusive of any rights or remedies that any party may otherwise have at law or in equity.

22. MISCELLANEOUS.

22.1 Waiver. The terms and conditions hereof may be waived only by a written instrument signed by the party waiving compliance. The failure of the Board or the Contractor to insist on strict compliance with this Agreement, or to exercise any right or remedy under this Agreement, shall not constitute a waiver of any rights provided under this Agreement, nor stop either party from thereafter demanding full and complete compliance nor prevent any party from exercising such a right or remedy in the future.

22.2 No Third Party Beneficiaries. Except as otherwise specifically provided for herein, nothing in this Agreement is intended or shall be construed to give any Person, other than the parties hereto, their successors and permitted assigns, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein, provided that the foregoing shall not deprive any Account Owner or Beneficiary of any right, remedy or claim which such Person may have under Applicable Law, independent of this Agreement.

22.3 No Partnership; Independent Contractor. As set forth in Section 8 of Exhibit C, the Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State. Furthermore, the Contractor shall have no authority to bind the Board.

22.4 Headings; Appendices and Schedules. Headings and subheadings of provisions of this Agreement and the Table of Contents are solely for the convenience of reference and are not a part of this Agreement and shall not affect the meaning, construction, operation or effect hereof. All attached Appendices and Schedules are a part of this Agreement.

22.5 Entire Agreement. This Agreement (including documents incorporated herein in Section 2 of this Exhibit E and in Exhibits A through D) incorporates, merges and supersedes any and all prior understandings and communications, whether written or oral, with respect to such subject matter.

22.6 Survival. Any provision of this Agreement which, either by its terms or to give effect to its meaning, must survive, including Sections 9.2(c), 13.5, 13.9, 13.10, 13.11, 15, 16, 17, 19 and 22.6 of this Exhibit E, shall survive the termination or expiration of this Agreement.

DRAFT

EXHIBIT E
(Standard Agreement)

22.7 Continuing Representations, Warranties and Covenants. Each of the representations, warranties and covenants made by the parties in this Agreement is true and correct as of the date hereof and shall be true and correct on and as of the Program Start Date and each of the representations, warranties and covenants made by the parties shall be true and correct at all times thereafter through the termination or expiration of this Agreement.

22.8 Amendment. As set forth in Section 2 of Exhibit C, no amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties. The Contractor and the Board may agree to execute such additional documents, and perform such further acts, as may be reasonable and necessary to carry out the provisions of this Agreement.

22.9 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

22.10 Force Majeure. Except for payment obligations hereunder, neither party shall be liable to the other for any failure to comply with the terms of this Agreement, for any delays in the performance thereof or for failure to perform under the terms and provisions of this Agreement, where such failure or delay is due to causes beyond such party's reasonable control including, but not limited to, acts of God, acts of civil or military authority, acts of the State in its sovereign capacity, fires, floods, power failures, suspension of trading, epidemics, quarantine restrictions, wars, terrorism, riots, strikes, delays in transportation and freight embargoes.

22.11 Expenses. Except for costs and expenses specifically assumed by a party under this Agreement, each party hereto shall pay its own expenses incident to this Agreement and the transactions contemplated hereunder, including all legal and accounting fees and disbursements.

22.12 Successors and Assigns. As set forth in Section 3 of Exhibit C, this Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the Board in the form of a formal written amendment. Furthermore, this Agreement, any instrument or agreement executed pursuant to this Agreement, and the rights, covenants, conditions and obligations of Contractor and the Board contained therein, shall be binding upon the parties and their successors, assigns and legal representatives.

22.13. Reports. The parties may at any time following the execution of this Agreement mutually agree to change the due dates of any reports to be delivered hereunder.

22.14 Political Reform Act. Contractor acknowledges that the Board is subject to the provisions of the California Political Reform Act (Government Code Sections 81000 et seq., and all regulations adopted thereunder, including, but not limited to, California Code of Regulations, Sections 18700 et seq.) and Contractor shall comply promptly with any requirement thereunder. If required by law, the Contractor shall require its personnel, including without limitation, its Key Personnel and all later substitutions thereof, to file Statements of Economic Interests in compliance with the Conflict of Interest Code for the Office of the State Treasurer and the various boards, authorities, commissions, and committees chaired by the State Treasurer, including the Board (California Code of Regulations, Title 2, Division 2, Chapter 4, Section 1897). All such reports shall be filed simultaneously with the Board.

22.15 No Publicity. No publicity release or announcement concerning this Agreement or the transactions contemplated herein shall be issued by Contractor without advance written approval by the Board.

22.16 No Additional Services or Procurements. Neither the Contractor, nor any of its affiliates, related entities, subsidiaries, officers or directors, may submit a bid or be awarded a contract for the provision of services, procurement of goods or supplies, or any other related action which is required, suggested,

DRAFT

EXHIBIT E
(Standard Agreement)

or otherwise deemed to be an outgrowth of the advice or recommendations that the Contractor provides under this Agreement.

22.17 Darfur Contracting Act. Effective January 1, 2009, all Invitations for Bids (IFB) or Requests for Proposals (RFP) for goods or services must address the requirements of the Darfur Contracting Act of 2008 (Act). (Public Contract Code section 10475 et seq.) The Act was passed by the California Legislature and signed into law by the Governor to preclude State agencies generally from contracting with "scrutinized" companies that do business in the African nation of Sudan of which the Darfur region is a part, for the reasons described in Public Contract Code section 10475.

A scrutinized company is a company doing business in Sudan as defined in Public Contract Code section 10476. Scrutinized companies are ineligible to, and cannot, bid on or submit a proposal for a contract with a State agency for goods or services. (Public Contract Code section 10477(a).)

Therefore, Public Contract Code section 10478(a) requires a company that currently has (or within the previous three years has had) business activities or other operations outside of the United States to certify that it is not a "scrutinized" company when it submits a bid or proposal to a State agency. A scrutinized company may still, however, submit a bid or proposal for a contract with a State agency for goods or services if the company first obtains permission from DGS according to the criteria set forth in Public Contract Code section 10477(b).

22.18 Iran Contracting Act. Effective June 1, 2011, Contractor must address the requirements of the Iran Contracting Act of 2010 (the Iran Contracting Act). The Iran Contracting Act was passed by the California Legislature and signed into law by the Governor to preclude State agencies generally from contracting with companies that engage in investment activities in Iran as defined in Public Contract Code section 2202.5.

Effective June 1, 2011, Contractor engaged in investment activities in Iran is ineligible to, and shall not, bid on, submit a proposal for, or enter into or renew, a contract with a State agency for goods or services. (Public Contract Code section 2203).

Contractor must certify that it is not engaged in investment activities in Iran as defined in Public Contract Code section 2202.5. Contractor engaged in investment activities in Iran, however, may submit a bid or proposal for a contract with a State agency for goods or services if it has been granted permission by the State Treasurer's Office pursuant to the criteria set forth in Public Contract Code sections 2203(c) and/or 2203(d). Note that additional findings by the State Treasurer's Office are required and will be made solely at the discretion of the State Treasurer's Office.

22.19 Evaluation of Contractor. Pursuant to Public Contract Code sections 10367 and 10369 within sixty (60) days after the completion of this Agreement, the State shall complete a written evaluation of Contractor's performance under this Agreement. If this Agreement is a contract for consultant services and if Contractor did not satisfactorily perform the work, a copy of the evaluation will be sent to the Department of General Services (DGS), Office of Legal Services, and to the Contractor within fifteen (15) working days of the completion of the evaluation in accordance with Public Contract Code section 10371.

22.20 No Agency Liability. The Contractor warrants by execution of this Agreement that no Person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the State shall, in addition to other remedies provided by law, have the right to annul this Agreement without liability, paying only for the value of the work actually performed, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

DRAFT

EXHIBIT E
(Standard Agreement)

SAMPLE AGREEMENT - SCHEDULE 8.4

ADMINISTRATIVE AND OTHER REPORTS

Performance

- Report on Investment Performance, Marketing Performance and Administrative Performance (due quarterly and annually)
- Report on Accounts, Assets, Contributions, Investment Results, Administration (due monthly and quarterly)

Investments

- Report on Compliance with Investment Policy (due monthly)
- Report on Investments as required by the Act (due monthly)

Marketing

- Report on Marketing Activities (due monthly
- Report on Ongoing and Completed Marketing Efforts (due quarterly)

Administration

- Report on Records Administration and Customer Service (due monthly and/or quarterly)
- Annual Audited Financial Reports (due annually)
- Annual Report to Account Owners/Beneficiaries (due annually)
- Tax Reports to Internal Revenue Service, Franchise Tax Board, Account Owners/ Beneficiaries (due annually)

DRAFT