



## FOR IMMEDIATE RELEASE

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### CONTACT:

James Gilbert, President, 401(k) Pro, Inc.  
310.441.4961  
[jgilbert@advisors401k.com](mailto:jgilbert@advisors401k.com)  
<http://www.advisors401k.com>; <http://www.401keasy.com>

(1068 words)

## **401(k) Pro, Inc. Expands on Parent Company's Full-Service 401(k) Advances with Patented Software-based "Run-It-Yourself" 401(k)s for Small Businesses**

**LOS ANGELES** Southern-California-based 401(k) Pro, Inc.'s patented 401(k) Easy<sup>™</sup> and Advisors 401(k)<sup>™</sup> software-based "run-it-yourself" 401(k) administration systems let small businesses manage their new or already-existing 401(k) plans in-house from the privacy and security of their desktop computers in 10 to 15 minutes a month and at an average savings of 60% to 80% a year.

401(k) Pro, Inc. built the now-patented run-it-yourself systems from the internal system developed and employed by its full-service 401(k) affiliate, Pension Service Associates (PSA). PSA has been providing reasonably-priced, quality full-service 401(k) plans to small and midsized businesses since the mid 1980's. PSA's price and service advances came about by eliminating unnecessary delays and expenses inherent in most traditional 401(k) administration systems. For instance, PSA works with the mutual fund companies and discount brokerages to establish individual participant investment accounts rather than doing the traditional pooling of plan assets. As a result, PSA doesn't, like most other plan administration services, have to spend time tracking how much of each investment belongs to each participant; PSA then passes the savings on to the client.

With the prevalence of computers and related knowledge in today's workplace, PSA recognized the potential for small and midsized businesses to run their 401(k)s in-house much as they today perform many other once outsourced functions such as bookkeeping, tax preparation, and typesetting/publishing. PSA had so perfected and automated its full-service 401(k) administration that it knew companies could easily use its tools to do the data input and processing themselves — at improved efficiency and a savings of thousands of dollars a year.

401(k) Pro, Inc. was founded with the mandate to develop a run-it-yourself 401(k) system for the public based on the successful PSA full-service system. 401(k) Pro integrated PSA's experience with the lay person's need for simplicity and speed, and in late 1999 debuted 401(k) Easy<sup>™</sup>. 401(k) Easy<sup>™</sup> was soon after described by *The Wall Street Journal* as "(allowing) small businesses to manage 401(k) plans as easily as a consumer navigates family finances with programs such as Quicken" (12/27/99, C1). By the dawn of 2000 401(k) Pro had created a slightly different version geared toward financial services professionals called Advisors 401(k)<sup>™</sup>, which, like 401(k) Easy<sup>™</sup>, is designed to be used by the small business itself but, unlike 401(k) Easy<sup>™</sup>, is designed to be used with mutual funds that generate investment commissions for a financial advisor.

Both 401(k) Easy<sup>™</sup> and Advisors 401(k)<sup>™</sup> are adaptable to new and existing plans of any size. They are particularly attractive to small businesses due to the plans' low price, investment flexibility and free options, things poorly lacking in today's other plans supposedly created for small businesses (Fidelity's e401k, Impact 401k, and ez401k, for instance). Pricing starts at \$495 a year (see price list). Clients also pay a first-year-only \$500 plan and software customization fee. Participant loans, employer matching contributions, automatic enrollment, and other popular 401(k) features are included at the client's discretion at no extra charge. Free help is available with understanding available plan options and the typical effect of each on a 401(k) plan. Any needed plan conversion services are free of charge.

The systems come with the client's choice of 401(k) investments. One of the most popular features of PSA plans was always the tremendous investment choice allowed, a lesson 401(k) Pro applied to 401(k) Easy™ and Advisors 401(k)™. 401(k) Easy™ clients can choose self-directed discount brokerage accounts from Charles Schwab, TD Waterhouse and others as well as no-load mutual funds from T. Rowe Price, Fidelity, and others for their plans. Advisors 401(k)™ clients choose from an extensive array of Class A, B or C mutual funds from top-name providers. A database of potential investments and information on each is available on the respective websites. Free help with choosing plan investments is available.

The systems come with a 60-day money-back guarantee on everything except investment performance and the one-time \$500 plan and software customization fee. Because the \$500 fee is nonrefundable, 401(k) Pro makes a full-featured demonstration copy of the plan administration software available for free download from the respective websites. The demos are also available on CD-ROM, which can be ordered through the websites or by calling (800) 660-0050.

The systems come with everything a small business needs to effectively and efficiently deliver a quality 401(k), including an IRS-approved prototype 401(k) plan customized to the client's specifications, 401(k) administration software and companion materials customized to the exact plan they service, the client's choice of plan investments, a supplemental FedForms CD-ROM that makes completing 1099-Rs, the 5500 series and more quick and easy, and free support.

**In Development: Run-It-Yourself Online 401(k)s**

Potential branding arrangements with key financial institutions are being explored for online versions of 401(k) Easy™/Advisors 401(k)™ self-service plan administration. Chosen institutions will each house a customized version of the run-it-yourself 401(k) system within their websites for use by their new and existing small business clients. Each version will suit its host's particular site design and offer its host's lineup of proprietary investments/self-directed brokerage accounts.

**401(k) Pro, Inc., Creator of Run-It-Yourself 401(k) Plans**

- Customized 401(k) plans and run-it-yourself plan administration for small businesses
- Software-based run-it-yourself plan administration takes small businesses about 10-15 minutes a month
- Unsurpassed affordability: Price\* is based solely upon plan size:
  - 1-4 eligible employees ..... \$495 a year
  - 5-15 eligible employees ..... \$695 a year
  - 16-25 eligible employees ..... \$995 a year
  - 26-50 eligible employees ..... \$1295 a year
  - 51-75 eligible employees ..... \$1495 a year
  - 76-100 eligible employees ..... \$1995 a year
  - 101-125 eligible employees ..... \$2295 a year
  - 126-150 eligible employees ..... \$2495 a year
  - 151-175 eligible employees ..... \$2795 a year
  - 176-200 eligible employees ..... \$2995 a year
  - more than 200 eligible employees ..... (please call for quote)

\*Each plan also incurs a first-year-only, one-time plan and software customization fee of \$500.

- 60-day money-back guarantee on everything except investments and first-year-only setup
- Free technical support
- Extensive investment choice (self-directed discount brokerage accounts and/or no-load mutual funds for 401(k) Easy™; load mutual funds for Advisors 401(k)™)
- Matching contributions, participant loans, automatic enrollment and more are free options
- Plan administration software has built-in safeguards against operating a plan in violation of federal regulations
- Customers receive updated plan administration software and companion materials every year; updates incorporate government regulatory changes as well as system upgrades
- Plan administration software runs on Windows® 2000, 98, 95 and NT systems

**PRODUCT RELEASES: FOURTH QUARTER, 1999 (Easy); FIRST QUARTER, 2000 (Advisors)**