

NEWS RELEASE

June 17th, 2009

FOR IMMEDIATE RELEASE

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WILL THE 64% INCREASE IN BUSINESS BANKRUPTCIES CREATE MORE ABANDONED RETIREMENT PLANS?

(San Diego, CA)

Business bankruptcy filings for the three-month period ending March 31, 2009 totaled 14,319. That is an increase of 64.3 percent over the first quarter 2008 total of 8,713, according to the Administrative Office of the U.S. Courts.

As these companies go out of business, employees sometimes lose access to their retirement benefits, creating Abandoned Retirement Plans. This primarily affects small employers. When this happens, custodians such as banks, insurers, mutual fund families and trust companies are left holding those assets. These institutions do not always have the authority to terminate such plans and make benefit distributions to the ex-employees.

The DOL (Department of Labor) considers a retirement plan “abandoned or “orphaned” if no contributions or distributions have been made in 12 months. The DOL has been trying to fix this problem for some time. It was an area of focus in their 2006-2011 Strategic plan, but that was before business bankruptcies increased by 64.3%!

“We currently have seen record numbers of business bankruptcies. Not all plans are wound down properly due to a variety of factors. This can result in an increase of orphaned plans. From our experience, the average terminated plan, which in many cases is the result of business bankruptcy, had \$105,000 in plan assets and 8 employee participants with an average balance of \$13,125 each.” said Peter E. Preovolos, APA, RIA, AIFA, President & CEO of PenChecks, Inc.

PenChecks has developed a simple solution to this complex problem - The PenChecks Automated Solution for Abandoned Plans. (A.S.A.P.)

The process is highly automated and simple. Partnering with Third party Administrators (T.P.A.'s), PenChecks will contact any QTA (qualified termination administrator) institution holding retirement funds to determine the best A.S.A.P. solution to wind down these abandoned plans and reduce their fiduciary liabilities. PenChecks does all the work. PenChecks' A.S.A.P. is fully compliant and experienced to handle all the required

aspects: from final plan termination and wind-down process to handling safe harbor distributions and missing participant searches.

“In this tough economy, we should do everything we can to get working Americans access to their hard-earned retirement assets...even if the plan they were in is orphaned. With the comprehensive PenChecks’ Automated Solution for Abandoned Plans more workers can be reunited with their accounts,” says Prevolos.

About PenChecks, Inc.

Established in 1994, PenChecks is the most trusted and largest independent provider of outsourced benefit distribution services in the US. With our proprietary technology and expertise, we save our customers up to 60%-70% of their staff time and 50% of their hard costs in processing distributions. Our customers include Plan Providers, Plan Advisors, Third Party Administrators and Plan Sponsors. In 2008, PenChecks handled over 44,000 distributions and almost half a billion dollars of payments. For more information, please go to: www.PenChecks.com

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