

El Dorado County Deferred Compensation Plan

Dated: January 19, 2007

County Counsel approved the Nationwide Retirement Solutions contract but mentioned that the following items needed to be brought to the attention of the Board of Supervisors.

1) Non-standard Indemnity Provision

Under the contract Nationwide is to accept funds for investment and ensure they are credited to the correct employee sub account. There is no indemnity to the County in the event Nationwide fails to perform that activity.

2) Arbitration Clause

The contract requires that all disputes be submitted to binding arbitration. By agreeing to this provision the County is waiving its right to a jury or court trial, and its appeal rights. Arbitration provisions are not standard in County contracts.

3) Limitation on Damages

The arbitration clause also includes a waiver of the right to recover punitive damages and any damages other than actual damages.