Great-West
RETIREMENT SERVICES

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July 27, 2012

Ms. Carrie Parker
Deputy Attorney General
State of Nevada
Office of the Attorney General
100 North Carson Street
Carson City, Nevada 89701-4717

Re: Motion of Petition for Reconsideration Regarding the Award of a Contract for the Nevada Public Employee's Deferred Compensation and FICA Alternative Plan Request for Proposal (RFP) for 457(b) Administrator Services

Dear Ms. Parker:

On behalf of Great-West, we would like to request that two items be added to the next Deferred Compensation Committee meeting agenda for key matters we believe should have been covered at the July 18, 2012 committee meeting. We believe that these two items are critical issues that should be resolved prior to the State of Nevada entering into final contract negotiations to avoid the potential for a protest:

1. We believe that there has been solid evidence placed on the record demonstrating that Hartford did not meet the required Minimum Requirements as outlined in the RFP and that they should not have been eligible to submit a proposal. Based on the evidence on the record, we believe there is only one plan for which the Hartford provides 457 plan administration meeting the Minimum Requirements: the State of Nevada. The questions we are raising are based upon Hartford's own testimony on this matter at the May 15th, 2012 Committee meeting, as well as other documentation available in the public record.

   As the transcripts and recordings from May 15th Committee meeting show, under Item #3B, Dr. Romo is on record asking Hartford why they submitted a bid if it did not appear they qualified. Initially Hartford refused to sign the Certification of Compliance that they qualified, stating that they did not know if they met the Minimum Requirements. Hartford asked the State of Nevada for an exemption and actually asked the Executive Officer if they met the bid requirements as they were unsure. Hartford's request for an exemption as the incumbent was not granted.

   During its testimony, Hartford read an email on this topic dated March 9, 2012, that was sent to the Executive Officer and Arnerich Massena and Associates, but did not identify three plans that allowed them to bid. Hartford went on record stating that Clark County had only $430 million in assets, which is short of the $500 million Minimum Requirement.

At the same meeting, Hartford stated that it administers the State of Iowa 457, 401(a) and 403(b) Plans with $325 Million in assets. The Iowa plan falls short of the standard both in terms of the amount of assets and the fact that it is not solely a 457 plan, containing both 403(b) and 401(a) assets.

Hartford also stated that they provide services for both the Mayo Clinic and the City of Chicago, but said both of these plans are "investment only" which would disqualify them from consideration.

Finally, Hartford mentioned the City and County of Denver 457 Plan, which has only 8,600 participants, short of the required 10,000 participants. Also, Denver doesn't have multiple payroll interfaces with its provider(s).

We would like to request an independent verification of both Hartford's and ICMA's respective assets and participants for the Clark County Plan as we believe there are discrepancies. We would also like to request that the State of Iowa assets be verified that are specific to 457 plans and not 403 (b) or 401 plans. We believe, and we are sure the Committee would agree, that all RFP respondents, and particularly the successful bidder, should be held to the same standard in meeting the Minimum Requirements that were clearly outlined in the RFP. To do otherwise is to risk the validity of the process.

2. We believe that the final scoring from the July 18th meeting includes a range of scoring that is not an accurate reflection of the industry leading firms that were selected as finalists, and appears to be subjective to the point of being of questionable validity. While we recognize that some degree of subjectivity is unavoidable and indeed acceptable, we responded to the State's RFP in good faith, believing that our firm and our proposal would be judged on their merits. However, the scoring reflects otherwise, to the extent that if one member's scores were excluded, the outcome of the overall RFP scoring would have been different. Not only is this unfair, but it is a disservice to the Plans' participants that the scores of one member could be permitted to skew the outcome of the scoring of the majority of the Committee.

   For example, one member graded Great-West a "4" under the category of "Open Architecture", while the other four members' scores averaged "8.75". We do not understand the basis for this degree of inconsistency in the scoring, since Great-West clearly provides complete open architecture and is a pioneer of this plan design concept.

   Under "Rel. Exp/Org/Financial Strength", this same member assigned the maximum score of "20" to two companies with substantially lower financial ratings than the two companies that he rated a "10". Again we do not understand the rationale for this and question the fairness and accuracy of ratings so inconsistent with the other four members who rated us 18.75 in this category.

   In the category of "Participant Services," this same member assigned Great-West "9.50," while the other four members' average rating of our firm was "21.25". In the category of "Plan Sponsor Services", this same member rated Great-West a "5," while the other four members' average score was "9.25" out of a maximum of "10."

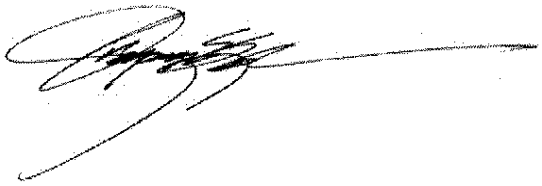
   Since this Committee member did not attend the finalist presentations and arrived at the meeting at the end of the day at 4:50 p.m., he did not have access to the information gained by the other four members who listened to the finalists' presentations and asked questions. We are questioning how he gained sufficient information for his evaluation and scoring to be as valid as that of the other Committee members. The disparity in this member's scores is so great they appear biased.

   Based upon these facts we would like to see this matter placed on the agenda for the next Committee meeting to resolve the disparity in the range of scores and possibly adopt an errata with input from the Plans' legal counsel, as well as an opinion from the Purchasing Department.

While Great-West is proud to be the #1 provider of 457 deferred compensation plans in the U.S., we do not believe we are automatically entitled to win every RFP to which we respond. However, we would hope that we, and all the respondents, would be fairly and soberly evaluated on the basis of our merits and in accordance with the criteria outlined in the RFP. To that end, we would like to better understand the basis for the disparity in the range of scoring.

We appreciate your time in reviewing this matter as well as your response.

Respectfully submitted,



Gregory E. Seller
Senior Vice President, Government Market

cc: Arnerich Massena and Associates

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ING

ING FINANCIAL PARTNERS
RETIREMENT SERVICES
M. Bishop Bastien
Sr. Vice President - Tax Exempt Markets

July 24, 2012

Ms. Carrie L. Parker, Deputy Attorney General
State of Nevada
100 North Carson Street
Carson City, Nevada 89701-4717

Re: State of Nevada RFP for 457 Plan Recordkeeping Services

Dear Ms. Parker:

I am writing to express our disappointment in the actions taken by the State of Nevada's Deferred Compensation Committee (the "Committee") at its meeting of July 18, 2012 and its decision, which clearly violates applicable Nevada law. At that meeting the Committee voted to award the contract for the 457 Plan (the "Plan") recordkeeping services to Hartford Life Insurance Company. ING Life Insurance and Annuity Company ("ILIAC") requests that the Committee reconsider its decision and award the contract to ILIAC. ILIAC reserves its right to appeal from any decision awarding Hartford the contract and expressly reserves all grounds it may have to reverse the decision on appeal.

ILIAC seeks to avoid the necessity of filing an appeal and to afford the Committee an opportunity to correct its errors by awarding the contract to ILIAC. The Nevada Revised Statutes (NRS) 333.335 sets out the requirements that must be followed in the circumstances presented. It is quite clear that the Committee violated these requirements. As you no doubt are aware, the Committee established a process by which the interests of the State, the Plan and Plan's participants were identified and the following comprehensive selection criteria established: (1) experiences and financial strength of the responding organizations; (2) participant services provided; (3) ability of the firm to offer an open architecture investment selection platform; (4) fees and expenses charged for the services; (5) plan sponsor services provided; and (6) references provided by the responding firms. After an exhaustive review of this criteria and presentation by the identified finalists, the Committee afforded ING the highest total number of points awarded by all committee members. Based upon the Committee's established criteria, there is no doubt that the selection of ILIAC as the highest scorer would serve the best interests of the State, the Plan and Plan participants.

The Committee failed to adhere to NRS 333.335(5), which states that ***"[the committee]... shall award the contract based on the best interests of the State, as determined by the total scores assigned pursuant to NRS 333.335(3)."*** Unquestionably, ILIAC received the highest score. Unfortunately, the Committee did not award the contract based upon the highest score.

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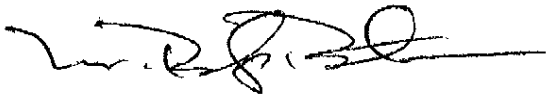
Registered Representative of and Securities offered through ING Financial Partners, Member SIPC

Not only did the Committee deviate from the established selection process, but it ignored the guidance provided by its independent consultant and legal counsel that a contract should be awarded to ILIAC in accordance with State purchasing rules. In addition, Committee Member Scott Sisco did not attend any of the presentations made by the four finalists. Thus, he did not have the benefit of the information communicated. Yet, he voted to deny ILIAC the contract.

It is abundantly clear that the Committee's actions resulted in a significant breakdown in the selection process – a process that is structured to protect the best interests of the State, the Plan and Plan participants, and through which the Committee members who were present throughout the day, and the Committee's independent consultant, determined the final selection. As a consequence of these process deficiencies, the significant interests of the State, Plan and Plan participants will be affected. ILIAC requests that the Committee adhere to its publicly identified selection process and name it as the sole service provider.

Should the Committee not reverse its actions and select ILIAC as the sole service provider, ILIAC will have no choice but to file an appeal pursuant to NRS 333 and NAC 333, once the award has been entered on the bid record and duly posted.

Sincerely,



M. Bishop Bastien
Senior Vice President, Tax Exempt Markets

Cc: Mr. Brian Sandoval, Governor of the State of Nevada
Ms. Catherine Cortez Masto, Attorney General of the State of Nevada
Mr. Ross Miller, Nevada Secretary of State
Dr. Rex Reed, Chairman Nevada State Deferred Compensation Committee
Mr. Jacob O'Shaughnessy, Consultant with Arnerich-Massena
Mr. Paul Howell, ING -- Deputy General Counsel

Brian Sandoval
Governor

Nevada Public Employees' Deferred Compensation Program

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Carlos Romo
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Scott Sisco
NDOT

Carrie L. Parker
Deputy Attorney General

July 26, 2012

Mr. Brian Merrick
Vice President, Premier Relationship Manager
ING Life Insurance and Annuity Company
30 Braintree Hill Office Park
Braintree, MA 02184

FAX DELIVERY – (303) 813-2585

Dear Mr. Merrick:

The Nevada Public Employees' Deferred Compensation Program and FICA Alternative Plan Committee has completed the evaluation process of the RFP for 457(b) Plan Administrator Services. This letter is to inform you of the intent to award the contract to The Hartford pending successful negotiation of contract terms. After the final contract negotiations have been completed and necessary approval signatures obtained, a formal Notification of Award (NOA) will be issued. Upon issuance of the NOA, firms/individuals who submitted proposals may review the evaluation scores and/or proposals.

Submitted proposals are confidential until the contract is awarded; following contract award, in accordance with NRS §333.333, the State will maintain confidentiality of proprietary information regarding a trade secret as defined in NRS §600A.030.

Thank you for your interest in this project. We will maintain your company information on our mailing list for any future solicitations. If you have any questions regarding this RFP, please do not hesitate to call me.

Sincerely,

Rex Reed
Chairman

Nevada State Library and Archives Building, 100 N. Stewart Street, 2nd Floor, Carson City
775.684.3397 Fax 775.684.3399

Brian Sandoval
Governor

Nevada Public Employees' Deferred Compensation Program

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NDOT

Carrie L. Parker
Deputy Attorney General

July 26, 2012

Mr. Robert Trenerry
Senior Client Care Specialist
The Hartford
750 East Warm Springs Road, Suite #330
Las Vegas, NV 89119

FAX DELIVERY – (702) 650-9817

Dear Mr. Trenerry:

The Nevada Public Employees' Deferred Compensation Program and FICA Alternative Plan Committee has completed the evaluation process of the RFP for 457(b) Plan Administrator Services. This letter is to inform you of the intent to award the contract for Administrator Services to The Hartford pending successful negotiation of contract terms and specifications. I will be contacting you within the next few days to further discuss the details of the contract. As soon as any changes are agreed upon, contract documents will be forwarded for your consideration. Once signatures have been obtained from all parties, I will issue a Notification of Award.

Note: Any contract resulting from this RFP shall not be effective unless and until approved by the Nevada State Board of Examiners (NRS 333.700).

Submitted proposals are confidential until the contract is awarded; following contract award, in accordance with NRS 333.333, the State will maintain confidentiality of proprietary information regarding a trade secret as defined in NRS 600A.030.

Please do not hesitate to call me at if you have any questions. Thank you.

Sincerely,

Rex Reed
Chairman

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Brian Sandoval
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Nevada Public Employees' Deferred Compensation Program

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Scott Sisco
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Carrie L. Parker
Deputy Attorney General

July 26, 2012

Mr. John Borne
Managing Director
Nationwide Retirement Solutions, Inc.
5469 Kearny Villa Road
San Diego, CA 92123

FAX DELIVERY – (858) 569-5021

Dear Mr. Borne:

The Nevada Public Employees' Deferred Compensation Program and FICA Alternative Plan Committee has completed the evaluation process of the RFP for 457(b) Plan Administrator Services. This letter is to inform you of the intent to award the contract to The Hartford pending successful negotiation of contract terms. After the final contract negotiations have been completed and necessary approval signatures obtained, a formal Notification of Award (NOA) will be issued. Upon issuance of the NOA, firms/individuals who submitted proposals may review the evaluation scores and/or proposals.

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Carrie L. Parker
Deputy Attorney General

July 26, 2012

Ms. Harriet Jacobs
Government Markets Sales Director
Great-West Retirement Services
6080 Center Drive, 6th Floor
Los Angeles, CA 90045

FAX DELIVERY – (303) 737-3110

Dear Ms. Jacobs:

The Nevada Public Employees' Deferred Compensation Program and FICA Alternative Plan Committee has completed the evaluation process of the RFP for 457(b) Plan Administrator Services. This letter is to inform you of the intent to award the contract to The Hartford pending successful negotiation of contract terms. After the final contract negotiations have been completed and necessary approval signatures obtained, a formal Notification of Award (NOA) will be issued. Upon issuance of the NOA, firms/individuals who submitted proposals may review the evaluation scores and/or proposals.

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Deputy Attorney General

July 26, 2012

Mr. Raymond Sweetland
Vice President
Prudential Retirement
One Penn Plaza, Suite #2501
New York, NY 10119

FAX DELIVERY – (917) 339-4426

Mr. Duane Jeffers
Vice President
Prudential Retirement
280 Trumbull Street
Hartford, CT 06103

FAX DELIVERY – (614) 899-0922

Dear Mr. Sweetland and Mr. Jeffers:

The Nevada Public Employees' Deferred Compensation Program and FICA Alternative Plan Committee has completed the evaluation process of the RFP for 457(b) Plan Administrator Services. This letter is to inform you of the intent to award the contract to The Hartford pending successful negotiation of contract terms. After the final contract negotiations have been completed and necessary approval signatures obtained, a formal Notification of Award (NOA) will be issued. Upon issuance of the NOA, firms/individuals who submitted proposals may review the evaluation scores and/or proposals.

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Deputy Attorney General

July 26, 2012

Mr. Tom Goodwin
VALIC
2929 Allen Parkway, L6-40
Houston, TX 77019

FAX DELIVERY – (713) 831-6161

Mr. Gary Petryus
VALIC
11201 N. Tatum Blvd., Suite #100
Phoenix, AZ 85028

FAX DELIVERY – (602) 678-0646

Dear Mr. Goodwin and Mr. Petryus:

The Nevada Public Employees' Deferred Compensation Program and FICA Alternative Plan Committee has completed the evaluation process of the RFP for 457(b) Plan Administrator Services. This letter is to inform you of the intent to award the contract to The Hartford pending successful negotiation of contract terms. After the final contract negotiations have been completed and necessary approval signatures obtained, a formal Notification of Award (NOA) will be issued. Upon issuance of the NOA, firms/individuals who submitted proposals may review the evaluation scores and/or proposals.

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