Karl E. Hausafus
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Arnerich Massena
Building Better Portfolios

November 28, 2012

VIA FEDERAL EXPRESS AND REGULAR U.S. MAIL

Nevada Deferred Compensation Program
Attn: Scott Sisco, Chairman
100 N. Carson Street
Carson City, Nevada 89701

RE: Final Payment for Arnerich Massena, Inc. Invoice ID A0138 ("Invoice")

Mr. Sisco:

This letter follows your prior conversations with Mr. Jake O'Shaughnessy of our office. Arnerich Massena and Nevada Public Employees Deferred Compensation Program ("Nevada DCP") entered into a Contract for Services of Independent Contractor that was approved on December 13, 2011 (the "Contract"). As you know, Arnerich Massena terminated the Contract in accordance with its terms effective August 20, 2012 (the "Termination Date") and subsequently invoiced Nevada DCP for the outstanding balance owed for the Plan Administration RFP. As you previously discussed with Mr. O'Shaughnessy, Nevada DCP requests that Arnerich Massena accept a discounted amount as final payment for the Invoice.

As such, in order to resolve the Invoice and the outstanding balance owed under the Contract, Arnerich Massena hereby agrees to accept $60,000 as payment in full, so long as such payment is received by our office no later than December 31, 2012. Nevada DCP previously sent Arnerich Massena $21,500 for advisory services that were not rendered due to the Contract termination. With Nevada DCP's permission, Arnerich Massena will apply the $21,500 to the outstanding Invoice amount, leaving Nevada DCP with a balance of $38,500 that must be received by the December 31st deadline.

As requested, I have enclosed a detailed reconciliation of our services rendered through the Termination Date as well as a revised invoice for your reference. Our offer reflects a 20% discount on the contractual amount. Please feel free to contact me at the above number or email if you have any questions. Arnerich Massena wishes you continued success in the future and greatly appreciates the opportunity to have served the Nevada DCP.

Regards,

Karl E. Hausafus
General Counsel and Chief Compliance Officer

Enclosures
cc: Carrie Parker (cparker@ag.nv.gov)
Scott Dunbar, Jake O'Shaughnessy