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financial engines®

1804 Embarcadero Road
Palo Alto, CA 94303
Tel: 650.565.4900
Fax: 650.565.4905

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April 29, 2004

Office of Regulation and Interpretations
Employee Benefits Security Administration
Room N-5669
U.S. Department of Labor
Washington, D.C. 20210

Attention: Automatic Rollover Regulation

Re: Comments on Fiduciary Responsibility Under the Employee Retirement Income Security Act of 1974 Automatic Rollover Safe Harbor, 69 Fed. Reg. 9900 (proposed March 2, 2004) (to be codified at 29 C.F.R. 2550)

Ladies and Gentlemen:

Financial Engines submits the following comments in response to the Department of Labor's proposed regulations entitled *Fiduciary Responsibility Under the Employee Retirement Income Security Act of 1974 Automatic Safe Harbor* published in the March 2, 2004 Federal Register (the "Proposed Regulations"). Financial Engines is a registered investment adviser that provides personalized investment advice and management services directly to plan participants in section 401(k) and similar plans.

As currently proposed, the regulation would require that the safe harbor for amounts rolled over to individual retirement accounts would be applicable only if those amounts are invested in money market funds, interest-bearing savings accounts, certificates of deposit or similar instruments that are designed primarily for preservation of capital ("Cash or Cash Equivalent Instruments"). The preamble of the Proposed Regulation provides that "investments under the safe harbor should be designed to minimize risk, preserve assets for retirement and maintain liquidity".

Financial Engines agrees that asset class exposure to Cash or Cash Equivalent Instruments can be an important part of a diversified retirement portfolio. It is also important to note, however, that any tax-favored retirement arrangement, including individual retirement accounts contemplated by the safe harbor, are intended primarily to provide for retirement savings. In our view, requiring all investments of such individual retirement plan assets to be placed solely in Cash or Cash Equivalent Instruments may not be consistent with an individual's personal retirement investment objectives.

Financial Engines, as well as a number of other investment advisors and financial institutions, provides professionally managed plan options to plans under which assets are allocated among a range of investment alternatives based on the individual circumstances of each plan participant. Where a plan provides for such managed account services and a participant is being provided such services, it would be contrary to the participant's expectations and retirement savings objectives for amounts automatically rolled over to an individual retirement account to be invested solely among Cash or Cash Equivalent Instruments. Therefore, Financial Engines urges the Department to revise the proposal to permit the comparable use of managed account services with respect to the assets in the individual retirement account.

Thank you for the opportunity to provide comments on this matter. If you have any questions, please feel free to contact me.

Respectfully submitted,

Scott W. Campbell
Executive Vice President and General Counsel

cc: Alan D. Lebowitz
Deputy Assistant Secretary, Employee Benefits Security Administration