All comments and suggestions, or questions regarding additional information, to include obtaining a copy of the application with instructions, should be directed to Wendy Tien, Deputy Assistant Director, at the Executive Office for United States Trustees, Department of Justice, 20 Massachusetts Avenue NW., Suite 8000, Washington, DC 20530, or by facsimile at (202) 305–8536.

Written comments and suggestions from the public and affected agencies concerning the collection of information are encouraged. Comments should address one or more of the following four points:

1. Evaluate whether the application is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

2. Evaluate the accuracy of the agency's estimate of the burden of the collection of information, including the validity of the methodology and assumptions used;

3. Enhance the quality, utility, and clarity of the information to be collected; and

4. Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

Overview of the Information

Type of information collection	Application form.
The title of the form/collection	Application for Approval as a Provider of a Personal Financial Management Instructional Course.
The agency form number, if any, and the applicable component of the department sponsoring the collection.	No form number.
	Executive Office for United States Trustees, Department of Justice.
Affected public who will be asked or required to respond, as well as a brief abstract.	Primary: Individuals who wish to offer instructional courses to student debtors concerning personal financial management.
	Other: None.
	Congress passed a bankruptcy law that requires individuals who file for bankruptcy to complete an approved personal financial management instructional course as a condition of receiving a discharge.
An estimate of the total number of respondents and the amount of time estimated for an average respondent to respond/reply.	It is estimated that 300 respondents will complete the application in approximately ten (10) hours.
An estimate of the total public burden (in hours) associated with the collection.	The estimated total annual public burden associated with this application is 3,000 hours.

If additional information is required, contact: Jerri Murray, Department Clearance Officer, United States Department of Justice, Justice Management Division, Policy and Planning Staff, Two Constitution Square, 145 N Street NE., Room 2E–508, Washington, DC 20530.

Lynn Murray,

Department Clearance Officer, PRA, United States Department of Justice.

[FR Doc. 2012–13289 Filed 5–31–12; 8:45 am]

BILLING CODE 4410–40–P

DEPARTMENT OF LABOR

Employee Benefits Security Administration

Exemptions From Certain Prohibited Transaction Restrictions

AGENCY: Employee Benefits Security Administration, Labor.

ACTION: Grant of Individual Exemptions.

SUMMARY: This document contains exemptions issued by the Department of Labor (the Department) from certain of the prohibited transaction restrictions of the Employee Retirement Income Security Act of 1974 (ERISA or the Act) and/or the Internal Revenue Code of 1986 (the Code). This notice includes the following: D–11579, Delaware Charter Guarantee & Trust Co. d\b\a Principal Trust Company (Principal Trust), 2012–11; D–11677, Weyerhaeuser Company (Weyerhaeuser) and Federalway Asset Management LP (collectively, the Applicants), 2012–12; and D–11679, Sammons Enterprises, Inc. Employee Stock Ownership ESOP (the ESOP), 2012–13.

SUPPLEMENTARY INFORMATION: A notice was published in the **Federal Register** of the pendency before the Department of a proposal to grant such exemption. The notice set forth a summary of facts and representations contained in the application for exemption and referred interested persons to the application for a complete statement of the facts and representations. The application has been available for public inspection at the Department in Washington, DC. The notice also invited interested persons to submit comments on the requested exemption to the Department. In addition the notice stated that any interested person might submit a written request that a public hearing be held (where appropriate). The applicant has represented that it has complied with the requirements of the notification to interested persons. No requests for a hearing were received by the Department. Public comments were received by the Department as described in the granted exemption.

The notice of proposed exemption was issued and the exemption is being granted solely by the Department because, effective December 31, 1978, section 102 of Reorganization Plan No. 4 of 1978, 5 U.S.C. App. 1 (1996), transferred the authority of the Secretary of the Treasury to issue exemptions of the type proposed to the Secretary of Labor.

Statutory Findings

In accordance with section 408(a) of the Act and/or section 4975(c)(2) of the Code and the procedures set forth in 29 CFR Part 2570, Subpart B (76 FR 66637, 66644, October 27, 2011) [1] and based upon the entire record, the Department makes the following findings:

(a) The exemption is administratively feasible;

(b) The exemption is in the interests of the plan and its participants and beneficiaries; and

(c) The exemption is protective of the rights of the participants and beneficiaries of the plan.

[1] The Department has considered exemption applications received prior to December 27, 2011 under the exemption procedures set forth in 29 CFR Part 2570, Subpart B (55 FR 32836, 32847, August 10, 1990).

Delaware Charter Guarantee & Trust Co. d\b\a Principal Trust Company (Principal Trust); Principal Life Insurance Company (Principal Life) and Any Affiliates, Thereof (collectively, Principal or the Applicants) Located in Wilmington, Delaware and in Des Moines, Iowa

[Prohibited Transaction 2012–11; Exemption Application No. D–11579]

Exemption

Section I—Transactions

The restrictions of sections 406(a)(1)(D) and 406(b) of the Act and the taxes resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1)(D) through (F) of the Internal Revenue Code (the Code),[2] shall not apply, as of the effective date of this exemption, to:

(a) The receipt of a fee by Principal, as Principal is defined, below, in Section IV(a), from an open-end investment company or open-end investment companies (Affiliated Fund(s)), as defined, below, in Section IV(e), in connection with the direct investment in shares of any such Affiliated Fund, by an employee benefit plan or by employee benefit plans (Client Plan(s)), as defined, below, in Section IV(b), where Principal serves as a fiduciary with respect to such Client Plan, and where Principal:

(1) Provides investment advisory services, or similar services to any such Affiliated Fund; and

(2) Provides to any such Affiliated Fund other services (Secondary Service(s)), as defined, below, in Section IV(i); and

(b) In connection with the indirect investment by a Client Plan in shares of an Affiliated Fund through investment in a pooled investment vehicle or pooled investment vehicles (Collective Fund(s)),[3] as defined, below, in Section IV(j), where Principal serves as a fiduciary with respect to such Client Plan, the receipt of fees by Principal from:

(1) An Affiliated Fund for the provision of investment advisory services, or similar services by Principal to any such Affiliated Fund; and

(2) An Affiliated Fund for the provision of Secondary Services by Principal to any such Affiliated Fund; provided that the conditions, as set forth, below, in Section II and Section III, are satisfied, as of the effective date of this exemption and thereafter.

Section II—Specific Conditions

The relief provided in this exemption is conditioned upon adherence to the material facts and representations described, herein, and as set forth in the application file and upon compliance with the conditions, as set forth in this exemption.

(a)(1) Each Client Plan which is invested directly in shares of an Affiliated Fund either:

(i) Does not pay to Principal for the entire period of such investment any investment management fee, or any investment advisory fee, or any similar fee at the plan-level (the Plan-Level Management Fee), as defined, below, in Section IV(m), with respect to any of the assets of such Client Plan which are invested directly in shares of such Affiliated Fund; or

(ii) Pays to Principal a Plan-Level Management Fee, based on total assets of such Client Plan under management by Principal at the plan-level, from which a credit has been subtracted from such Plan-Level Management Fee, where the amount subtracted represents such Client Plan's *pro rata* share of any investment advisory fee and any similar fee (the Affiliated Fund-Level Advisory Fee), as defined, below, in Section IV(o), paid by such Affiliated Fund to Principal.

If, during any fee period, in the case of a Client Plan invested directly in shares of an Affiliated Fund, such Client Plan has prepaid its Plan-Level Management Fee, and such Client Plan purchases shares of an Affiliated Fund directly, the requirement of this Section II(a)(1)(ii) shall be deemed met with respect to such prepaid Plan-Level Management Fee, if, by a method reasonably designed to accomplish the same, the amount of the prepaid Plan-Level Management Fee that constitutes the fee with respect to the assets of such Client Plan invested directly in shares of an Affiliated Fund:

(A) Is anticipated and subtracted from the prepaid Plan-Level Management Fee at the time of the payment of such fee; or

(B) Is returned to such Client Plan, no later than during the immediately following fee period; or

(C) Is offset against the Plan-Level Management Fee for the immediately following fee period or for the fee period immediately following thereafter.

For purposes of Section II(a)(1)(ii), a Plan-Level Management Fee shall be deemed to be prepaid for any fee period, if the amount of such Plan-Level Management Fee is calculated as of a date not later than the first day of such period.

(2) Each Client Plan invested in a Collective Fund the assets of which are not invested in shares of an Affiliated Fund:

(i) Does not pay to Principal for the entire period of such investment any Plan-Level Management Fee with respect to any assets of such Client Plan invested in such Collective Fund.

The requirements of this Section II(a)(2)(i) do not preclude the payment of a Collective Fund-Level Management Fee by such Collective Fund to Principal, based on the assets of such Client Plan invested in such Collective Fund; or

(ii) Does not pay directly to Principal or indirectly to Principal through the Collective Fund for the entire period of such investment any Collective Fund-Level Management Fee with respect to any assets of such Client Plan invested in such Collective Fund.

The requirements of this Section II(a)(2)(ii) do not preclude the payment of a Plan-Level Management Fee by such Client Plan to Principal, based on total assets of such Client Plan under management by Principal at the plan-level; or

(iii) Such Client Plan pays to Principal a Plan-Level Management Fee, based on total assets of such Client Plan under management by Principal at the plan-level, from which a credit has been subtracted from such Plan-Level Management Fee (the ''Net'' Plan-Level Management Fee), where the amount subtracted represents such Client Plan's *pro rata* share of any Collective Fund-Level Management Fee paid by such Collective Fund to Principal.

The requirements of this Section II(a)(2)(iii) do not preclude the payment of a Collective Fund-Level Management Fee by such Collective Fund to Principal, based on the assets of such Client Plan invested in such Collective Fund.

(3) Each Client Plan invested in a Collective Fund the assets of which are invested in shares of an Affiliated Fund:

(i) Does not pay to Principal for the entire period of such investment any Plan-Level Management Fee (including

[2] For purposes of this exemption reference to specific provisions of Title I of the Act, unless otherwise specified, refer also to the corresponding provisions of the Code.

[3] The Department, herein, is expressing no opinion in this exemption regarding the reliance of the Applicants on the relief provided by section 408(b)(8) of the Act with regard to the purchase and with regard to the sale by a Client Plan of an interest in a Collective Fund and the receipt by Principal, thereby, of any investment management fee, any investment advisory fee, and any similar fee (a Collective Fund-Level Management Fee), as defined, below, in Section IV(n), where Principal serves as an investment manager or investment adviser with respect to such Collective Fund and also serves as a fiduciary with respect to such Client Plan, nor is the Department offering any view as to whether the Applicants satisfy the conditions, as set forth in section 408(b)(8) of the Act.

any ''Net'' Plan-Level Management Fee, as described, above, in Section II(a)(2)(iii)), and does not pay directly to Principal or indirectly to Principal through the Collective Fund for the entire period of such investment any Collective Fund-Level Management Fee with respect to the assets of such Client Plan which are invested in such Affiliated Fund; or

(ii) Pays indirectly to Principal through the Collective Fund a Collective Fund-Level Management Fee, in accordance with Section II(a)(2)(i), above, based on the total assets of such Client Plan invested in such Collective Fund, from which a credit has been subtracted from such Collective Fund-Level Management Fee, where the amount subtracted represents such Client Plan's *pro rata* share of any Affiliated Fund-Level Advisory Fee paid to Principal by such Affiliated Fund; and does not pay to Principal for the entire period of such investment any Plan-Level Management Fee with respect to any assets of such Client Plan invested in such Collective Fund; or

(iii) Pays to Principal a Plan-Level Management Fee, in accordance with Section II(a)(2)(iii), above, based on the total assets of such Client Plan under management by Principal at the plan-level, from which a credit has been subtracted from such Plan-Level Management Fee, where the amount subtracted represents such Client Plan's *pro rata* share of any Affiliated Fund-Level Advisory Fee paid to Principal by such Affiliated Fund; and does not pay directly to Principal or indirectly to Principal through the Collective Fund for the entire period of such investment any Collective Fund-Level Management Fee with respect to any assets of such Client Plan invested in such Collective Fund; or

(iv) Pays to Principal a ''Net'' Plan-Level Management Fee, in accordance with Section II(a)(2)(iii), above, from which a further credit has been subtracted from such ''Net'' Plan-Level Management Fee, where the amount of such further credit which is subtracted represents such Client Plan's *pro rata* share of any Affiliated Fund-Level Advisory Fee paid to Principal by such Affiliated Fund.

Provided that the conditions of this exemption are satisfied, the requirements of Section II(a)(1)(i)–(ii), and Section II(a)(3)(i)–(iv) do not preclude the payment of an Affiliated Fund-Level Advisory Fee by an Affiliated Fund to Principal under the terms of an investment advisory agreement adopted in accordance with section 15 of the Investment Company Act of 1940 (the Investment Company Act). Further, the requirements of Section II(a)(1)(i)–(ii), and Section II(a)(3)(i)–(iv) do not preclude the payment of a fee by an Affiliated Fund to Principal for the provision by Principal of Secondary Services to such Affiliated Fund under the terms of a duly adopted agreement between Principal and such Affiliated Fund.

For the purpose of Section II(a)(1)(ii), and Section II(a)(3)(ii)–(iv), in calculating a Client Plan's *pro rata* share of an Affiliated Fund-Level Advisory Fee, Principal must use an amount representing the ''gross'' advisory fee paid to Principal by such Affiliated Fund. For purposes of this paragraph, the ''gross'' advisory fee is the amount paid to Principal by such Affiliated Fund, including the amount paid by such Affiliated Fund to sub-advisers.

(b) The purchase price paid and the sales price received by a Client Plan for shares in an Affiliated Fund purchased or sold directly, and the purchase price paid and the sales price received by a Client Plan for shares in an Affiliated Fund purchased or sold indirectly through a Collective Fund, is the net asset value per share (NAV), as defined, below, in Section IV(f), at the time of the transaction, and is the same purchase price that would have been paid and the same sales price that would have been received for such shares by any other shareholder of the same class of shares in such Affiliated Fund at that time.[4]

(c) Principal, including any officer and any director of Principal, does not purchase any shares of an Affiliated Fund from and does not sell any shares of an Affiliated Fund to any Client Plan which invests directly in such Affiliated Fund, and Principal, including any officer and director of Principal, does not purchase any shares of any Affiliated Fund from and does not sell any shares of an Affiliated Fund to any Collective Fund in which a Client Plan invests indirectly in shares of such Affiliated Fund.

(d) No sales commissions, no redemption fees, and no other similar fees are paid in connection with any purchase and in connection with any sale by a Client Plan directly in shares of an Affiliated Fund, and no sales commissions, no redemption fees, and no other similar fees are paid by a Collective Fund in connection with any purchase and in connection with any sale of shares in an Affiliated Fund by a Client Plan indirectly through such Collective Fund. However, this Section II(d) does not prohibit the payment of a redemption fee, if:

(1) Such redemption fee is paid only to an Affiliated Fund; and

(2) The existence of such redemption fee is disclosed in the summary prospectus for such Affiliated Fund in effect both at the time of any purchase of shares in such Affiliated Fund and at the time of any sale of such shares.

(e) The combined total of all fees received by Principal is not in excess of reasonable compensation within the meaning of section 408(b)(2) of the Act, for services provided:

(1) By Principal to each Client Plan;

(2) By Principal to each Collective Fund in which a Client Plan invests;

(3) By Principal to each Affiliated Fund in which a Client Plan invests directly in shares of such Affiliated Fund; and

(4) By Principal to each Affiliated Fund in which a Client Plan invests indirectly in shares of such Affiliated Fund through a Collective Fund.

(f) Principal does not receive any fees payable pursuant to Rule 12b–1 under the Investment Company Act in connection with the transactions covered by this exemption;

(g) No Client Plan is an employee benefit plan sponsored or maintained by Principal.

(h)(1) In the case of a Client Plan investing directly in shares of an Affiliated Fund, a second fiduciary (the Second Fiduciary), as defined, below, in Section IV(h), acting on behalf of such Client Plan, receives, in writing, in advance of any investment by such Client Plan directly in shares of such Affiliated Fund, a full and detailed disclosure via first class mail or via personal delivery of (or, if the Second Fiduciary consents to such means of delivery, through electronic email, in accordance with Section II(q), as set forth, below) of information concerning such Affiliated Fund, including but not limited to the items listed, below:

(i) A current summary prospectus issued by each such Affiliated Fund;

(ii) A statement describing the fees, including the nature and extent of any differential between the rates of such fees for:

(A) Investment advisory and similar services to be paid to Principal by each Affiliated Fund;

(B) Secondary Services to be paid to Principal by each such Affiliated Fund; and

[4] The selection of a particular class of shares of an Affiliated Fund as an investment for a Client Plan indirectly through a Collective Fund is a fiduciary decision that must be made in accordance with the provisions of section 404(a) of the Act. In this exemption, the Department is not providing any relief for any fiduciary violations, pursuant to section 404 of the Act, or violations of the prohibited transaction provisions, as set forth in section 406 of the Act that may arise from the selection of one class of shares of an Affiliated Fund over another class of shares.

(C) All other fees to be charged by Principal to such Client Plan and to each such Affiliated Fund and all other fees to be paid to Principal by each such Client Plan and by each such Affiliated Fund;

(iii) The reasons why Principal may consider investment directly in shares of such Affiliated Fund by such Client Plan to be appropriate for such Client Plan;

(iv) A statement describing whether there are any limitations applicable to Principal with respect to which assets of such Client Plan may be invested directly in shares of such Affiliated Fund, and if so, the nature of such limitations; and

(v) Upon the request of the Second Fiduciary acting on behalf of such Client Plan, a copy of the Notice of Proposed Exemption (the Notice), a copy of the final exemption, if granted, and any other reasonably available information regarding the transactions which are the subject of this exemption.

(2) In the case of a Client Plan whose assets are proposed to be invested in a Collective Fund after such Collective Fund has begun investing in shares of an Affiliated Fund, a Second Fiduciary, acting on behalf of such Client Plan, receives, in writing, in advance of any investment by such Client Plan in such Collective Fund, a full and detailed disclosure via first class mail or via personal delivery (or, if the Second Fiduciary consents to such means of delivery, through electronic email, in accordance with Section II(q), as set forth, below) of information concerning such Collective Fund and information concerning each such Affiliated Fund in which such Collective Fund is invested, including but not limited to the items listed, below:

(i) A current summary prospectus issued by each such Affiliated Fund;

(ii) A statement describing the fees, including the nature and extent of any differential between the rates of such fees for:

(A) Investment advisory and similar services to be paid to Principal by each Affiliated Fund;

(B) Secondary Services to be paid to Principal by each such Affiliated Fund; and

(C) All other fees to be charged by Principal to such Client Plan, to such Collective Fund, and to each such Affiliated Fund and all other fees to be paid to Principal by such Client Plan, by such Collective Fund, and by each such Affiliated Fund;

(iii) The reasons why Principal may consider investment by such Client Plan in shares of each such Affiliated Fund indirectly through such Collective Fund to be appropriate for such Client Plan;

(iv) A statement describing whether there are any limitations applicable to Principal with respect to which assets of such Client Plan may be invested indirectly in shares of each such Affiliated Fund through such Collective Fund, and if so, the nature of such limitations;

(v) Upon the request of the Second Fiduciary, acting on behalf of such Client Plan, a copy of the Notice, a copy of the final exemption, if granted, and any other reasonably available information regarding the transactions which are the subject of this exemption; and

(vi) A copy of the organizational documents of such Collective Fund which expressly provide for the addition of one or more Affiliated Funds to the portfolio of such Collective Fund.

(3) In the case of a Client Plan whose assets are proposed to be invested in a Collective Fund before such Collective Fund has begun investing in shares of any Affiliated Fund, a Second Fiduciary, acting on behalf of such Client Plan, receives, in writing, in advance of any investment by such Client Plan in such Collective Fund, a full and detailed disclosure via first class mail or via personal delivery (or, if the Second Fiduciary consents to such means of delivery, through electronic email, in accordance with Section II(q), as set forth, below) of information, concerning such Collective Fund, including but not limited to the items listed, below:

(i) A statement describing the fees, including the nature and extent of any differential between the rates of such fees for all fees to be charged by Principal to such Client Plan and to such Collective Fund and all other fees to be paid to Principal by such Client Plan, and by such Collective Fund;

(ii) Upon the request of the Second Fiduciary, acting on behalf of such Client Plan, a copy of the Notice, a copy of the final exemption, if granted, and any other reasonably available information regarding the transactions which are the subject of this exemption; and

(iii) A copy of the organizational documents of such Collective Fund which expressly provide for the addition of one or more Affiliated Funds to the portfolio of such Collective Fund.

(i) On the basis of the information described, above, in Section II(h), a Second Fiduciary, acting on behalf of a Client Plan:

(1) Authorizes in writing the investment of the assets of such Client Plan, as applicable:

(i) Directly in shares of an Affiliated Fund;

(ii) Indirectly in shares of an Affiliated Fund through a Collective Fund where such Collective Fund has already invested in shares of an Affiliated Fund; and

(iii) In a Collective Fund which is not yet invested in shares of an Affiliated Fund but whose organizational document expressly provides for the addition of one or more Affiliated Funds to the portfolio of such Collective Fund; and

(2) Authorizes in writing, as applicable:

(i) The Affiliated Fund-Level Advisory Fee received by Principal for investment advisory services and similar services provided by Principal to such Affiliated Fund;

(ii) The fee received by Principal for Secondary Services provided by Principal to such Affiliated Fund;

(iii) The Collective Fund-Level Management Fee received by Principal for investment management, investment advisory, and similar services provided by Principal to such Collective Fund in which such Client Plan invests;

(iv) The Plan-Level Management Fee received by Principal for investment management and similar services provided by Principal to such Client Plan at the plan-level; and

(v) The selection by Principal of the applicable fee method, as described, above, in Section II(a)(1)–(3).

All authorizations made by a Second Fiduciary, pursuant to this Section II(i), must be consistent with the responsibilities, obligations, and duties imposed on fiduciaries by Part 4 of Title I of the Act;

(j)(1) Any authorization, described, above, in Section II(i), and any authorization made pursuant to negative consent, as described, below, in Section II(k) and in Section II(l), made by a Second Fiduciary, acting on behalf of a Client Plan, shall be terminable at will by such Second Fiduciary, without penalty to such Client Plan, upon receipt by Principal via first class mail, via personal delivery, or via electronic email of a written notification of the intent of such Second Fiduciary to terminate any such authorization.

(2) A form (the Termination Form) expressly providing an election to terminate any authorization, described, above, in Section II(i), or to terminate any authorization made pursuant to negative consent, as described, below, in Section II(k) and in Section II(l), with instructions on the use of such Termination Form must be provided to such Second Fiduciary at least annually, either in writing via first class mail or

via personal delivery (or if such Second Fiduciary consents to such means of delivery, through electronic email, in accordance with Section II(q), as set forth, below). However, if a Termination Form has been provided to such Second Fiduciary, pursuant to Section II(k) or pursuant to Section II(l), below, then a Termination Form need not be provided again, pursuant to this Section II(j), until at least six (6) months but no more than twelve (12) months have elapsed, since a Termination Form was provided;

(3) The instructions for the Termination Form must include the following statements:

(i) Any authorization, described, above, in Section II(i), and any authorization made pursuant to negative consent, as described, below, in Section II(k) or in Section II(l), is terminable at will by a Second Fiduciary, acting on behalf of a Client Plan, without penalty to such Client Plan, upon receipt by Principal via first class mail or via personal delivery or via electronic email of the Termination Form, or some other written notification of the intent of such Second Fiduciary to terminate such authorization;

(ii) Within 30 days from the date the Termination Form is sent to such Second Fiduciary by Principal, the failure by such Second Fiduciary to return such Termination Form or the failure by such Second Fiduciary to provide some other written notification of the Client Plan's intent to terminate any authorization, described in Section II(i), or intent to terminate any authorization made pursuant to negative consent, as described, below, in Section II(k) or in Section II(l), will be deemed to be an approval by such Second Fiduciary;

(4) In the event that a Second Fiduciary, acting on behalf of a Client Plan, at any time returns a Termination Form or returns some other written notification of intent to terminate any authorization, as described, above, in Section II(i), or intent to terminate any authorization made pursuant to negative consent, as described, below, in Section II(k) or in Section II(l);

(i)(A) In the case of a Client Plan which invests directly in shares of an Affiliated Fund, the termination will be implemented by the withdrawal of all investments made by such Client Plan in the affected Affiliated Fund, and such withdrawal will be effected by Principal within one (1) business day of the date that Principal receives such Termination Form or receives from the Second Fiduciary, acting on behalf of such Client Plan, some other written notification of intent to terminate any such authorization;

(B) From the date a Second Fiduciary, acting on behalf of a Client Plan that invests directly in shares of an Affiliated Fund, returns a Termination Form or returns some other written notification of intent to terminate such Client Plan's investment in such Affiliated Fund, such Client Plan will not be subject to pay a *pro rata* share of any Affiliated Fund-Level Advisory Fee and will not be subject to pay any fees for Secondary Services paid to Principal by such Affiliated Fund;

(ii)(A) In the case of a Client Plan which invests in a Collective Fund, the termination will be implemented by the withdrawal of such Client Plan from all investments in such affected Collective Fund, and such withdrawal will be implemented by Principal within such time as may be necessary for withdrawal in an orderly manner that is equitable to the affected withdrawing Client Plan and to all non-withdrawing Client Plans, but in no event shall such withdrawal be implemented by Principal more than five (5) business days after the day Principal receives from the Second Fiduciary, acting on behalf of such withdrawing Client Plan, a Termination Form or receives some other written notification of intent to terminate the investment of such Client Plan in such Collective Fund, unless such withdrawal is otherwise prohibited by a governmental entity with jurisdiction over the Collective Fund, or the Second Fiduciary fails to instruct Principal as to where to reinvest or send the withdrawal proceeds; and

(B) From the date Principal receives from a Second Fiduciary, acting on behalf of a Client Plan, that invests in a Collective Fund, a Termination Form or receives some other written notification of intent to terminate such Client Plan's investment in such Collective Fund, such Client Plan will not be subject to pay a *pro rata* share of any fees arising from the investment by such Client Plan in such Collective Fund, including any Collective Fund-Level Management Fee, nor will such Client Plan be subject to any other charges to the portfolio of such Collective Fund, including a *pro rata* share of any Affiliated Fund-Level Advisory Fee and any fee for Secondary Services arising from the investment by such Collective Fund in an Affiliated Fund.

(k)(1) Principal, at least thirty (30) days in advance of the implementation of each fee increase (Fee Increase(s)), as defined, below, in Section IV(l), must provide, in writing via first class mail or via personal delivery (or if the Second Fiduciary consents to such means of delivery, through electronic email, in accordance with Section II(q), as set forth, below), a notice of change in fees (the Notice of Change in Fees) (which may take the form of a proxy statement, letter, or similar communication which is separate from the summary prospectus of such Affiliated Fund) and which explains the nature and the amount of such Fee Increase to the Second Fiduciary of each affected Client Plan. Such Notice of Change in Fees shall be accompanied by a Termination Form and by instructions on the use of such Termination Form, as described, above, in Section II(j)(3);

(2) For each Client Plan affected by a Fee Increase, Principal may implement such Fee Increase without waiting for the expiration of the 30-day period, described, above, in Section II(k)(1), provided Principal does not begin implementation of such Fee Increase before the first day of the 30-day period, described, above in Section II(k)(1), and provided further that the following conditions are satisfied:

(i) Principal delivers, in the manner described in Section II(k)(1), to the Second Fiduciary for each affected Client Plan, the Notice of Change of Fees, as described in Section II(k)(1), accompanied by the Termination Form and by instructions on the use of such Termination Form, as described, above, in Section II(j)(3);

(ii) Each affected Client Plan receives from Principal a credit in cash equal to each such Client Plan's *pro rata* share of such Fee Increase to be received by Principal for the period from the date of the implementation of such Fee Increase to the earlier of:

(A) The date when an affected Client Plan, pursuant to Section II(j), terminates any authorization, as described, above, in Section II(i), or, terminates any negative consent authorization, as described, in Section II(k) or in Section II(l); or

(B) The 30th day after the day that Principal delivers to the Second Fiduciary of each affected Client Plan the Notice of Change of Fees, described in Section II(k)(1), accompanied by the Termination Form and by the instructions on the use of such Termination Form, as described, above, in Section II(j)(3).

(iii) Principal pays to each affected Client Plan the cash credit, described, above, in Section II(k)(2)(ii), with interest thereon, no later than five (5) business days following the earlier of:

(A) The date such affected Client Plan, pursuant to Section II(j), terminates any authorization, as described, above, in Section II(i), or terminates, any negative consent

authorization, as described, in Section II(k) or in Section II(l); or

(B) The 30th day after the day that Principal delivers to the Second Fiduciary of each affected Client Plan, the Notice of Change of Fees, described in Section II(k)(1), accompanied by the Termination Form and instructions on the use of such Termination Form, as described, above, in Section II(j)(3);

(iv) Interest on the credit in cash is calculated at the prevailing Federal funds rate plus two percent (2%) for the period from the day Principal first implements the Fee Increase to the date Principal pays such credit in cash, with interest thereon, to each affected Client Plan;

(v) An independent accounting firm (the Auditor) at least annually audits the payments made by Principal to each affected Client Plan, audits the amount of each cash credit, plus the interest thereon, paid to each affected Client Plan, and verifies that each affected Client Plan received the correct amount of cash credit and the correct amount of interest thereon;

(vi) Such Auditor issues an audit report of its findings no later than six (6) months after the period to which such audit report relates, and provides a copy of such audit report to the Second Fiduciary of each affected Client Plan; and

(3) Within 30 days from the date Principal sends to the Second Fiduciary of each affected Client Plan, the Notice of Change of Fees and the Termination Form, the failure by such Second Fiduciary to return such Termination Form and the failure by such Second Fiduciary to provide some other written notification of the Client Plan's intent to terminate the authorization, described in Section II(i), or to terminate the negative consent authorization, as described, in Section II(k) or in Section II(l), will be deemed to be an approval by such Second Fiduciary of such Fee Increase.

(l) Effective on the date the final exemption is granted, in the case of a Client Plan which has received the disclosures, as set forth, above, in Section II(h)(2)(i), II(h)(2)(ii)(A), II(h)(2)(ii)(B), II(h)(2)(ii)(C), II(h)(2)(iii), II(h)(2)(iv), II(h)(2)(v), and II(h)(2)(vi), and has authorized the investment by a Client Plan in a Collective Fund, in accordance with Section II(i)(1)(ii), above; and, as applicable, effective on the date the final exemption is granted, in the case of a Client Plan which has received the disclosures, as set forth, above, in Section II(h)(3)(i), II(h)(3)(ii), and II(h)(3)(iii), and has authorized the investment by a Client Plan in a Collective Fund, in accordance with Section II(i)(1)(iii), above, then, the authorization, pursuant to negative consent, in accordance with this Section II(l), applies to:

(1) The purchase, as an addition to the portfolio of such Collective Fund, of shares of an Affiliated Fund (a New Affiliated Fund) where such New Affiliated Fund has not been previously authorized, pursuant to Section II(i)(1)(ii) or, as applicable, Section II(i)(1)(iii), above, and such Collective Fund may commence investing in such New Affiliated Fund without further written authorization from the Second Fiduciary of each Client Plan invested in such Collective Fund provided that:

(i) The organizational documents of such Collective Fund expressly provide for the addition of one or more Affiliated Funds to the portfolio of such Collective Fund, and such documents were disclosed in writing via first class mail or via personal delivery (or, if the Second Fiduciary consents to such means of delivery, through electronic email, in accordance with Section II(q), as set forth, below) to the Second Fiduciary of each such Client Plan invested in such Collective Fund, in advance of any investment by such Client Plan in such Collective Fund;

(ii) At least thirty (30) days in advance of the purchase by a Client Plan of shares of such New Affiliated Fund indirectly through a Collective Fund, Principal provides, either in writing via first class or via personal delivery (or if the Second Fiduciary consents to such means of delivery, through electronic email, in accordance with Section II(q), as set forth, below), to the Second Fiduciary of each Client Plan having an interest in such Collective Fund, full and detailed disclosures about such New Affiliated Fund, including but not limited to:

(A) A notice of Principal's intent to add a New Affiliated Fund to the portfolio of such Collective Fund. Such notice may take the form of a proxy statement, letter, or similar communication that is separate from the summary prospectus of such New Affiliated Fund to the Second Fiduciary of each affected Client Plan;

(B) Such notice of Principal's intent to add a New Affiliated Fund to the portfolio of such Collective Fund shall be accompanied by the information, as described, above, in Section II(h)(2)(i), II(h)(2)(ii)(A), II(h)(2)(ii)(B), II(h)(2)(ii)(C), II(h)(2)(iii), II(h)(2)(iv), and II(2)(v) with respect to each such New Affiliated Fund to be added to the portfolio of such Collective Fund; and

(C) A Termination Form, and instructions on the use of such Termination Form, as described, above, in Section II(j)(3); and

(2) Within 30 days from the date Principal sends to the Second Fiduciary of each affected Client Plan, the information described, above, in Section II(l)(1)(ii), the failure by such Second Fiduciary to return the Termination Form or to provide some other written notification of the Client Plan's intent to terminate the authorization, described in Section II(i)(1)(ii), or, as appropriate, to terminate the authorization, described in Section II(i)(1)(iii), or to terminate any authorization, pursuant to negative consent, as described, in this Section II(l), will be deemed to be an approval by such Second Fiduciary of the addition of a New Affiliated Fund to the portfolio of such Collective Fund in which such Client Plan invests, and will result in the continuation of the authorization of Principal to engage in the transactions which are the subject of this exemption with respect to such New Affiliated Fund.

(m) Principal is subject to the requirement to provide within a reasonable period of time any reasonably available information regarding the covered transactions that the Second Fiduciary of such Client Plan requests Principal to provide.

(n) All dealings between a Client Plan and an Affiliated Fund, including all such dealings when such Client Plan is invested directly in shares of such Affiliated Fund and when such Client Plan is invested indirectly in such shares of such Affiliated Fund through a Collective Fund, are on a basis no less favorable to such Client Plan, than dealings between such Affiliated Fund and other shareholders of the same class of shares in such Affiliated Fund.

(o) In the event a Client Plan invests directly in shares of an Affiliated Fund, and, as applicable, in the event a Client Plan invests indirectly in shares of an Affiliated Fund through a Collective Fund, if such Affiliated Fund places brokerage transactions with Principal, Principal will provide to the Second Fiduciary of each such Client Plan, so invested, at least annually a statement specifying:

(1) The total, expressed in dollars of brokerage commissions that are paid to Principal by each such Affiliated Fund;

(2) The total, expressed in dollars, of brokerage commissions that are paid by each such Affiliated Fund to brokerage firms unrelated to Principal;

(3) The average brokerage commissions per share, expressed as cents per share, paid to Principal by each such Affiliated Fund; and

(4) The average brokerage commissions per share, expressed as

cents per share, paid by each such Affiliated Fund to brokerage firms unrelated to Principal.

(p)(1) Principal provides to the Second Fiduciary of each Client Plan invested directly in shares of an Affiliated Fund, with the disclosures, as set forth, below, and at the times set forth below, in Section II(p)(1)(i), II(p)(1)(ii), II(p)(1)(iii), II(p)(1)(iv), and II(p)(1)(v), either in writing via first class mail or via personal delivery (or if the Second Fiduciary consents to such means of delivery, through electronic email, in accordance with Section II(q), as set forth, below);

(i) Annually, with a copy of the current summary prospectus for each Affiliated Fund in which such Client Plan invests directly in shares of such Affiliated Fund;

(ii) Upon the request of such Second Fiduciary, a copy of the statement of additional information for each Affiliated Fund in which such Client Plan invests directly in shares of such Affiliated Fund which contains a description of all fees paid by such Affiliated Fund to Principal;

(iii) With regard to any Fee Increase received by Principal, pursuant to Section II(k)(2), above, a copy of the audit report referred to in Section II(k)(2)(v), above, within sixty (60) days of the completion of such audit report;

(iv) Oral or written responses to the inquiries posed by the Second Fiduciary of such Client Plan, as such inquiries arise; and

(v) Annually, with a Termination form, as described in Section II(j)(1), and instructions on the use of such form, as described in Section II(j)(3), except that if a Termination Form has been provided to such Second Fiduciary, pursuant to Section II(k) or pursuant to Section II(l), above, then a Termination Form need not be provided again, pursuant to this Section II(p)(1)(v), until at least six (6) months but no more than twelve (12) months have elapsed, since a Termination Form was provided.

(2) Principal provides to the Second Fiduciary of each Client Plan invested in a Collective Fund, with the disclosures, as set forth, below, and at the times set forth below, in Section II(p)(2)(i), II(p)(2)(ii), II(p)(2)(iii), II(p)(2)(iv), II(p)(2)(v), II(p)(2)(vi), II(p)(2)(vii), and II(p)(2)(viii), either in writing via first class mail or via personal delivery (or if the Second Fiduciary consents to such means of delivery, through electronic email, in accordance with Section II(q), as set forth, below);

(i) Annually, with a copy of the current summary prospectus for each Affiliated Fund in which such Client Plan invests indirectly in shares of such Affiliated Fund thorough each such Collective Fund;

(ii) Upon the request of such Second Fiduciary, a copy of the statement of additional information for each Affiliated Fund in which such Client Plan invests indirectly in shares of such Affiliated Fund thorough each such Collective Fund which contains a description of all fees paid by such Affiliated Fund to Principal;

(iii) Annually, with a statement of the Collective Fund-Level Management Fee for investment management, investment advisory or similar services paid to Principal by each such Collective Fund, regardless of whether such Client Plan invests in shares of an Affiliated Fund through such Collective Fund;

(iv) A copy of the annual financial statement of each such Collective Fund in which such Client Plan invests, regardless of whether such Client Plan invests in shares of an Affiliated Fund through such Collective Fund, within sixty (60) days of the completion of such financial statement;

(v) With regard to any Fee Increase received by Principal, pursuant to Section II(k)(2), above, a copy of the audit report referred to in Section II(k)(2)(v), above, within sixty (60) days of the completion of such audit report;

(vi) Oral or written responses to the inquiries posed by the Second Fiduciary of such Client Plan, as such inquiries arise;

(vii) For each Client Plan invested indirectly in shares of an Affiliated Fund through a Collective Fund, a statement of the approximate percentage (which may be in the form of a range) on an annual basis of the assets of such Collective Fund that was invested in Affiliated Funds during the applicable year; and

(viii) Annually, with a Termination Form, as described in Section II(j)(1), and instructions on the use of such form, as described in Section II(j)(3), except that if a Termination Form has been provided to such Second Fiduciary, pursuant to Section II(k) or pursuant to Section II(l), above, then a Termination Form need not be provided again, pursuant to this Section II(p)(2)(viii), until at least six (6) months but no more than twelve (12) months have elapsed, since a Termination Form was provided.

(q) Any disclosure required, herein, to be made by Principal to a Second Fiduciary may be delivered by electronic email containing direct hyperlinks to the location of each such document required to be disclosed, which are maintained on a Web site by Principal, provided:

(1) Principal obtains from such Second Fiduciary prior consent in writing to the receipt by such Second Fiduciary of such disclosure via electronic email;

(2) Such Second Fiduciary has provided to Principal a valid email address; and

(3) The delivery of such electronic email to such Second Fiduciary is provided by Principal in a manner consistent with the relevant provisions of the regulations of the Department of Labor (the Department) at 29 CFR section 2520.104b–1(c) (substituting the word, ''Principal,'' for the word, ''administrator,'' as set forth therein, and substituting the phrase, ''Second Fiduciary,'' for the phrase, ''the participant, beneficiary or other individual,'' as set forth therein).

Section III—General Conditions

(a) Principal maintains for a period of six (6) years the records necessary to enable the persons described, below, in Section III(b) to determine whether the conditions of this exemption have been met, except that:

(1) A prohibited transaction will not be considered to have occurred, if solely because of circumstances beyond the control of Principal, the records are lost or destroyed prior to the end of the six-year period; and

(2) No party in interest other than Principal shall be subject to the civil penalty that may be assessed under section 502(i) of the Act or to the taxes imposed by section 4975(a) and (b) of the Code, if the records are not maintained or are not available for examination as required by Section III(b); below.

(b)(1) Except as provided in Section III(b)(2) and notwithstanding any provisions of section 504(a)(2) of the Act, the records referred to in Section III(a) are unconditionally available at their customary location for examination during normal business hours by—

(i) Any duly authorized employee or representative of the Department or the Internal Revenue Service, or the Securities & Exchange Commission;

(ii) Any fiduciary of a Client Plan invested directly in shares of an Affiliated Fund, any fiduciary of a Client Plan who has the authority to acquire or to dispose of the interest in a Collective Fund in which a Client Plan invests, any fiduciary of a Client Plan invested indirectly in an Affiliated Fund through a Collective Fund where such fiduciary has the authority to acquire or to dispose of the interest in such

Collective Fund, and any duly authorized employee or representative of such fiduciary; and

(iii) Any participant or beneficiary of a Client Plan invested directly in shares of an Affiliated Fund or invested in a Collective Fund, and any participant or beneficiary of a Client Plan invested indirectly in shares of an Affiliated Fund through a Collective Fund, and any representative of such participant or beneficiary; and

(2) None of the persons described in Section III(b)(1)(ii) and (iii) shall be authorized to examine trade secrets of Principal, or commercial or financial information which is privileged or confidential.

Section IV—Definitions

For purposes of this exemption:

(a) The term, ''Principal,'' means Principal Trust, Principal Life, and any affiliate thereof, as defined, below, in Section IV(c).

(b) The term, ''Client Plan(s),'' means a 401(k) plan(s), an individual retirement account(s), other tax-qualified plan(s), and other plan(s) as defined in the Act and Code, but does not include any employee benefit plan sponsored or maintained by Principal, as defined, above, in Section IV(a).

(c) An ''affiliate'' of a person includes:

(1) Any person directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the person;

(2) Any officer, director, employee, relative, or partner in any such person; and

(3) Any corporation or partnership of which such person is an officer, director, partner, or employee.

(d) The term, ''control,'' means the power to exercise a controlling influence over the management or policies of a person other than an individual.

(e) The term, ''Affiliated Fund(s),'' means Principal Funds, Inc., a series of mutual funds managed by Principal Management Corporation, an affiliate of Principal, as defined, above in Section IV(c), and any other diversified open-end investment company or companies registered with the Securities and Exchange Commission under the Investment Company Act and operated in accordance with Rule 2a–7 under the Investment Company Act, as amended, established and maintained by Principal now or in the future for which Principal serves as an investment adviser.

(f) The term, ''net asset value per share,'' and the term, ''NAV,'' mean the amount for purposes of pricing all purchases and sales of shares of an Affiliated Fund, calculated by dividing the value of all securities, determined by a method as set forth in the summary prospectus for such Affiliated Fund and in the statement of additional information, and other assets belonging to such Affiliated Fund or portfolio of such Affiliated Fund, less the liabilities charged to each such portfolio or each such Affiliated Fund, by the number of outstanding shares.

(g) The term, ''relative,'' means a relative as that term is defined in section 3(15) of the Act (or a member of the family as that term is defined in section 4975(e)(6) of the Code), or a brother, a sister, or a spouse of a brother or a sister.

(h) The term, ''Second Fiduciary,'' means the fiduciary of a Client Plan who is independent of and unrelated to Principal. For purposes of this exemption, the Second Fiduciary will not be deemed to be independent of and unrelated to Principal if:

(1) Such Second Fiduciary, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with Principal;

(2) Such Second Fiduciary, or any officer, director, partner, employee, or relative of such Second Fiduciary, is an officer, director, partner, or employee of Principal (or is a relative of such person); or

(3) Such Second Fiduciary, directly or indirectly, receives any compensation or other consideration for his or her personal account in connection with any transaction described in this exemption.

If an officer, director, partner, or employee of Principal (or relative of such person) is a director of such Second Fiduciary, and if he or she abstains from participation in:

(i) The decision of a Client Plan to invest in and to remain invested in shares of an Affiliated Fund directly, the decision of a Client Plan to invest in shares of an Affiliated Fund indirectly through a Collective Fund, and the decision of a Client Plan to invest in a Collective Fund that may in the future invest in shares of an Affiliated Fund;

(ii) Any authorization in accordance with Section II(i), and any authorization, pursuant to negative consent, as described in Section II(k) or in Section II(l); and

(iii) The choice of such Client Plan's investment adviser; then Section IV(h)(2), above, shall not apply.

(i) The term, ''Secondary Service(s),'' means a service or services other than an investment management service, investment advisory service, and any similar service which is provided by Principal to an Affiliated Fund, including but not limited to custodial, accounting, administrative services, and brokerage services. Principal may also serve as a dividend disbursing agent, shareholder servicing agent, transfer agent, fund accountant, or provider of some other Secondary Service, as defined, in this Section IV(i).

(j) The term, ''Collective Fund(s),'' means a separate account of an insurance company, as defined in section 2510.3–101(h)(1)(iii) of the Department's plan assets regulations,[5] maintained by Principal, and a bank-maintained common or collective investment trust maintained by Principal.

(k) The term, ''business day,'' means any day that

(1) Principal is open for conducting all or substantially all of its business; and

(2) The New York Stock Exchange (or any successor exchange is open for trading.

(l) The term, ''Fee Increase(s),'' includes any increase by Principal in a rate of a fee, previously authorized in writing by the Second Fiduciary of each affected Client Plan, pursuant to Section II(i)(2)(i)–(iv), above, and in addition includes, but is not limited to:

(1) Any increase in any fee that results from the addition of a service for which a fee is charged;

(2) Any increase in any fee that results from a decrease in the number of services and any increase in any fee that results from a decrease in the kind of service(s) performed by Principal for such fee over an existing rate of fee for each such service previously authorized by the Second Fiduciary, in accordance with Section II(i)(2)(i)–(iv), above; and

(3) Any increase in any fee that results from Principal changing from one of the fee methods, as described, above, in Section II(a)(1)–(3), to using another of the fee methods, as described, above, in Section II(a)(1)–(3).

(m) The term, ''Plan-Level Management Fee,'' includes any investment management fee, investment advisory fee, and any similar fee paid by a Client Plan to Principal for any investment management services, investment advisory services, and similar services provided by Principal to such Client Plan at the plan-level. The term, ''Plan-Level Management Fee'' does not include a separate fee paid by a Client Plan to Principal for asset allocation service(s) (Asset Allocation Service(s)), as defined, below, in Section

[5] 51 FR 41262 (November 13, 1986).

IV(p), provided by Principal to such Client Plan at the plan-level.[6]

(n) The term, ''Collective Fund-Level Management Fee,'' includes any investment management fee, investment advisory fee, and any similar fee paid by a Collective Fund to Principal for any investment management services, investment advisory services, and any similar services provided by Principal to such Collective Fund at the collective fund level.

(o) The term, ''Affiliated Fund-Level Advisory Fee'' includes any investment advisory fee and any similar fee paid by an Affiliated Fund to Principal under the terms of an investment advisory agreement adopted in accordance with section 15 of the Investment Company Act.

(p) The term, ''Asset Allocation Service(s),'' means a service or services to a Client Plan relating to the selection of appropriate asset classes or target-date ''glidepath,'' and the allocation or reallocation (including rebalancing) of the assets of a Client Plan among the selected asset classes. Such services do not include the management of the underlying assets of a Client Plan, the selection of specific funds or managers, and the management of the selected Affiliated Funds or Collective Funds.

Effective Date: This exemption is effective as of the date of the publication of the final exemption in the **Federal Register**.

Written Comments

In the Notice, the Department invited all interested persons to submit written comments and requests for a hearing within 45 days of the date of the publication of the Notice in the **Federal Register** on December 13, 2011. All comments and requests for hearing were due by January 27, 2012. During the comment period, the Department received no requests for hearing. However, the Department did receive a comment (the Original Comment) from the Applicants via an email, dated January 27, 2012. In the email, the Applicants requested certain modifications to the language of three (3) of the conditions of the exemption, as set forth in the Notice. Subsequently, after further consideration, the Applicants, in a letter dated March 19, 2012, amended the Original Comment (the Amended Comment). The Applicants' Amended Comment is discussed in paragraphs 1–3, below, in an order that corresponds to the appearance of the relevant language in the Notice.

1. The Applicants have requested a modification to the language of Section II(j)(4)(ii)(A), as set forth on page 77601, column 3, lines 10–30 of the Notice. Section II(j)(4)(ii)(A) in the Notice reads, as follows:

> In the case of a Client Plan which invests in a Collective Fund, the termination will be implemented by the withdrawal of such Client Plan from all investments in such affected Collective Fund, and such withdrawal will be implemented by Principal within such time as may be necessary for withdrawal in an orderly manner that is equitable to the affected withdrawing Client Plan and to all non-withdrawing Client Plans, but in no event shall such withdrawal be implemented by Principal more than five (5) business days after the day Principal receives from the Second Fiduciary, acting on behalf of such withdrawing Client Plan, a Termination Form or receives some other written notification of intent to terminate the investment of such Client Plan in such Collective Fund.

In the comment letter, the Applicants agreed to accept the condition of a firm five (5) business day limitation on withdrawals from any Collective Fund that is operating in reliance on this exemption. However, Principal requests that this condition be waived in the event that (a) any governmental authority forbids Principal from distributing the funds within five (5) days due to an emergency (*e.g.,* a market closure); or (b) the withdrawing Client Plan fails to direct Principal as to where to reinvest or send the withdrawal proceeds. Principal also requests that if the Second Fiduciary specifies an effective date for the withdrawal that is later than the date the Termination Form is delivered to Principal that Principal may treat such later date as the date of receipt.

In order to clarify the language, as set forth in Section II(j)(4)(ii)(A) in the Notice, the Applicants request that the language of Section II(j)(4)(ii)(A) in the exemption be amended as follows:

> In the case of a Client Plan which invests in a Collective Fund, the termination will be implemented by the withdrawal of such Client Plan from all investments in such affected Collective Fund, and such withdrawal will be implemented by Principal within such time as may be necessary for withdrawal in an orderly manner that is equitable to the affected withdrawing Client Plan and to all non-withdrawing Client Plans, but in no event shall such withdrawal be implemented by Principal more than five (5) business days after the day Principal receives from the Second Fiduciary, acting on behalf of such withdrawing Client Plan, a Termination Form or receives some other written notification of intent to terminate the investment of such Client Plan in such Collective Fund, unless such withdrawal is otherwise prohibited by a governmental entity with jurisdiction over the Collective Fund, or the Second Fiduciary fails to instruct Principal as to where to reinvest or send the withdrawal proceeds;

The Department concurs, and accordingly, language of Section II(j)(4)(ii)(A) in the exemption has been amended, as requested by the Applicants.

2. The Applicants have requested deletion of the language of Section II(j)(4)(ii)(B), as set forth on page 77601, column 3, lines 31–45 of the Notice. Section II(j)(4)(ii)(B) in the Notice reads, as follows:

> Principal will pay to such withdrawing Client Plan interest on the settlement amount calculated at the prevailing Federal funds rate plus two percent (2%) for the period from the day Principal receives from the Second Fiduciary, acting on behalf of such withdrawing Client Plan, a Termination Form or receives some other written notification of intent to terminate the investment of such Client Plan in such Collective Fund, to the date Principal pays such settlement amount in cash, with interest thereon, to such withdrawing Client Plan.

In the comment letter, the Applicants agreed to accept the condition of a firm five (5) business day limitation on withdrawals from any Collective Fund, as set forth in Section II(j)(4)(ii)(A) of this exemption, subject to the elimination of the requirement that the Applicants pay interest during such five business day period.

The Department concurs, and accordingly, Section II(j)(4)(ii)(B), as set forth in the Notice, has been deleted from this exemption.

3. The Applicants have requested a modification to the language of Section II(j)(4)(ii)(C), as set forth on page 77601, column 3, lines 46–61 of the Notice. Section II(j)(4)(ii)(C) in the Notice reads, as follows:

> From the date a Second Fiduciary, acting on behalf of a Client Plan that invests in a Collective Fund, returns a Termination Form or returns some other written notification of intent to terminate such Client Plan's investment in such Collective Fund, such Client Plan will not be subject to pay a *pro rata* share of any Collective Fund-Level Management Fee, nor will such Client Plan be subject to any other changes to the portfolio of such Collective Fund, including a *pro rata* share of any Affiliated Fund-Level Advisory Fee arising from the investment by such Collective Fund in an Affiliated Fund.

[6] For the receipt by Principal from a Client Plan of a fee for Asset Allocation Services provided by Principal to such Client Plan at the plan-level, Principal relies on the relief provided by the statutory exemption, as set forth in section 408(b)(2) of the Act and the Department's regulations, pursuant to 29 CFR 2550.408b–2. The Department is offering no view, herein, as to whether the receipt by Principal of such an asset allocation fee is covered by such statutory exemption, nor is the Department, herein, offering any view as to whether Principal satisfies the conditions set forth in such statutory exemption.

In this regard, the Applicants acknowledge that a Client Plan which timely returns a Termination Form or other notice of termination in proper form (*e.g.,* with sufficient information to implement the intent of such Client Plan) will be entitled to receive the NAV of the Collective Fund ''as of'' the close of business on the date of receipt by Principal of notice of termination—even if the funds are not distributed for up to five (5) business days. The Applicants further acknowledge that this would mean that no further charges—whether directly at the Collective Fund-Level or indirectly at the Affiliated Fund-Level will be incurred from and after the effective date of the receipt of the notification of termination by Principal. Accordingly, in order to clarify the language, as set forth in Section II(j)(4)(ii)(C) in the Notice, the Applicants request that Section II(j)(4)(ii)(C) be renumbered as Section II(j)(4)(ii)(B) and that the word, ''changes,'' as set forth on page 77601, column 3, line 56 the Notice be amended to the word, ''charges.''

The Department concurs, with the Applicants' requested amendments to Section II(j)((4)(ii)(C). In addition, the Department wishes to clarify that the effective date of a withdrawal request is the day Principal receives notification of termination from a withdrawing Client Plan. Further, the Department wishes to clarify that a withdrawing Client Plan, in addition to not being subject to pay a *pro rata* share of any fees arising from the investment by such Client Plan in such Collective Fund, and any Affiliated Fund-Level Advisory Fee arising from such Collective Fund investing in an Affiliated Fund, a withdrawing Client Plan will not be subject to pay a *pro rata* share of any fee for Secondary Services arising from the investment by such Collective Fund in such Affiliated Fund. Accordingly, the Department has amended the language of Section II(j)(4)(ii)(C), as set forth in, on page 77601, column 3, lines 46–61 of the Notice, as follows:

From the date Principal receives from a Second Fiduciary, acting on behalf of a Client Plan, that invests in a Collective Fund, a Termination Form or receives some other written notification of intent to terminate such Client Plan's investment in such Collective Fund, such Client Plan will not be subject to pay a *pro rata* share of any fees arising from the investment by such Client Plan in such Collective Fund, including any Collective Fund-Level Management Fee, nor will such Client Plan be subject to any other charges to the portfolio of such Collective Fund, including a *pro rata* share of any Affiliated Fund-Level Advisory Fee and any fee for Secondary Services arising from the investment by such Collective Fund in an Affiliated Fund.

In addition to the changes to the language of the final exemption requested by the Applicants, as discussed above, the Department has decided to clarify the language of several sections of the final exemption. The amended language of each of these sections is set forth in paragraphs 4–8, below.

4. Section II(a)(2)(ii), as set forth in the Notice at page 77599, column 1, lines 33–37, has been deleted. Section II(a)(2)(ii) in the final exemption reads, as follows:

does not pay directly to Principal or indirectly to Principal through the Collective Fund for the entire period of such investment any Collective Fund-Level Management Fee with respect to any assets of such Client Plan invested in such Collective Fund.

5. Section II(a)(3)(i), as set forth in the Notice at page 77599, column 1, lines 64–69 and column 2, lines 1–4, has been deleted. Section II(a)(3)(i) in the final exemption reads, as follows:

does not pay to Principal for the entire period of such investment any a Plan-Level Management Fee (including any ''Net'' Plan-Level Management Fee, as described, above, in Section II(a)(2)(iii)), and does not pay directly to Principal or indirectly to Principal through the Collective Fund for the entire period of such investment any Collective Fund-Level Management Fee with respect to the assets of such Client Plan which are invested in such Affiliated Fund; or

6. Section II(a)(3)(ii), as set forth in the Notice at page 77599, column 2, lines 9–25, has been deleted. Section II(a)(3)(ii) in the final exemption reads, as follows:

pays indirectly to Principal through the Collective Fund a Collective Fund-Level Management Fee, in accordance with Section II(a)(2)(i), above, based on the total assets of such Client Plan invested in such Collective Fund, from which a credit has been subtracted from such Collective Fund-Level Management Fee, where the amount subtracted represents such Client Plan's *pro rata* share of any Affiliated Fund-Level Advisory Fee paid to Principal by such Affiliated Fund; and does not pay to Principal for the entire period of such investment any Plan-Level Management Fee with respect to any assets of such Client Plan invested in such Collective Fund; or

7. Section II(a)(3)(iii), as set forth in the Notice at page 77599, column 2, lines 26–42, has been deleted. Section II(a)(3)(iii) in the final exemption reads, as follows:

pays to Principal a Plan-Level Management Fee, in accordance with Section II(a)(2)(iii), above, based on the total assets of such Client Plan under management by Principal at the plan-level, from which a credit has been subtracted from such Plan-Level Management Fee, where the amount subtracted represents such Client Plan's *pro rata* share of any Affiliated Fund-Level Advisory Fee paid to Principal by such Affiliated Fund; and does not pay directly to Principal or indirectly to Principal through the Collective Fund for the entire period of such investment any Collective Fund-Level Management Fee with respect to any assets of such Client Plan invested in such Collective Fund; or

8. The definition of the term, ''Asset Allocation Services(s),'' as set forth in Section IV(p) in the Notice at page 77605, column 2, lines 21–37, has been deleted. The amended definition of the term, ''Asset Allocation'' in the final exemption reads, as follows:

The term, ''Asset Allocation Service(s),'' means a service or services to a Client Plan relating to the selection of appropriate asset classes or target-date ''glidepath,'' and the allocation or reallocation (including rebalancing) of the assets of a Client Plan among the selected asset classes. Such services do not include the management of the underlying assets of a Client Plan, the selection of specific funds or managers, and the management of the selected Affiliated Funds or Collective Funds.

After full consideration and review of the entire record, including the Original Comment and the Amended Comment filed by the Applicants, the Department has determined to grant the exemption, as modified, above. The Original Comment and the Amended Comment submitted to the Department by the Applicants have been included as part of the public record of the exemption application. A copy of the Original Comment and the Amended Comment is posted on the Department's Web site at *http://www.regulations.gov.* The complete application file (D–11579), including all supplemental submissions received by the Department, is available for public inspection in the Public Documents Room of the Employee Benefits Security Administration, Room N–1513, U.S. Department of Labor, 200 Constitution Avenue NW., Washington, DC 20210.

For a more complete statement of the facts and representations supporting the Department's decision to grant this exemption refer to the Notice published on December 13, 2011, at 76 FR 77598.

FOR FURTHER INFORMATION CONTACT: Angelena C. Le Blanc of the Department, telephone (202) 693–8540 (This is not a toll-free number).

Weyerhaeuser Company (Weyerhaeuser) and Federalway Asset Management LP (collectively, the Applicants) Located in Federalway, Washington

[Exemption Application No. D–11677; Prohibited Transaction Exemption 2012–12]

Exemption

Section I: Specific Exemption Involving the Contribution In-Kind

The restrictions of sections 406(a)(1)(A), 406(b)(1), and 406(b)(2) of the Act and the sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1)(A) and 4975(c)(1)(E) of the Code,[7] shall not apply, effective as of the date of the publication of this exemption in the **Federal Register**, to the contribution in-kind by the Weyerhaeuser Company (Weyerhaeuser), the sponsor of the Weyerhaeuser Pension Plan (the Plan), of a bundle of assets (the Assets) owned by Weyerhaeuser Asset Management LLC (WAM), a wholly-owned subsidiary of Weyerhaeuser NR Company which is in turn a wholly-owned subsidiary of Weyerhaeuser, to the Weyerhaeuser Company Master Retirement Trust (the Master Trust); provided that the conditions, as set forth, below, in Section IV, and the following conditions are satisfied:

(a) Prior to the execution and closing on the in-kind contribution of the Assets, an independent, qualified fiduciary (the I/F), as defined in Section V(k), acting on behalf of the Master Trust, determines whether and on what terms to enter into the in-kind contribution of such Assets;

(b) The I/F negotiates, reviews, and approves the specific terms and conditions of the in-kind contribution of the Assets and determines, prior to entering into such in-kind contribution, that such transaction is feasible, in the interest of, and protective of the Master Trust and its participants and beneficiaries;

(c) The I/F takes the necessary steps to ensure compliance by Weyerhaeuser with the terms and conditions of the in-kind contribution of the Assets;

(d) As of the date the Assets are contributed to the Master Trust, the contributed value of the Assets is equal to the fair market value of the Assets, as determined by the I/F;

(e) The terms and conditions of the in-kind contribution of the Assets are no less favorable to the Master Trust than terms negotiated at arm's length under similar circumstances between unrelated parties;

(f) The fair market value of the Assets will constitute less than one percent (1%) of the assets of the Master Trust at the time such Assets are contributed to the Master Trust;

(g) The Master Trust incurs no commissions, fees, costs, or other charges and expenses in connection with the in-kind contribution of the Assets to the Master Trust;

(h) The in-kind contribution of the Assets is a one-time transaction;

(i) The fair market value of the Assets is *not* credited in the prefunding balance for purposes of calculating the minimum required contributions of Weyerhaeuser to the Plan;

(j) Pursuant to the royalty interest agreement (the Royalty Agreement) with Federalway Asset Management LP (Newco), the Master Trust will be entitled to receive annual royalty payments in the amount of 12.5 percent (12.5%) on revenues of less than $25 million per year and 15 percent (15%) on revenues of more than $25 million per year; and

(k) The termination of Newco as investment manager of the Master Trust will have no impact on the Master Trust's rights under the Royalty Agreement.

Section II: Specific Exemption Involving the Management by Newco of the Assets of Employee Benefit Plans

Effective for a period of five (5) years, beginning on the date of the publication of this exemption in the **Federal Register** and ending on the day which is five (5) years from such publication date, the restrictions of section 406(a)(1)(A) through (D) of the Act and the taxes imposed by section 4975(a) and (b) of the Code, by reason of section 4975(c)(1)(A) through (D) of the Code, shall not apply to:

(a) Any transaction between a party in interest, as defined in Section V(e), with respect to the Plan and the Master Trust in which such Plan has an interest; and any transaction between a party in interest, as defined in Section V(e), with respect to any other employee benefit plan or employee benefit plans sponsored by Weyerhaeuser (the Other Plan(s)) and the Master Trust in which such Other Plan(s) have an interest; and

(b) Any transaction between a party in interest, as defined in Section V(e), and any employee benefit plan or any employee benefit plans, as defined in Section V(i), (the Client Plan(s)), where such Client Plan has engaged Newco to act as investment manager within the meaning of section 3(38) of the Act, or where such Client Plan is invested in a collective investment vehicle managed by Newco the assets of which are treated as plan assets under section 3(42) of the Act; provided that:

(1) Newco has discretionary authority or control with respect to the assets of the Plan, the assets of the Other Plan(s), or the assets the Client Plan(s) which are invested in an investment fund (a Managed Account) involved in any such transaction;

(2) Newco satisfies the definition, as set forth, below, in Section V(a) of this exemption; and

(3) The conditions as set forth, below, in Section III, and Section IV, are satisfied.

Section III: Specific Conditions Applicable to Transactions Described in Section II of This Exemption

(a) At the time of the transaction, as defined in Section V(h), neither the party in interest, as defined in Section V(e), nor any affiliate, as defined in Section V(b):

(1) Has the authority to appoint or terminate Newco as a manager of the Managed Account involved in the transaction, or

(2) Has the authority to negotiate on behalf of the Plan, the Other Plan(s), or the Client Plan(s), the terms of the management agreement with Newco (including renewals or modifications thereof) with respect to the Managed Account involved in the transaction;

Notwithstanding the foregoing, in the case of a Managed Account in which two (2) or more unrelated plans, as defined in Section V(i), have an interest, a transaction with a party in interest, as defined in Section V(e), with respect to a plan will be deemed to satisfy the requirements of Section III(a), if the assets of the plan managed by Newco in the Managed Account, when combined with the assets of other plans established or maintained by the same employer (or affiliate thereof, as described in Section V(b)(1)) or by the same employee organization, and managed in the same Managed Account, represent less than 10 percent (10%) of the assets of the Managed Account;

(b) The transaction is not described in—

(1) Prohibited Transaction Exemption 2006–16 (71 FR 63786; October 31, 2006) (relating to securities lending arrangements) (as amended or superseded),

(2) Prohibited Transaction Exemption 83–1 (48 FR 895; January 7, 1983) (relating to acquisitions by plans of interests in mortgage pools) (as amended or superseded), or

(3) Prohibited Transaction Exemption 82–87 (47 FR 21331; May 18, 1982)

[7] For purposes of this exemption, references to specific provisions of Title I of the Act, unless otherwise specified, refer also to the corresponding provisions of the Code.

(relating to certain mortgage financing arrangements) (as amended or superseded);

(c) The terms of the transaction are negotiated on behalf of the Managed Account by, or under the authority and general direction of, Newco, and either Newco, or (so long as Newco retains full fiduciary responsibility with respect to the transaction) a property manager acting in accordance with written guidelines established and administered by Newco, makes the decision on behalf of the Managed Account to enter into the transaction, provided that the transaction is not part of an agreement, arrangement, or understanding designed to benefit a party in interest, as defined in Section V(e);

(d) The party in interest, as defined in Section V(e), dealing with the Managed Account is neither Newco nor a person related to Newco, within the meaning of Section V(g);

(e) At the time the transaction is entered into, and at the time of any subsequent renewal or modification thereof that requires the consent of Newco, the terms of the transaction are at least as favorable to the Managed Account as the terms generally available in arm's length transactions between unrelated parties;

(f) Neither Newco nor any affiliate thereof, as defined in Section V(c), nor any owner, direct or indirect, of a 5 percent (5%) or more interest in Newco is a person who within the ten (10) years immediately preceding the transaction has been either convicted or released from imprisonment, whichever is later, as a result of:

(1) Any felony involving abuse or misuse of such person's employee benefit plan position or employment, or position or employment with a labor organization;

(2) Any felony arising out of the conduct of the business of a broker, dealer, investment adviser, bank, insurance company, or fiduciary;

(3) Income tax evasion;

(4) Any felony involving the larceny, theft, robbery, extortion, forgery, counterfeiting, fraudulent concealment, embezzlement, fraudulent conversion, or misappropriation of funds or securities;

(5) Conspiracy or attempt to commit any such crimes or a crime in which any of the foregoing crimes is an element; or

(6) Any other crime described in section 411 of the Act. For purposes of this Section III(f), a person shall be deemed to have been ''convicted'' from the date of the judgment of the trial court, regardless of whether that judgment remains under appeal.

Section IV–General Requirements Applicable to Transactions Described in Section I and Section II of This Exemption

(a) Newco or an affiliate, as defined in Section V(l), maintains or causes to be maintained within the United States, for a period of six (6) years from the date of each covered transaction, the records necessary to enable the persons described, below, in Section IV(b)(1)(A)–(E), to determine whether the conditions of this exemption have been met, except that:

(1) A separate prohibited transaction will not be considered to have occurred solely because, due to circumstances beyond the control of Newco and/or its affiliates, as defined in Section V(l), the records are lost or destroyed prior to the end of the six (6) year period, and

(2) No party in interest or disqualified person, as defined in Section V(e), other than Newco, shall be subject to the civil penalty that may be assessed under section 502(i) of the Act, or to the taxes imposed by section 4975(a) and (b) of the Code, if the records are not maintained, or are not available for examination, as required by Section IV(b)(1).

(b)(1) Except as provided in Section IV(b)(2), and notwithstanding any provisions of subsections (a)(2) and (b) of section 504 of the Act, the records referred to, above, in Section IV(a) are unconditionally available for examination at their customary location during normal business hours by:

(A) Any duly authorized employee or representative of the Department or of the Internal Revenue Service;

(B) Any fiduciary of the Plan, any fiduciary of any Other Plan(s), any fiduciary of any Client Plan(s), and any duly authorized representative of such fiduciary;

(C) Any contributing employer to the Plan, any contributing employer to any Other Plan(s), any contributing employer to any of the Client Plan(s), and any duly authorized employee representative of such contributing employer;

(D) Any participant or beneficiary of the Plan, any participant or beneficiary of any Other Plan(s), any participant or beneficiary of any Client Plan(s), and any duly authorized representative of such participants or beneficiaries; and

(E) Any employee organization whose members are covered by the Plan, any employee organization whose members are covered by the Other Plan(s), and any employee organization whose members are covered by any Client Plan(s);

(2) None of the persons, described in Section IV(b)(1)(B) through (E), shall be authorized to examine trade secrets of Newco or its affiliates, as defined in Section V(l), or commercial or financial information which is privileged or confidential.

Section V—Definitions

(a) For purposes of this exemption, the term, Federalway Asset Management LP, and the term, ''Newco,'' means a fiduciary (as defined in Section V(j)) which is an investment adviser registered under the Investment Advisers Act of 1940 that has total client assets under its management and control in excess of $85,000,000, as of the date Newco commences operations, and shareholders' or partners' equity (as defined in Section V(m)) in excess of $1,000,000.

(b) For purposes of Section III(a), an ''affiliate'' of a person means—

(1) Any person directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the person,

(2) Any corporation, partnership, trust or unincorporated enterprise of which such person is an officer, director, 10 percent (10%) or more partner, or highly compensated employee as defined in section 4975(e)(2)(H) of the Code (but only if the employer of such employee is the plan sponsor), and

(3) Any director of the person or any employee of the person who is a highly compensated employee, as defined in section 4975(e)(2)(H) of the Code, or who has direct or indirect authority, responsibility or control regarding the custody, management or disposition of plan assets involved in the transaction. A named fiduciary (within the meaning of section 402(a)(2) of the Act) of a plan with respect to the plan assets involved in the transaction and an employer any of whose employees are covered by the plan will also be considered affiliates with respect to each other for purposes of Section III(a), if such employer or an affiliate of such employer has the authority, alone or shared with others, to appoint or terminate the named fiduciary or otherwise negotiate the terms of the named fiduciary's employment agreement.

(c) For purposes of Section III(f), an ''affiliate'' of a person means—

(1) Any person directly or indirectly through one or more intermediaries, controlling, controlled by, or under common control with the person,

(2) Any director of, relative of, or partner in, any such person,

(3) Any corporation, partnership, trust or unincorporated enterprise of which such person is an officer, director, or a 5 percent (5%) or more partner or owner, and

(4) Any employee or officer of the person who—

(A) Is a highly compensated employee (as defined in section 4975(e)(2)(H)) of the Code or officer (earning 10 percent (10%) or more of the yearly wages of such person), or

(B) Has direct or indirect authority, responsibility or control regarding the custody, management or disposition of plan assets.

(d) For purposes of Section V(b), Section V(c), and Section V(l), the term, ''control,'' means the power to exercise a controlling influence over the management or policies of a person other than an individual.

(e) For purposes of this exemption, the term, ''party in interest,'' means a person described in section 3(14) of the Act and includes a ''disqualified person,'' as defined in Code section 4975(e)(2).

(f) For purposes of Section V(c)(2) and Section V(l)(2), the term, ''relative,'' means a relative as that term is defined in section 3(15) of the Act, or a brother, a sister, or a spouse of a brother or sister.

(g) Newco is ''related'' to a party in interest for purposes of Section III(d), if, as of the last day of its most recent calendar quarter: (i) Newco owns a 10 percent (10%) or more interest in the party in interest; (ii) a person controlling, or controlled by, Newco owns a 20 percent (20%) or more interest in the party in interest; (iii) the party in interest owns a 10 percent (10%) or more interest in Newco; or (iv) a person controlling, or controlled by, the party in interest owns a 20 percent (20%) or more interest in Newco. Notwithstanding the foregoing, a party in interest is ''related'' to Newco if: (i) A person controlling, or controlled by, the party in interest has an ownership interest that is less than 20 percent (20%) but greater than 10 percent (10%) in Newco and such person exercises control over the management or policies of Newco by reason of its ownership interest; (ii) a person controlling, or controlled by, Newco has an ownership interest that is less than 20 percent (20%) but greater than 10 percent (10%) in the party in interest and such person exercises control over the management or policies of the party in interest by reason of its ownership interest. For purposes of this definition:

(1) The term ''interest'' means with respect to ownership of an entity—

(A) The combined voting power of all classes of stock entitled to vote or the total value of the shares of all classes of stock of the entity if the entity is a corporation,

(B) The capital interest or the profits interest of the entity if the entity is a partnership, or

(C) The beneficial interest of the entity if the entity is a trust or unincorporated enterprise; and

(2) A person is considered to own an interest if, other than in a fiduciary capacity, the person has or shares the authority—

(A) To exercise any voting rights or to direct some other person to exercise the voting rights relating to such interest, or

(B) To dispose or to direct the disposition of such interest.

(h) For purposes of this exemption, the time as of which any transaction occurs is the date upon which the transaction is entered into. In addition, in the case of a transaction that is continuing, the transaction shall be deemed to occur until it is terminated. If any transaction is entered into on or after the date of the publication of this exemption in the **Federal Register** or a renewal that requires the consent of Newco occurs on or after the date of the publication of this exemption in the **Federal Register**, and the requirements of this exemption are satisfied at the time the transaction is entered into or renewed, respectively, the requirements will continue to be satisfied thereafter with respect to the transaction. Nothing in this paragraph shall be construed as exempting a transaction entered into by a Managed Account which becomes a transaction, as described in section 406 of the Act or section 4975 of the Code while the transaction is continuing, unless the conditions of this exemption were met either at the time the transaction was entered into or at the time the transaction would have become prohibited but for this exemption.

(i) For purposes of this exemption, the terms, ''employee benefit plan'' and ''plan,'' include an employee benefit plan described in section 3(3) of the Act and/or a plan described in section 4975(e)(1) of the Code, but do not include a plan sponsored by Newco or any affiliate of Newco.

(j) For purposes of Section V(a), the term ''fiduciary'' means a fiduciary managing the assets of a plan, as defined in Section V(i), in a Managed Account that is independent of and unrelated to the employer sponsoring such plan. For purposes of this exemption, a fiduciary will not be deemed to be independent of and unrelated to the employer sponsoring the plan, if such fiduciary directly or indirectly controls, is controlled by, or is under common control with the employer sponsoring the plan.

(k) For purposes of Section I, the term, ''I/F,'' means a fiduciary that:

(1) Can demonstrate, through experience and/or education, proficiency in matters involving the in-kind contribution of assets, including assets such as the Assets which are the subject of Section I of this exemption;

(2) Is an expert with respect to the valuation of assets, such as the Assets, or has the ability to access (itself or through persons engaged by it) appropriate data regarding the value of assets, such as the Assets, in the relevant market;

(3) Has not engaged in any criminal activity involving fraud, fiduciary standards, or securities law violations;

(4) Is appointed to act on behalf of the Master Trust for all purposes related to in-kind contribution of the Assets; and

(5) Is independent of and unrelated to Weyerhaeuser and its affiliates, as defined, below, in Section V(l). For purposes of this exemption, a fiduciary will not be deemed to be independent of and unrelated to Weyerhaeuser and its affiliates if:

(i) Such fiduciary directly or indirectly controls, is controlled by, or is under common control with Weyerhaeuser and its affiliates, as defined, below, in Section V(l),

(ii) Such fiduciary directly or indirectly receives any compensation or other consideration in connection with any of the transactions described in this exemption; except that an I/F may receive compensation for acting as an I/F in connection with the transactions contemplated herein, if the amount or payment of such compensation is not contingent upon or in any way affected by the I/F's ultimate decisions, and

(iii) The annual gross revenue from Weyerhaeuser and its affiliates, as defined, below, in Section V(l), received by such fiduciary, during any year of its engagement, does not exceed one percent (1%) of such fiduciary's annual gross revenue from all sources for its prior tax year.

(l) For purposes of Section IV(a) and Section V(k), the term, ''affiliate,'' means:

(1) Any person directly or indirectly through one or more intermediaries, controlling, controlled by, or under common control with the person;

(2) Any officer, director, employee, relative, or partner of any such person; and

(3) Any corporation or partnership of which such person is an officer, director, partner, or employee.

(m) For purposes of Section V(a), the term ''shareholders' or partners' equity'' means the equity shown in the balance sheet, as of the date Newco commences operations, prepared in accordance with

generally accepted accounting principles.

Temporary Nature of the Exemption

Effective Date: With regard to the transaction described in Section I, the Department has determined that the relief granted with respect to such transaction shall be effective, as of the date of the publication of this exemption in the **Federal Register**.

With regard to the transactions described in Section II, the Department has determined that the relief granted with respect such transactions is temporary in nature, and shall be effective, beginning on the date of the publication of this exemption in the **Federal Register** and ending on the day which is five (5) years from the date of the publication of this exemption in the **Federal Register**. Accordingly, relief described in this exemption with respect to the transactions described in Section II will not be available upon the expiration of such five-year period for any new or additional transactions, as described herein, after such date, but would continue to apply beyond the expiration of such five-year period for continuing transactions entered into within the five-year period; provided that the conditions of this exemption continue to be satisfied. Should the applicant wish to extend, beyond the expiration of such five-year period, the relief provided for new or additional transactions, as described in Section II, the Applicants may submit another application for exemption. In this regard, the Department expects that prior to filing another exemption application seeking relief for new or additional transactions, as described in Section II, the Applicants should be prepared to demonstrate compliance with the conditions of this exemption.

Written Comments

In the Notice of Proposed Exemption (the Notice), the Department invited all interested persons to submit written comments and requests for a hearing on the proposed exemption within fifty (50) days of the date of the publication of the Notice in the **Federal Register** on January 20, 2011. All comments and requests for hearing were due by March 12, 2012. Although during the comment period, the Department received numerous telephone calls, emails, and letters from commentators, none of the commentators raised any substantive issues with respect to the transactions which are the subject of this exemption. During the comment period, the Department also received two requests from commentators for a hearing, but the commentators did not provide a substantive reason why a hearing should be held. As no material issues relating to the subject transactions were raised by the commentators during the comment period which would require the convening of a hearing, the Department has determined not to delay consideration of the final exemption by holding a hearing on application D–11677.

Accordingly, after full consideration and review of the entire record, including the comments filed by the commentators, the Department has determined to grant the exemption, as set forth, above. The written comments submitted to the Department by the commentators have been included as part of the public record of the exemption application. Copies of the written comments have also been provided to Weyerhaeuser. The complete application file (D–11677), including all supplemental submissions received by the Department, is available for public inspection in the Public Documents Room of the Employee Benefits Security Administration, Room N–1513, U.S. Department of Labor, 200 Constitution Avenue NW., Washington, DC 20210.

For a more complete statement of the facts and representations supporting the Department's decision to grant this exemption refer to the Notice published on January 20, 2012, at 77 FR 3052.

FOR FURTHER INFORMATION CONTACT: Ms. Angelena C. Le Blanc of the Department, telephone (202) 693–8540. (This is not a toll-free number.)

Sammons Enterprises, Inc. Employee Stock Ownership ESOP (the ESOP) Located in Dallas, Texas

[Prohibited Transaction Exemption 2012–13; Exemption Application Number D–11679]

Exemption

The restrictions of sections 406(a)(1)(A) and (D), 406(b)(1), and 406(b)(2) of the Act, and the sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1)(A), (D) and (E) of the Code, shall not apply to the personal holding company consent dividend election (the Consent) with respect to Sammons Enterprises, Inc. (Sammons), by the trustee of the ESOP, provided that the following conditions are satisfied:

(a) The trustee of the ESOP is an independent, qualified fiduciary (the I/F), acting on behalf of the ESOP, which determines prior to entering into the transaction that the transaction is feasible, in the interest of, and protective of the ESOP and the participants and beneficiaries of the ESOP;

(b) Before the ESOP enters into the subject transaction, the I/F reviews the transaction, and determines whether or not to approve the transaction, in accordance with the fiduciary provisions of the Act;

(c) The I/F monitors compliance with the terms and conditions of this exemption, as described herein, and ensures that such terms and conditions are at all times satisfied;

(d) Sammons provides to the I/F, in a timely fashion, all information reasonably requested by the I/F to assist it in making its decision whether or not to approve the transaction;

(e) The consent dividend will represent no more than two percent (2%) of the ESOP's assets in any taxable year within the timeframe of the exemption herein;

(f) Shares of Sammons stock are held in an ESOP suspense account, and are allocated each year to each eligible ESOP participant in accordance with the applicable provisions of the Code;

(g) All of the requirements of section 565 of the Code are met with respect to the Consent; and

(h) All shareholders of Sammons are requested to consent to the dividend in the manner prescribed under section 565 of the Code.

For a more complete statement of the facts and representations supporting the Department's decision to grant this exemption, refer to the notice of proposed exemption published on November 14, 2011 at 76 FR 70503, and the notice of amendment to the proposed exemption published on March 30, 2012 at 77 FR 19338.

Temporary Nature of Exemption: This exemption will expire at the earlier of (i) the first day of Sammons' first fiscal year next following the fiscal year in which falls the fifth anniversary of the date of grant of the exemption; and (ii) the first day upon which the ESOP fails to own at least 99% of the issued and outstanding shares of Sammons.

FOR FURTHER INFORMATION CONTACT: Gary H. Lefkowitz of the Department, telephone (202) 693–8546. (This is not a toll-free number.)

General Information

The attention of interested persons is directed to the following:

(1) The fact that a transaction is the subject of an exemption under section 408(a) of the Act and/or section 4975(c)(2) of the Code does not relieve a fiduciary or other party in interest or disqualified person from certain other provisions to which the exemption does not apply and the general fiduciary responsibility provisions of section 404 of the Act, which among other things

require a fiduciary to discharge his duties respecting the plan solely in the interest of the participants and beneficiaries of the plan and in a prudent fashion in accordance with section 404(a)(1)(B) of the Act; nor does it affect the requirement of section 401(a) of the Code that the plan must operate for the exclusive benefit of the employees of the employer maintaining the plan and their beneficiaries;

(2) This exemption is supplemental to and not in derogation of, any other provisions of the Act and/or the Code, including statutory or administrative exemptions and transactional rules. Furthermore, the fact that a transaction is subject to an administrative or statutory exemption is not dispositive of whether the transaction is in fact a prohibited transaction; and

(3) The availability of this exemption is subject to the express condition that the material facts and representations contained in the application accurately describes all material terms of the transaction which is the subject of the exemption.

Signed at Washington, DC, this 25th day of May 2012.

Lyssa E. Hall,

Acting Director of Exemption Determinations, Employee Benefits Security Administration, U.S. Department of Labor.

[FR Doc. 2012–13263 Filed 5–31–12; 8:45 am]

BILLING CODE 4510–29–P

DEPARTMENT OF LABOR

Employee Benefits Security Administration

Proposed Exemptions From Certain Prohibited Transaction Restrictions

AGENCY: Employee Benefits Security Administration, Labor.

ACTION: Notice of Proposed Exemptions.

SUMMARY: This document contains notices of pendency before the Department of Labor (the Department) of proposed exemptions from certain of the prohibited transaction restrictions of the Employee Retirement Income Security Act of 1974 (ERISA or the Act) and/or the Internal Revenue Code of 1986 (the Code). This notice includes the following proposed exemptions: D–11649, Meridian Medical Associates, S.C, Employees' Retirement Plan and Trust (the Plan); D–11710, El Paso Corporation Retirement Savings Plan (the Plan); and D–11714, Ed Laur Defined Benefit Plan (the Plan).

DATES: All interested persons are invited to submit written comments or requests for a hearing on the pending exemptions, unless otherwise stated in the Notice of Proposed Exemption, within 45 days from the date of publication of this **Federal Register** Notice.

ADDRESSES: Comments and requests for a hearing should state: (1) The name, address, and telephone number of the person making the comment or request, and (2) the nature of the person's interest in the exemption and the manner in which the person would be adversely affected by the exemption. A request for a hearing must also state the issues to be addressed and include a general description of the evidence to be presented at the hearing. All written comments and requests for a hearing (at least three copies) should be sent to the Employee Benefits Security Administration (EBSA), Office of Exemption Determinations, Room N–5700, U.S. Department of Labor, 200 Constitution Avenue NW., Washington, DC 20210. Attention: Application No. _____, stated in each Notice of Proposed Exemption. Interested persons are also invited to submit comments and/or hearing requests to EBSA via email or FAX. Any such comments or requests should be sent either by email to: *moffitt.betty@dol.gov,* or by FAX to (202) 219–0204 by the end of the scheduled comment period. The applications for exemption and the comments received will be available for public inspection in the Public Documents Room of the Employee Benefits Security Administration, U.S. Department of Labor, Room N–1513, 200 Constitution Avenue NW., Washington, DC 20210.

Warning: If you submit written comments or hearing requests, do not include any personally-identifiable or confidential business information that you do not want to be publicly-disclosed. All comments and hearing requests are posted on the Internet exactly as they are received, and they can be retrieved by most Internet search engines. The Department will make no deletions, modifications or redactions to the comments or hearing requests received, as they are public records.

SUPPLEMENTARY INFORMATION:

Notice to Interested Persons

Notice of the proposed exemptions will be provided to all interested persons in the manner agreed upon by the applicant and the Department within 15 days of the date of publication in the **Federal Register**. Such notice shall include a copy of the notice of proposed exemption as published in the **Federal Register** and shall inform interested persons of their right to comment and to request a hearing (where appropriate).

The proposed exemptions were requested in applications filed pursuant to section 408(a) of the Act and/or section 4975(c)(2) of the Code, and in accordance with procedures set forth in 29 CFR Part 2570, Subpart B (76 FR 66637, 66644, October 27, 2011).[1] Effective December 31, 1978, section 102 of Reorganization Plan No. 4 of 1978, 5 U.S.C. App. 1 (1996), transferred the authority of the Secretary of the Treasury to issue exemptions of the type requested to the Secretary of Labor. Therefore, these notices of proposed exemption are issued solely by the Department.

The applications contain representations with regard to the proposed exemptions which are summarized below. Interested persons are referred to the applications on file with the Department for a complete statement of the facts and representations.

Meridian Medical Associates, S.C., Employees' Retirement Plan and Trust (the Plan), Located in Joliet, Illinois

[Exemption Application No. D–11649]

Proposed Exemption

The Department is considering granting an exemption under the authority of section 408(a) of the Act and section 4975(c)(2) of the Code and in accordance with the procedures set forth in 29 CFR Part 2570, Subpart B (55 FR 32836, 32847, August 10, 1990).

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If the exemption is granted, the restrictions of sections 406(a)(1)(A), 406(a)(1)(D), 406(b)(1), and 406(b)(2) of the Act and the sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1)(A), 4975(c)(1)(D), and 4975(c)(1)(E) of the Code, will not apply to:

(a) The cash purchase (the Purchase) by the Plan (formerly, the Will County Medical Associates, S.C. Employees' Retirement Plan & Trust) of a 52 percent (52%) beneficial ownership interest in a parcel of improved real property (the Annex) located in Joliet, Illinois, from the JMG Property, LLC (the LLC), a party in interest with respect to the Plan;

(b) The entry by the Plan through a land trust (no. 6722), into a lease (the Annex Lease) with Meridian Medical Associates, S.C. (the Employer) (formerly, the Will County Medical

[1] The Department has considered exemption applications received prior to December 27, 2011 under the exemption procedures set forth in 29 CFR Part 2570, Subpart B (55 FR 32836, 32847, August 10, 1990).