



{DATE}

{Participant Name}

{Address Line 1}

{Address Line 2}

{City State Zip}

### **Your Action Is Required**

Dear Participant Name,

Voya Institutional Plan Services is the record-keeper and administrator for the City of Los Angeles Deferred Compensation Plan (Plan). The Plan requires all participants who utilize the Self-Directed Brokerage Account (SDBA), also known as the Schwab Personal Choice Retirement Account<sup>®</sup> (PCRA), to maintain a minimum balance of \$2,500 in your City Plan account. The City's Plan account includes your core investment funds other than the SDBA. The SDBA is serviced by Charles Schwab.

We are sending you this notification because your balance in the Plan's core investment funds has dropped below the \$2,500 minimum required by the Plan.

Failure to maintain the required minimum core balance will result in a forced liquidation and transfer of assets from your PCRA to your City Plan account. To avoid this action, you must sell your securities and transfer the funds necessary to bring your core fund holdings to \$2,500 or more from your SDBA **within 30 days of the date of this letter**. To accomplish this, please log into your SDBA at Schwab.com or call the Schwab Call Center at 1-888-393-7272 to liquidate securities necessary to make cash available for transfer. Once the transaction(s) settles and cash is available in your SDBA account (typically three business days), you may transfer funds from Schwab.com to your City Plan's account through the website LA.457.com or by speaking with a Customer Service Associate at 844-523-2457. Please note, the transfer is not automatic – you must initiate the transfer to your City Plan account

If you do not complete the transfer within 30 days, **we will provide instructions to Schwab to sell securities** and transfer available cash from your SDBA account into the core funds in order to satisfy Plan requirements using the following sequence:

- Schwab Money Market Fund/Cash;
- OneSource Funds (i.e. Schwab Mutual Funds with no fees), starting with highest balance fund(s);
- Other mutual Funds, starting with highest balance fund(s);
- Equities, starting with equities with highest number of shares owned.

The forced liquidations will be prioritized and sold using a hierarchy that begins with ~~from~~ assets held in funds without transactional or redemption fees. However, fees may apply depending on your holdings on the liquidation date, including a \$25 SDBA broker assistance fee per trade. **Once transferred, the funds will be put into your core investments based on your current investment elections on file for recurring contributions. If you currently have allocations on file that include the SDBA Fund, in whole or in part, the funds will be placed into the FDIC Insured Savings Account.**

**This written notice will be your final notification.**

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Voya will continue to monitor core account balances on a regular basis. To avoid similar action in the future, you are strongly encouraged to check your account frequently to ensure the City's Plan account meets or exceeds the Plan's required minimum balance of \$2,500.

Should you have any questions or need assistance, please contact the Plan Service Center at 1-844-523-2457. Customer Service Associates are available Monday through Friday from 6:00 A.M. to 5:00 P.M. Pacific Time (excluding stock market holidays).

Sincerely,

Voya Institutional Plan Services, LLC