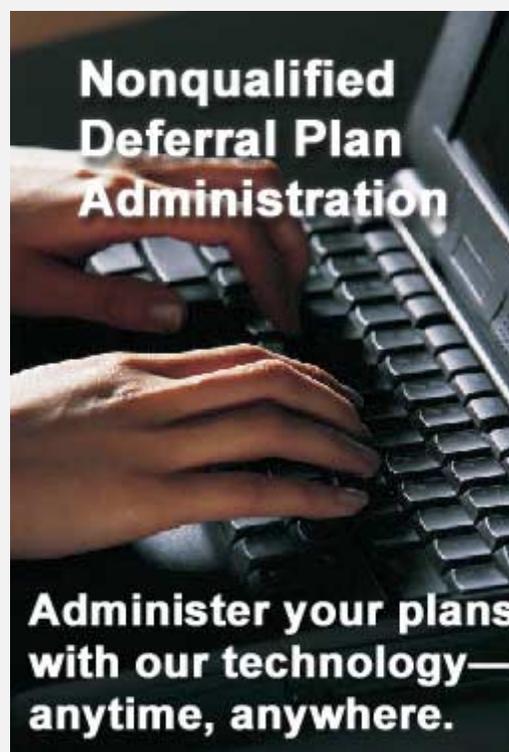


# Deferral.com

An AFS Company™



**Affordable, Efficient Technology for  
Nonqualified Deferral Plan Administration**



## About Deferral.com and the AFS Companies™

**Deferral.com** is a member of the **AFS Companies**, experienced technology and service providers in the supplemental benefits field, both domestically and abroad. Our founding company, **American Financial Systems, Inc. (AFS)**, developed the first PC-based Corporate Owned Life Insurance (COLI) illustration system in 1984. This application was the first to take complex COLI illustrations and inforce reprojections out of the cumbersome environment of mainframe computers and place them on users' desktops.

AFS developed the Deferral Tracking System (DTS) in the mid-1990's as a desktop record keeping system for nonqualified deferral plans. In 2000, AFS founded Deferral.com to create a new, more powerful online solution, providing better communication and support among sponsors, participants and administrators for plans with virtually any funding or hedging method, including simple pay-as-you-go, life insurance, mutual funds, employer stock or other security funding models.

Other AFS products have evolved in recent years to meet the demands of the supplemental benefits market. The **AFS Master System**® and its web-enabled **AFS-Link**™ have grown from being the preferred COLI illustration system among those who specialize in the large and middle market to also serving as an ongoing administrative tool for insurance funded plans. The **AFS eValuator**™ system was created to help brokers find the very best insurance product solution based on the weighted goals and values of a particular plan. With these systems and our online case design platform, **COLI.com**, brokers and subscribing insurers now have powerful plan design, funding, implementation and administration tools where they are most needed – at the broker's fingertips.

## Excellence in Technology

In addition to our substantial depth of industry expertise, we at the AFS Companies pride ourselves on maintaining the highest technical standards:

- We are a Microsoft Certified Solutions Provider.
- Our technical staff members are regular contributors to MSDN Journals and other publications.
- We adhere to the highest standards of software design, implementation and quality control.
- We are active participants in ACORD standard setting efforts for our industry, better assuring consistency and compatibility among important technologies.

## A Winning Relationship

AFS was built on the philosophy that any worthwhile business relationship must be win-win. We partner with clients towards goals that are aligned and a relationship that is mutually beneficial. Your innovative plan designs coupled with AFS' tools and services will offer powerful solutions for corporations that want to attract, retain and reward their key employees.

# Why Choose Deferral.com?

## Increased Efficiency & Flexibility

**Deferral.com is a fully web-based application.** Both administrators and participants use online features to hit the same database in real time. This means information and access are always available and your data always is current. No operations ever need be affected by staff workloads, vacation or sick leave. Unlike some services that only claim to be online, Deferral.com does not rely on back office processing or data scraped from old desktop programs. Deferral.com allows complete plan design flexibility, from the most simple plans to the most complex. Some administrative and recordkeeping systems require that plans be limited to “canned” concepts with very little ability to tolerate design deviations. Not so at Deferral.com.

## Easy Customization

With Deferral.com, **Plan sponsors and participants enjoy a customized web site that is created by the administrator as the plan is implemented.** Site functions, communications, logos and images can be customized to suit the needs of your particular plan and strategy. Because this functionality is built right into the application, there is no need for special programming or for laborious site maintenance; this reduces the overhead and resulting expense of administering your plan. Using Deferral.com, you always have the latest technology and information for your plan.

## Security

**Deferral.com uses secure server hosting and backup systems employed by leading institutions throughout the country.** Your data is housed at an SAS-70 certified AT&T collocation facility with redundant power sources, employing thorough backup and disaster recovery capabilities. Our servers do the heavy lifting, so that you and your participants can manage and access plan information and transactions from any browser at any time, without worrying about processing power or data security.

### SECURITY

- 128-bit Encryption & Secure Socket Layer (SSL)
- Firewall & Virus Protection
- Secure IIS
- Passwords encrypted in database
- Scalable Architecture
- N-tier design

### BACK-UPS

- Hourly backup of all transactions
- Daily full backup
- Backup data stored in vault offsite

### REDUNDANCY

- Redundant (RAID) drives on web and database servers
- Identical servers kept in a separate locked location at Deferral.com headquarters.
- Software process: Redundant testing servers separate from production

## Real-Time Participant Access Online

Participants will be able to access their account information and direct their investment elections online with Deferral.com's participant access. After logging on to the Deferral.com site, participants will be able to view and take actions according to the criteria established by their particular plan document. Participants may use Deferral.com to:

- Update their personal profile and/or beneficiary information.
- View account balances with automatic update of unit values on a daily basis.
- Initiate fund allocation changes for future contributions.
- Initiate reallocations of current balances.
- View benefits statements, investment allocation and beneficiary designation reports.
- View/Download plan documents, forms and fund performance reports.
- Enroll online.
- Access the Deferral.com retirement calculator.

Plan Info	Fund Allocations	Tools	Enrollment	Logout
<b>Mary Nicole Swanson</b> APC				
Current Plan: Deferred Compensation Plan				
<b>Account Balances Viewed by Fund</b> December 1, 2003 3:04:23 PM				
Deferral Year: <input type="text" value="AD"/>				
Retirement Account	Share Price 09/1/2003	Share Price	Balance	Unit Cost
Bond Fund	121.0203	\$14.78	\$147,867.98	\$144,712.99
Interest Rate Fund	121.0203	\$1.08	\$51,738.23	\$50,735.38
Stock Fund	121.0203	\$18.45	\$85,458.28	\$85,149.65
<b>Total:</b>			<b>\$285,064.58</b>	<b>\$280,637.80</b>
Fund Totals / All Balances	Share Price 09/1/2003	Share Price	Balance	Unit Cost
Bond Fund	121.0203	\$14.78	\$147,867.98	\$144,712.99
Interest Rate Fund	121.0203	\$1.08	\$51,738.23	\$50,735.38
Stock Fund	121.0203	\$18.45	\$85,458.28	\$85,149.65
<b>Total:</b>			<b>\$285,064.58</b>	<b>\$280,637.80</b>

Click on "Rebal" to see a breakdown by desired balance

Fund Allocations	Tools	Enrollment	Logout
<b>Mary Nicole Swanson</b> APC			
Current Plan: Deferred Compensation Plan			
<b>Rebalance Current Balances</b> December 1, 2003 3:12:40 PM			
You can put a message here			

Rebalancing Type			
Rebalancing Type: Funded by portfolio based on assigned percentages			
Rebalancing From			
Account	Retirement Account		
Select deferral year	ALL		
Class	Employee		
Select the fund percentages			
Fund Name	Balance Date	Balance %	Desired %
Bond Fund	11/1/2003	55.35 %	50
Interest Rate Fund	11/1/2003	31.46 %	25
Stock Fund	11/1/2003	21.00 %	25
<b>TOTAL</b>		<b>100 %</b>	<b>100</b>

## Plan Administration

**Deferral.com was built from the ground up specifically for the administration and recordkeeping of nonqualified executive benefit plans.** Deferral.com can easily accommodate the varied attributes critical to the design of nonqualified plans. Flexibility is at the core of Deferral.com, with unlimited vesting schedules, class year tracking and customizable distribution options. We believe a system should be structured to support your plan, not the other way around.

**Deferral.com provides features that are either superior to or unavailable on other systems.** What happens if a special bonus is omitted from a payroll report, only to be discovered later, after numerous postings of earnings and dividends? With other systems, this could lead to a laborious and error-prone process of recalculating contributions, historic earnings on revised balances, etc. With Deferral.com's patent pending "Undo / Redo" feature, historical reprocessing is a fast online utility available at your administrator's fingertips. Deferral.com automatically reprocesses and recalculates subsequent transactions to reflect any corrections or changes in historic data.

The screenshot shows the 'Undo' utility interface on the Deferral.com website. At the top, there is a navigation bar with the Deferral.com logo and links for Home, Login, Search, Settings, Glossary, About Us, and Contact Us. Below the navigation bar, there is a menu with links for Setup, Funds, Plans, Participants, Processes, Utilities, and Assets. The main content area is titled 'Undo' and contains a 'Go to Role' button. Below this, there are four input fields: 'Employer Name' (with a dropdown menu showing 'Lins'), 'Plan Name' (with a dropdown menu showing 'Deferred Compensation Plan'), 'Participant Name' (with a dropdown menu showing 'ALL'), and 'Effective Date' (with a text input field). At the bottom of the form, there are two buttons: 'Preview Report' and 'Submit Undo'.

### Deferral.com gives administrators the tools to quickly:

- Provide daily valuations, including insurance product NAV's, with the automated update utility.
- Track plan liabilities and funding assets.
- Process periodic contributions, including employee/employer contributions.
- Process periodic fund reallocations.
- Process periodic interest, dividends and gains.
- Process scheduled and ad hoc payments.
- Perform retroactive processing to correct errors or make changes.
- Provide reporting information as needed for any date range, including daily.

## Reports and Plan Data

Deferral.com records information in extensive detail for every plan and plan transaction with a robust relational database. Each component of every transaction is recorded and stored, facilitating flexible and detailed reporting of whatever data you need to see. Funds used to measure plan liabilities and values from life insurance or other funding assets are tracked separately with linking under your control, allowing true-up transactions to be processed based on the needs of each particular plan.

Deferral.com places many reports right at your fingertips. No report fees or delays – just make your selection and it's on your screen. Administrators can turn on report access for different users or easily configured classes of users – you control who has access to what information, be they participants, members of a sponsor's HR or accounting staff, a working group that needs temporary report data, etc. Don't see a report you need? It's easy to customize and build your own using our export utility or Crystal Reports. Data downloads are easy, too.

Account Balance	Enrollment Confirmation Report
Account Balance by Deferral Year	Beneficiary
Accounting Report	Deferrals
Adjustments Report	Funds by Account
Asset Liability Report	Scheduled Payments
Asset Report	Enrollment Status
Audit Report	Investment Earnings
Benefit Statement	Missing Elections
by Deferral Year	Participant Activity
by Deferral Year without Shares	Pending Transfers
by Source	Pending Withdrawal
by Source without Shares	Pending Rebalancing
Funds Only	Scheduled Payments
Funds Only by Deferral Year	Shares Purchased
Funds Only without Shares	System Codes
No Shares	Termination Balances
Census	Termination Balances by Deferral Year
Corporate Liability Report	Transfers
by Participant	Transmittal
by Participant Sort	Adjustment
Corporate Liability Sort	Contribution
Deferral Amount Summary	Fee
Election Confirmation Reports	Forfeiture
Beneficiary	Penalty
Deferrals	Transfer
Funds by Account	Withdrawal
Scheduled Payments	Withdrawal Report

## Overview: Your Plans, Our Technology

### Administrator Controls:

- All data & Processes
- Access for participants and sponsors
- Plan features
- Look and feel of participant interface

### Deferral.com Provides:

- Initial training
- Ongoing administrator support
- System maintenance
- System upgrades



SECURE SERVER FACILITY

### Participants Can:

- Enroll online
- Change investment options
- Generate statements & reports
- Update personal information

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For more information contact:

Megan Roschen  
Senior Vice President and COO  
Deferral.com, Inc.  
9 Riverside Office Park  
Weston, MA 02493  
Tel: 781-891-9693 x 667  
Fax: 781-647-8701  
mroschen@deferral.com