
FEBRUARY 27, 2017

AGENDA ITEM 03
ACTION ITEM

CALIFORNIA SECURE CHOICE RETIREMENT SAVINGS INVESTMENT BOARD

Resolution No. 2017-01: Resolution of the California Secure Choice Retirement Savings Investment Board Relating to the Approval to Amend Agreement CSCRSIB02-14 with K&L Gates, LLP for Legal Services

Presenter

Christina Elliott, Acting Executive Director

Background

Agreement CSCRSIB02-14 (“Agreement”) between the California Secure Choice Retirement Savings Investment Board (“Board”) and K&L Gates, LLP for legal services was executed to identify and advise on legal issues regarding the market analysis, feasibility study, and program design and issues related to implementation of the California Secure Choice Retirement Savings Plan (“Secure Choice”).

The Board will require continued legal advice to assist in seeking a “no-action” letter from the Securities and Exchange Commission (“SEC”). Specifically, K&L Gates, LLP anticipates a need for their attorneys to refine a position paper, continue to research prior rulings, and engage in high level talks with SEC staff. The Board may also require continued legal advice necessary to adhere to federal and state law in developing and implementing Secure Choice.

Due to the need for continued legal advice, Secure Choice staff recommends the Board authorize the Acting Executive Director, or in his or her absence, a designee of the California State Treasurer, to execute an amendment to the Agreement to increase the maximum amount of the Agreement from \$420,000 to \$510,000 to allow K&L Gates, LLP sufficient time and resources to continue to provide necessary legal services for the Board.

Staff Recommendation

Secure Choice staff recommends the Board approve Resolution No. 2017-01 of the California Secure Choice Retirement Savings Investment Board relating to the approval to amend agreement CSCRSIB02-14 with K&L Gates, LLP for legal services.

Attachments

- Attachment #1: Resolution No. 2017-01
- Attachment #2: Contract amendment (STD 213A)

RESOLUTION NO. 2017-01

RESOLUTION OF THE CALIFORNIA SECURE CHOICE RETIREMENT SAVINGS INVESTMENT BOARD RELATING TO THE APPROVAL TO AMEND AGREEMENT CSCRSIB02-14 FOR LEGAL SERVICES

WHEREAS, the California Secure Choice Retirement Savings Investment Board (the “Board”) is established under SB 1234 (Chapter 734, 2012; codified under Government Code section 100000 et seq.) and was mandated to conduct a market analysis to determine whether the necessary conditions for implementation of the California Secure Choice Retirement Savings Trust Act (the “Act”) can be met, provided that the Board shall conduct the market analysis only if sufficient funds to initiate and complete the required market analysis are made available through a nonprofit or private entity, or from federal funding;

WHEREAS, Government Code section 100042 provided, in part, that the Act shall become operative only if the Board determines that, based on the market analysis, the provisions of the Act will be self-sustaining, and funds are made available through a nonprofit or other private entity, federal funding, or an annual Budget Act appropriation in amounts sufficient to allow the Board to implement the Act until the California Secure Choice Retirement Savings Trust has sufficient funds to be self-sustaining;

WHEREAS, Government Code section 100043 provides that the Board shall not implement the California Secure Choice Retirement Savings Program (the “Program”) if the Individual Retirement Account or Individual Retirement Annuity (collectively “IRA”) arrangements offered fail to qualify for the favorable federal income tax treatment ordinarily accorded to IRAs under the Internal Revenue Code, or if it is determined that the Program is an employee benefit plan under the federal Employee Retirement Income Security Act;

WHEREAS, the Board deemed it necessary to contract with a law firm to provide the Board with legal services to satisfy the statutory provisions and advise on legal issues regarding the market analysis, feasibility study, and program design and thus entered into Agreement No. CSCRSIB02-14 (the “Agreement”) with K&L Gates, LLP for the necessary legal services;

WHEREAS, it is necessary to engage with the U.S. Securities and Exchange Commission to determine whether the necessary conditions for implementation of the Act can be met; and

WHEREAS, an amendment to the Agreement is necessary to increase the maximum amount of the Agreement to allow K&L Gates, LLP to continue to provide legal services for the Board;

NOW, THEREFORE, BE IT RESOLVED that the Acting Executive Director, or in his or her absence, a designee of the California State Treasurer, is hereby directed and authorized to prepare and take whatever steps necessary to execute an amendment to the Agreement to increase the maximum amount of the Agreement from \$420,000 to \$510,000.

Attest: _____
Chairperson

Date of Adoption: _____

STANDARD AGREEMENT AMENDMENT

STD. 213 A (Rev 6/03)

 CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED _____ Pages



AGREEMENT NUMBER	AMENDMENT NUMBER
CSCRSIB02-14	8
REGISTRATION NUMBER	

1. This Agreement is entered into between the State Agency and Contractor named below:
- STATE AGENCY'S NAME
California Secure Choice Retirement Savings Investment Board
- CONTRACTOR'S NAME
K&L Gates, LLP
2. The term of this Agreement is **2/20/15** through **06/30/17**
3. The maximum amount of this **\$510,000.00** Agreement after this amendment is: **Five Hundred Twenty Thousand Dollars and Zero Cents**
4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

The maximum amount of this Agreement is increased by \$90,000, for a total maximum amount of \$510,000.

All other terms and conditions shall remain the same.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR		CALIFORNIA Department of General Services Use Only
CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.)		
K&L Gates, LLP		
BY (Authorized Signature)	DATE SIGNED (Do not type)	
		
PRINTED NAME AND TITLE OF PERSON SIGNING		
William P. Wade, Partner		
ADDRESS		
10100 Santa Monica Blvd., 7th Floor Los Angeles, CA 90067		
STATE OF CALIFORNIA		
AGENCY NAME		
California Secure Choice Retirement Savings Investment Board		
BY (Authorized Signature)	DATE SIGNED (Do not type)	
		
PRINTED NAME AND TITLE OF PERSON SIGNING		
Steve Juarez, Deputy Treasurer		
ADDRESS		
915 Capitol Mall, Rm. 110, Sacramento, CA 95814		
		<input type="checkbox"/> Exempt per: