

ELECTRONIC DELIVERY OF CLIENT COMMUNICATIONS

Clients may receive written communications ("Client Communications") from Alliance Benefit Group of Illinois, Inc. ("ABG") via e-mail without also receiving paper copies, provided ABG has appropriate consent from the client.

If you agree to receive Client Communications electronically in lieu of paper copies, please provide your e-mail address below and acknowledge your consent by signing where indicated. While ABG may deliver paper copies of Client Communications to you from time to time, the delivery of such paper copies will not affect your consent to future delivery of electronic Client Communications. This consent may be revoked at any time, and you may elect to receive paper copies by informing ABG of this change in writing.

We, City of Madison, hereby authorize ABG to provide "Plan Level" client communications and various materials for the City of Madison Deferred Compensation Plan via e mail at the following e-mail address:

(email address)

X

until such time, if ever, that I change my/our e-mail address or revoke this consent. Notification of any change in my/our e-mail address and/or revocation of this consent must be made in a writing which is signed and delivered to Alliance Benefit Group of Illinois, Inc., Attn: Linda Blossom, 456 Fulton Street, Suite 345, Peoria, IL 61602.

I hereby acknowledge that it is my responsibility to immediately review Client Communications delivered via e-mail to the e-mail address provided to ABG. I further agree to contact ABG should there be a discrepancy as to the contents therein. I agree to hold ABG and its affiliates, directors, officers, members, managers, employees, agents, successors, and assigns free from any damages related to or arising from the delivery of Client Communications via e-mail.

Client Name: City of Madison

By: _____ Date: _____
Authorized Signature

X

Print Name: _____ Title: _____

**RETIREMENT PLAN INVESTMENT CONSULTING
AND NON-DISCRETIONARY ADVISORY AGREEMENT**

This Agreement is entered into on _____, 20____, by and between **City of Madison** (“Client”) and Alliance Benefit Group of Illinois, Inc. an Illinois corporation (“Adviser”). The parties agree as follows:

X

1. **Services.** Adviser agrees to provide the fiduciary services (“Fiduciary Services”) set forth on Appendix A and the non-fiduciary services (“Non-Fiduciary Services”) set forth on Appendix B (collectively, the “Services”) for the retirement plan sponsored by Client identified on Appendix A (the “Plan”). In providing the Services, Client acknowledges that Adviser has no responsibility to provide any Services hereunder with respect to the following types of assets: employer securities, real estate (but excluding real estate funds and publicly traded REITS), participant loans, non-publicly traded securities or assets (other than Collective Investment Funds or non-publicly traded securities or assets recommended by Adviser), other illiquid investments, or brokerage window programs. Client further acknowledges that Adviser shall have no authority or responsibility to provide Services with respect to voting proxies for securities held by the Plan or take other action related to the exercise of shareholder rights regarding such securities.

In performing the Services under this Agreement, Adviser does not act as, nor has Adviser agreed to assume the duties of, a trustee of the Plan or as Plan Administrator (as such term is defined under ERISA), and Adviser has no discretion to interpret the Plan documents, to determine eligibility or participation under the Plan, or to take any other action with respect to the management, administration or any other aspect of the Plan. Further, Adviser does not act as a custodian for the Plan and does not take custody of Plan assets.

Adviser shall not, and cannot, provide legal or tax advice to Client or the Plan. Client agrees to seek the advice of its legal Adviser, as to matters that might arise relating to the operations and administration of the Plan.

Client acknowledges that Adviser is entitled to rely upon all information necessary for it to carry out its duties hereunder that is provided by Client, Client’s representatives or Client’s other service providers without independent verification by Adviser. Client represents that all such information provided to Adviser is and shall be true, correct and complete in all material respects. Client agrees to promptly notify Adviser in writing of any material change in the information provided to Adviser and to promptly provide any such additional information as may be reasonably requested by Adviser.

2. **Fees.**

(a) In consideration for the Services provided under this Agreement, Plan shall pay to Adviser the fees shown for the Services on the Fee Schedule attached as Appendix C (the “Fee Schedule”). The fees payable to Adviser as set forth on the Fee Schedule are referred to collectively as the “Fees.” Client hereby authorizes the Plan’s recordkeeper (or other custodian of the Plan’s assets) to remit the Fees directly to the Adviser from Plan assets within 10 days after its receipt of a copy of the invoice therefore from Adviser to Client (so long as Client does not object to the amount of the fees within such 10 day period). Notwithstanding the Plan’s obligation to pay the Fees, Client may elect within its sole discretion to pay any or all Fees to Adviser in lieu of payment by the Plan; provided that any Fees remaining unpaid after thirty (30) days from date of invoice shall be due and payable immediately by the Plan.

(b) Client acknowledges that, in connection with the performance of the Services, Adviser or its affiliates may from time to time receive fees from mutual funds or their distributors, which are offered as investment alternatives under the Plan (“third party payments”). These third party payments consist of 12b-1 fees, sub-transfer agency fees and/or other similar fees, are in addition to the fees for Services charged by Adviser under this Agreement and are paid in connection with the Services provided hereunder. Any third party payments received by Adviser shall be used to reduce Adviser’s fee for the Services hereunder. To the extent any such fees exceed the amount of Adviser’s fee for services, any excess will be used to offset any additional plan expenses or may be remitted to the Plan for use in paying future expenses of the Plan. The payer or payers of any such third party payments are identified on Appendix C.

3. **Fiduciary Status; Limitations on Functions.**

(a) Client acknowledges that (i) in performing any of the Fiduciary Services specified in Appendix A, Adviser is acting as a Fiduciary of the Plan under both Section 3(21)(A)(ii) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and DOL Regulation 2510.3-21(c)(i) and (ii)(B), and under the Investment Advisers Act of 1940 (the “Act”) and (ii) in performing the Non-Fiduciary Services specified in Appendix B, Adviser acts solely as an agent of Client (whether or not Client is acting in the capacity as Plan Administrator) and as such acts solely at the direction of Client and is not acting as a Fiduciary of the Plan.

(b) Custody of Plan assets will be maintained with an independent custodian selected by Client. Adviser will not have custody of any assets nor any authority to obtain possession of any Plan assets. Client will be solely responsible for paying all fees or charges of the custodian. Neither Adviser nor any of its affiliates shall have any liability with respect to custodial arrangements or the acts, conduct, or omissions of the custodian. Client authorizes Adviser to instruct the custodian on Client’s behalf to provide Adviser with copies of all periodic statements and other reports that the custodian sends to Client.

(c) The sole standard of care imposed on Adviser in performing the Fiduciary Services hereunder is to act with the care, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims; provided, however, that nothing in this Agreement shall be deemed to limit any responsibility that Adviser may have to Client to the extent such limitation would be inconsistent with applicable laws, including securities laws.

4. **Non-Exclusivity.** Client understands that Adviser and its affiliates perform among other things, retirement plan investment consulting, retirement plan fiduciary consulting, retirement plan design consulting, plan administration and record keeping services, and portfolio management services for other clients. Client recognizes that Adviser or any of its affiliates may give advice and take action in the performance of its duties for such other clients (including those who may have similar retirement plan arrangements as Client) that may differ from advice given, or in the timing and nature of action taken, with respect to Client. Nothing in this Agreement shall be deemed to impose on Adviser, or any of its affiliates, any obligation to advise Client with respect to the Plan, including the Services provided by Adviser under this Agreement, or any of its affiliates, in the same manner as it may advise any of its other clients. Client also acknowledges that Adviser and its affiliates may, by reason of its other such activities as described above, from time to time acquire confidential information. Client acknowledges and agrees that Adviser is unable to divulge to the Client or any other party, or to act upon, any such confidential information with respect to its performance of this Agreement.

5. **Valuation.** In computing the market value of any security or other asset of the Plan, each security listed on a national securities exchange shall be valued, as of the valuation date, at the closing

price on the principal exchange on which it is traded. Any other security or asset in the Plan may be valued by Adviser in a manner determined in good faith to reflect fair market value or will rely upon such valuation of the assets as provided to Adviser by Client or the custodian of the Plan's assets. In all events, Client acknowledges that any such valuation shall be no guarantee of any type with respect to the market value of the assets, or any portion thereof, in the Plan.

6. **Representations of Client.** Client represents and warrants as follows:

(a) It is the Named Fiduciary with respect to the control or management of the assets of the Plan in accordance with the requirements of ERISA. As such, Client has the power and authority to designate investment alternatives under the terms of the Plan, and to enter into contractual arrangements with third parties to assist in the discharge of these and related duties.

(b) Client is the fiduciary of the Plan with the authority to cause the Plan to enter into this contract, unless another party is identified on the signature page. In this capacity, Client (or such other person or group) is referred to as the Responsible Plan Fiduciary.

(c) The person signing the Agreement on behalf of Client has been delegated all necessary authority to do so by Client and the trustees (or Named Fiduciary) of the Plan, and that he or she (including Client, the trustee and the Named Fiduciary) is independent of and unrelated to Adviser or any of its affiliates.

(d) The execution of this Agreement and the performance thereof is within the scope of the investment authority authorized by the governing instrument and/or applicable laws. If Client is a corporation, the signatory on behalf of such Client represents that the execution of the Agreement has been duly authorized by appropriate corporate action and agrees to provide such supporting documentation as may be reasonably required by Adviser.

(e) Client and the Responsible Plan Fiduciary acknowledge that before this Agreement was entered into, Adviser provided to the Responsible Plan Fiduciary information required by ERISA Regulation Section 2550.408b-2(c), and the Responsible Plan Fiduciary acknowledges that it received such information sufficiently in advance of entering into this Agreement to make an informed decision to engage Adviser. All such information is included in this Agreement, in the Appendixes hereto which are part of this Agreement and in Adviser's Form ADV Part II, a copy of which has been delivered to Client and Responsible Plan Fiduciary. Client further acknowledges contemporaneous receipt of an Adviser investment advisory services disclosure document (Form ADV - Part II). Client has reviewed and considered the contents of the disclosure document, in particular, the provisions relating to compensation, interests in transactions and potential conflicts of interest, as well as the remainder of the disclosure document which contains information concerning, among other matters, background information such as educational and business history, business practices such as the types of advisory services provided, the methods of securities analysis used, and the like. Client and the Responsible Plan Fiduciary have determined this Agreement (i) to be in the best interests of the Plan and its participants, (ii) to be necessary for the operation of the Plan, and (iii) to be reasonable based upon the compensation to be paid for Services rendered hereunder.

(f) The adoption and implementation of any investment advice rendered by Adviser pursuant to this Agreement is at the sole discretion of Client. Client acknowledges that investments fluctuate in value and the value of investments when sold may be more or less than when purchased, and that past investment performance does not necessarily guarantee any level of future investment performance.

(g) The Plan does not prohibit payment of the Fees out of Plan assets, and Client has determined that payment of the Fees by the Plan is prudent and that the Fees are reasonable.

7. **Representations of Adviser.** Adviser represents as follows:

(a) It is registered as an investment adviser under the Act, and in performing the Fiduciary Services it is acting as a Fiduciary of the Plan under both Section 3(21)(A)(ii) of ERISA, and DOL Regulation Section 2510.3-21(c)(i) and (ii)(B), and under the Act.

(b) It has the power and authority to enter into and perform this Agreement, and there are no authorizations, permits, certifications, licenses, filings, registrations, approvals or consents which must be obtained by it from any third party, including any governmental authority, in connection with this Agreement.

(c) It will disclose to the Responsible Plan Fiduciary any change to the information regarding services, compensation and potential conflicts of interest within 60 days from the date on which Adviser acquires knowledge of the material change.

(d) It will disclose all information related to this Agreement and any compensation or fees received under the Agreement that is requested by Client in order to enable Client to comply with the reporting and disclosure requirements of Title I of ERISA and the regulations, forms and schedules issued thereunder.

(e) Adviser will receive the compensation shown in Appendix C only, and does not receive any compensation from any third party in connection with the services hereunder except as shown in such Appendix and as indicated in Section 2(b).

8. **Indemnity.** Adviser agrees to indemnify and hold Client harmless from any and all liabilities and claims, including but not limited to damages, court costs, reasonable legal fees and costs of investigation, which arise directly from Adviser's intentional misconduct or gross negligence with respect to the Services hereunder; provided, however, in no event shall Adviser be liable for any indirect, special, consequential or exemplary damage with respect to its Services.

Client agrees to indemnify and hold Adviser harmless from any and all liabilities and claims, including, but not limited to, damages, court costs, reasonable legal fees and costs of investigation which arise from, directly or indirectly, any investment loss experience by the Plan or Plan participants, the reliance or action taken in reliance on any instruction received from Client, including without limitation, Client's representations set forth in this Agreement, or from any cause of action brought by the Named Fiduciary or a Plan participant with respect to the Services hereunder; provided that such losses or damages are not directly caused by Adviser's intentional misconduct, gross negligence or breach of fiduciary duty. Liabilities and claims to which the indemnification in this paragraph applies would include, by way of example but not limitation, investment losses suffered as a result of a general market decline, investment losses arising in situations in which Client fails to follow Adviser's advice or in which Client or a third party fails to properly implement such advice, and participant claims arising out of an alleged claim of breach of fiduciary duty on the part of Client or other Plan fiduciaries.

9. **Termination.** Client shall be entitled to terminate this Agreement within five business days of the execution of this Agreement without incurring a penalty or charge. Otherwise, either party may terminate this Agreement upon 30 days prior written notice to the other party, and Adviser shall be entitled to a pro-rata amount of compensation. Such termination will not, however, affect the liabilities or obligations of the Parties arising from transactions initiated prior to such termination, and such liabilities and obligations (together with the provisions of Sections 8 and 11) shall survive any expiration or termination of this Agreement.

10. **General Provisions.**

(a) **Assignability.** This Agreement is not assignable by either Party hereto without the prior written consent of the other Party.

(b) **Effect.** This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, successors, survivors, administrators and assigns.

(c) **Modification.** The Agreement may be modified, including without limitation the Services to be provided by Advisor or the Fees charged by Adviser (i) by mutual written agreement or (ii) in the manner set forth herein and consistent with the procedure described in Department of Labor Advisory Opinion 97-16A (which is set forth in the next paragraph).

Adviser may propose to increase or otherwise change the Fees charged, to change the Services provided or otherwise modify this Agreement by giving Client at least sixty (60) days advance notice of the proposed change. The notice shall be given in the manner described in Section 10(e) below. The notice will (1) explain the proposed modification of the Fees, Services or other provisions; (2) fully disclose any resulting changes in the Fees to be charged as a result of any proposed change in the Services or other changes to this Agreement; (3) identify the effective date of the change; (4) explain Client's right to reject the change or terminate this Agreement; and (5) state that pursuant to the provisions of this Agreement, if Client fails to object to the proposed change(s) before the date on which the change(s) become effective Client will be deemed to have consented to the proposed change (s).

If Client rejects any change to this Agreement proposed by Adviser, Adviser shall not be authorized to make the proposed change. In that event Client shall have an additional sixty (60) days from the proposed effective date (or such additional time beyond 60 days as may be agreed by Adviser) to locate a service provider in place and instead of Adviser. If at the end of such additional sixty (60) day period (or such additional time period as agreed by Adviser), the parties have not reached agreement on the proposed changes, this Agreement shall automatically terminate.

(d) **Severability.** If any one or more of the provisions of this Agreement (other than the provisions of Section 8) shall, for any reason, be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement and this Agreement shall be enforced as if such illegal or invalid provision had not been contained herein.

(e) **Notices.** Any and all notices required or permitted under this Agreement shall be in writing and shall be sufficient in all respects if (i) delivered personally, (ii) mailed by registered or certified mail, return receipt requested and postage prepaid, (iii) sent via a nationally recognized overnight courier service, or (iv) sent via facsimile and confirmed in writing to:

If to Adviser:

Alliance Benefit Group of Illinois, Inc.
456 Fulton Street, Suite 345
Peoria, IL 61602
Facsimile: (309) 671-9933
ATTN: John D. Blossom, Jr.

If to Client: to the address set out on the signature page

or such other address or facsimile as any Party shall have designated by notice in writing to the other Party. All notices shall be deemed to have been given or made when delivered by hand or courier, or when sent by facsimile, or if mailed, on the third business day after being so mailed.

(f) **Headings.** All headings used herein are for ease of reference only and in no way shall be construed as interpreting, decreasing or enlarging the provisions of this Agreement.

(g) **Entire Understanding.** This Agreement constitutes and contains the entire understanding between the parties and supersedes all prior oral or written statements dealing with the subject matter herein.

(h) **Applicable Law.** The laws of the State of Illinois shall govern this Agreement in all respects, including but not limited to the construction and enforcement thereof, unless otherwise preempted by federal law.

(i) **Waiver or Limitation.** Nothing in this Agreement shall in any way constitute a waiver or limitation of any rights which the Client or the Plan or any other party may have under ERISA or federal or state securities laws.

11. **Dispute Resolution; Arbitration.**

(a) All disputes, actions or controversies between Client and Adviser or its affiliates, including any of Adviser's present or former officers, directors, agents or employees, which may arise out of or relate to any of the Services provided by Adviser under this Agreement, or the construction, performance or breach of this or any other agreement between Adviser or an affiliate and Client, whether entered into prior to, on or subsequent to the date hereof, shall be resolved by negotiation of the parties acting in good faith.

(b) If the parties are unable to resolve their differences through negotiation, the parties shall engage in non-binding mediation, using the services of an impartial, neutral mediator selected by mutual agreement of the parties. Mediation is voluntary once commenced, and either party may withdraw from the mediation process at its sole discretion at any time. The fees of the mediator shall be borne equally by the parties.

(c) If the parties are unable to agree on a single mediator or to resolve the issues through mediation, to the extent permitted by law, then the matter shall be settled by binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. Unless the parties can agree on a single arbitrator, the matter shall be heard by a panel of three arbitrators, one selected by each party and the third selected by the two arbitrators so appointed. Judgment upon any award rendered by the arbitrator(s) shall be final, and may be entered into any court having jurisdiction. In agreeing to binding arbitration, Client is aware that:

(i) Arbitration is final and binding on the Parties.

(ii) The Parties are waiving their right to seek remedies in court, including the right to jury trial, except to the extent such a waiver would violate applicable law.

(iii) Pre-arbitration discovery is generally more limited than and potentially different in form and scope from court proceedings.

(iv) The arbitration award is not required to include factual findings or legal reasoning and any Party's right to appeal or to seek modification of rulings by the arbitrators is strictly limited.

(v) The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.

The Parties have executed this Agreement as of the date set forth above.

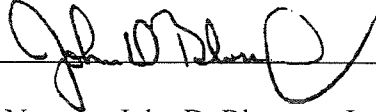
City of Madison

By: _____

Print Name: _____

Title: _____

Alliance Benefit Group of Illinois, Inc.

By:  _____

Print Name: John D. Blossom, Jr.

Title: President

X

Address: 210 Martin Luther King, Jr. Boulevard
Room 501
Madison, WI 53703

ACCEPTED BY THE RESPONSIBLE PLAN FIDUCIARY

By: _____

X

APPENDIX A

FIDUCIARY SERVICES

Adviser shall perform the following services for the **City of Madison Deferred Compensation Plan** (the "Plan").

Fiduciary Advisory Services

Adviser acknowledges that in performing Fiduciary Advisory Services, it is a fiduciary under ERISA and the Act as set forth in Section 3(a) of this Agreement.

1. Adviser will review the Plan's current investment portfolio and prepare a written analysis, including any recommendations for change to the investment portfolio.
2. Adviser will prepare a manager search for any existing investment option or additional investment options considered under the Plan.
3. Adviser will assist in the development of a written investment policy statement or review the existing investment policy statement, which establishes the specific standards and processes for investment operations of a typical retirement plan, such as the Plan. Client shall be responsible for final approval of the Investment Policy Statement. The Investment Policy Statement will include:
 - a. General Purpose and Overview
 - b. Statement of Objectives
 - c. Duties and Responsibilities
 - d. Asset Class Guidelines
 - e. Investment Manager Selection
 - f. Monitoring and Review Standards
 - g. Measuring Costs Guidelines
4. Advisor will provide written investment performance measurement, analysis and diagnostics with respect to investment funds offered under the Plan on a regular basis (at least annually) including, but not limited to:
 - a. Extensive performance histories on each fund, dating to ten years, if available.
 - b. Comparison of each fund to its appropriate benchmark and peer group.
 - c. Provide fund rankings within each fund's appropriate peer group for relative comparison of like alternatives.
 - d. Provide risk/return profiles for each fund.
 - e. Quarterly review of each fund's compliance with its stated style and objectives.
 - f. Review of qualitative information available on each fund option, including significant changes in the fund's manager, style, asset size and ownership.
5. Adviser shall provide Client with alternatives and various courses of action in the event the investment option(s) do not meet stated performance measurements as documented in the Investment Policy Statement. All final decisions regarding investment of Plan assets, the establishment of an investment policy, and the selection of investment managers shall remain with the Client.

6. Adviser will design risk based Asset Allocation Model Portfolios (“Models”). These risk-based Models are not managed securities but rather asset allocation portfolios utilizing the underlying investment options made available to plan participants. Adviser will make recommendations to the Client to adjust the allocations within the Models as warranted.

7. Other Fiduciary Services:

APPENDIX B

NON-FIDUCIARY SERVICES

Advisor shall perform the following services for the Plan.

1. Provide recommended procedures for the establishment operation of the Plan investment committee. This will include:

- a. Board Resolutions to establish the investment committee.
- b. Operating Procedures for the investment committee.
- c. Committee Member Appointment and Acknowledgement form

2. Adviser will provide an annual review and benchmarking of all Plan expenses to the extent they are provided or disclosed to Adviser.

3. Adviser will design employee education materials and questionnaires to assist Plan Participants in making their investment and asset allocation decisions. All such materials shall be designed to comply with the provisions of DOL Interpretive Bulletin 96-1.

4. Other Non-Fiduciary Services as follows:

APPENDIX C

FEE SCHEDULE

1. Calculation of Fees. Fees shall be calculated as follows:

(X) Annual Asset Based Fee for the afore mentioned Services (as indicated within Appendix A&B):

5 Basis Points (0.0005 = .05% = \$50 per \$1,000) of Plan Assets

Unless otherwise indicated, the Asset Based Fee is calculated as follows:

- (a) The Plan assets are determined at the beginning of the calendar year. In the initial year, Plan assets transferred would be used.
- (b) The applicable annualized Asset Based Fee percentage (which will not exceed 1.00%)* is determined based upon assets in item (a).
- (c) One quarter of the applicable annualized Asset Based Fee percentage, determined in item (b), will be applied to the market value of the Plan assets on the last trading day of the applicable calendar quarter. The Asset Based Fee is payable quarterly in arrears. In any partial calendar quarter, the Asset Based Fee will be pro rated based on the number of days that the Account was open during the quarter.
- (d) To the extent ABG receives any compensation or fees paid by funds held by the Plan, as described in Section 2(b) of the Agreement, such fees will be fully disclosed and used to reduce the Asset Based Fee. The balance of any fee will be: paid to ABG from Plan assets. invoiced to the client.



**Asset Based Fee is calculated in accordance with amounts outlined on the Plan Fee Quote furnished prior to the Plan's implementation.*

() Flat Fee \$ _____ (\$ _____ per quarter) - Flat fee is payable quarterly in arrears to the extent ABG receives any compensation or fees paid by funds held by the Plan, as described in Section 2(b) of the Agreement, such fees will be fully disclosed and used to reduce the flat fee. The balance of any fee will be: paid to ABG from Plan assets. invoiced to the client.

2. Expenses: Adviser may be reimbursed by Plan for all reasonable out of pocket expenses incurred by it in connection with the Services provided hereunder. All expenses must be approved in advance by Client.

3. Third Party Payments: Adviser may receive third party payments (as described in Section 2(b) of the Agreement). Such payments will be made by plan custodian and/or directly from fund families who have a direct agreement with Alliance Benefit Group LLC/Alliance Benefit Group of Illinois, Inc.

4. Custody of Account Assets. The assets to be managed under this Agreement will be held in a custodial account established by you with:

Name of Custodian: TD Ameritrade Trust Co. Account Number: T78CMD

Any questions pertaining to the Custodian should be directed to Adviser.

5. Signature:

Client's Signature _____ Date _____



ALLIANCE BENEFIT GROUP OF ILLINOIS, INC.
456 FULTON AVENUE, SUITE 345
PEORIA IL 61602
Office (309) 671-4200
Fax (309) 671-9933
WWW.ABGIL.COM
LINDA.BLOSSOM@ABGEMAIL.COM

This brochure provides information about the qualifications and business practices of Alliance Benefit Group of Illinois, Inc. If you have any questions about the contents of this brochure, please contact us at: (309) 671-4200, or by email at: Linda.Blossom@abgemail.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Alliance Benefit Group of Illinois, Inc. is available on the SEC's website at www.adviserinfo.sec.gov using CRD #117678. Registration does not imply a certain level of skill or training.

March 12, 2012

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

This brochure has been updated to reflect the current assets under management.

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Advisory Business

Firm Description

Alliance Benefit Group of Illinois, Inc., ("ABG") was founded in 1967. Our primary objective is to provide our client plan sponsors and participants with high quality retirement and investment education services. We are committed to providing the tools that will equip plan participants for retirement with adequate retirement income. We offer comprehensive services to meet our clients' needs for total benefit outsourcing. Our daily valuation record keeping service is SAS 70 Level II audited by an independent auditing firm for "certified quality". In addition, our firm is CEFEX certified to ensure operational integrity.

ABG provides investment advisory services to sponsors and trustees of Qualified and Non-qualified pension and profit sharing plans and banks or thrift institutions. ABG offers its services on a fee basis. Prior to engaging ABG to provide any investment advisory services, the client will be required to enter into an Investment Consulting Agreement ("Agreement") with ABG setting forth the terms and conditions under which ABG shall render its services.

Alliance Benefit Group of Illinois, Inc. does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

Principal Owners

ABG is employee owned. John Blossom is a 75% stockholder. No other person owns more than 5%.

Types of Advisory Services

Alliance Benefit Group of Illinois, Inc. (ABG) may provide investment advisory services to Plan Participants in accord with provisions of the Pension Protection Act of 2006.

ABG provides non-discretionary fiduciary and non-fiduciary services to its clients. Non-fiduciary services include development of a written Investment Policy Statement, assistance in establishing procedures for the Plan's Investment Committee, education of Plan Participants and assistance with other vendor services. Fiduciary services include advice regarding investment alternatives, analysis, and fund monitoring services.

ABG will provide discretionary investment management services as described under ERISA Section 3(38) to clients who elect this service as set forth in the Agreement.

Fees will be debited directly from the client's account or paid directly by the client as set forth in the Agreement. ABG has no physical custody of client assets. Registrant will send a statement to the client detailing the amount of the fee, the value of the client's assets upon which the fee was based, and the manner in which the fee was calculated. It shall be the client's responsibility to verify the accuracy of the fee calculation. The Custodian shall not determine whether the fee is correctly calculated.

Fees shall be pro-rated and charged quarterly in arrears. All fees are negotiable. No fee shall be based upon capital gains or capital appreciation of assets. The investment advisory relationship may be terminated by either Registrant or client, without penalty, upon 30 days written notice served to the other party.

As of December 31, 2011, Alliance Benefit Group of Illinois, Inc. had \$551,150,454 in assets under management for approximately 128 clients. Approximately \$100,115,165 is managed on a discretionary basis, and \$438,874,176 is managed on a non-discretionary basis.

Types of Agreements

The following agreements define the typical client relationships.

Plan Administration Agreement

Alliance Benefit Group of Illinois provides record keeping, administration, and investment consulting for employer sponsored retirement plans. We specialize in designing and servicing participant directed 401(k), 403(b)(7), 457(b) plans and other qualified retirement plans. Alliance Benefit Group of Illinois also provides administration for Section 125-Flex Plans, non-qualified retirement plans, interfaced payroll services and Health Savings Accounts (HSA).

Although the Plan Administration Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the

client's discretion. The Plan Trustees may terminate an Agreement by written notice to the other party.

Fees for Plan Administration are generally non-negotiable.

Fiduciary Services Agreement

Alliance Benefit Group of Illinois, Inc. (ABG) may provide, at the election of Plan Trustees, investment advisory services to Plan Participants in accord with provisions of the Pension Protection Act of 2006. This Agreement is ongoing and may be terminated by either party with 30 days written notice.

Non-Fiduciary Agreement

ABG provides non-discretionary fiduciary and non-fiduciary services to its clients. Non-fiduciary services include development of a written Investment Policy Statement, assistance in establishing procedures for the Plan's Investment Committee, education of Plan Participants and assistance with other vendor services. Fiduciary services include advice regarding investment alternatives, analysis, and fund monitoring services. This type of engagement is on going and may be terminated by either party with 30 day written notice.

Termination of Agreement

A Client may terminate any of the aforementioned agreements at any time by notifying Alliance Benefit Group of Illinois, Inc. in writing and paying the rate for the time spent on the engagement prior to notification of termination. If the client made an advance payment, Alliance Benefit Group of Illinois, Inc. will refund any unearned portion of the advance payment.

Alliance Benefit Group of Illinois, Inc. may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, Alliance Benefit Group of Illinois, Inc. will refund any unearned portion of the advance payment.

Fees and Compensation

Description

Alliance Benefit Group of Illinois, Inc. bases its fees on a percentage of assets under management, hourly charges, and participant statistics.

Investment advisory fees are generally negotiable. Plan Administration fees are generally non-negotiable.

Fee Billing

Investment management fees are billed quarterly, in arrears, meaning that we invoice our clients after the three-month billing period has ended. Payment in

full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Fees for investment advisory services to sponsors and trustees of qualified and non-qualified pension and profit sharing plans and banks or thrift institutions shall be as follows:

Assets under Management:	Annual Fee*:
On first \$500,000	1.00%
On next \$500,000	.60%
On next \$2 million	.50%
On next \$2 million	.40%
On next \$5 million	.25%
Over \$10 million	.10%

*The above listed fees are maximum fees and may be reduced based upon the facts and circumstances of the case.

If Plan Participant advisory services have been contracted by the Plan Sponsor, fees for such services shall be as follows:

Assets under Management:	Annual Fee*:
On first \$500,000	2.00%
On next \$500,000	1.00%
On next \$2 million	.75%
On next \$2 million	.50%
On next \$5 million	.25%
Over \$10 million	.10%

*The above listed fees are maximum fees and may be reduced based upon the facts and circumstances of the case.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Alliance Benefit Group of Illinois, Inc., in its sole discretion, may charge a lesser investment advisory fee based upon certain criteria (e.g., historical

relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by our clients to Alliance Benefit Group of Illinois, Inc.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Past Due Accounts and Termination of Agreement

Alliance Benefit Group of Illinois, Inc. reserves the right to stop work on any account that is more than 90 days overdue.

Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

Alliance Benefit Group of Illinois, Inc. does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Types of Clients

Description

Alliance Benefit Group of Illinois, Inc. generally provides investment advice to pension and profit sharing plans.

Client relationships vary in scope and length of service.

Account Minimums

Alliance Benefit Group of Illinois, Inc. does not have a minimum account size.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include fundamental analysis and technical analysis.

The main sources of information include financial newspapers, magazines, and software, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Investment Strategies

Each Plan Sponsor receiving fiduciary services executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

The investment strategy for a specific Plan Participant is dictated by the Participant. ABG may provide education assistance to the Participants, if the Plan Sponsor requests that service.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, typically causes their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power erodes at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

Alliance Benefit Group of Illinois, Inc participates in no other financial industry activities except plan administration and investment advisory services.

Affiliations

Alliance Benefit Group of Illinois, Inc. has no arrangements that are material to its advisory or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

The employees of Alliance Benefit Group of Illinois, Inc. have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

Alliance Benefit Group of Illinois, Inc. and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the Alliance Benefit Group of Illinois, Inc. Compliance Manual.

Personal Trading

The Chief Compliance Officer of Alliance Benefit Group of Illinois, Inc. is Linda Blossom. All employee trades are reviewed each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most client trades are mutual fund trades or exchange-traded fund trades which are traded at net asset values, employee trades do not affect client trades.

Brokerage Practices

Selecting Brokerage Firms

Alliance Benefit Group of Illinois, Inc. does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. Alliance Benefit Group of Illinois, Inc. recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

Alliance Benefit Group of Illinois, Inc. does not receive fees or commissions from any of the custodial arrangements.

Best Execution

Alliance Benefit Group of Illinois, Inc. reviews the execution of trades at each custodian each quarter. The review is documented in the Alliance Benefit Group of Illinois, Inc. Compliance Manual. Trading fees charged by the custodians is also reviewed on an annual basis. Alliance Benefit Group of Illinois, Inc. does not receive any portion of the trading fees.

Soft Dollars

ABG receives some economic benefit from Custodians that hold client assets. Pricing of the Applicant's record keeping services are indirectly impacted by the gross assets held by the Custodian on behalf of all clients. Certain client support services are provided by Custodians to facilitate the ABG's service to its clients. No cash or other economic benefit is received in connection with giving advice to any specific client.

Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

Review of Accounts

Periodic Reviews

The funds listed on our Recommended Funds list are monitored constantly for changes to fund management or investment style.

ABG shall perform reviews in accordance with standards as set forth in the client's written Investment Policy Statement (IPS) at least annually (or more frequently as agreed upon with the client). Account reviews are performed more frequently when market conditions dictate.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a Plan participant's own situation.

Regular Reports

ABG shall perform reviews in accordance with standards as set forth in the client's written Investment Policy Statement (IPS) at least annually (or more frequently as agreed upon with the client). Quarterly monitoring reports (QMR's) will be provided to the client. The reviewers are the five (5) members of the ABG Investment Committee.

Client Referrals and Other Compensation

Incoming Referrals

Alliance Benefit Group of Illinois, Inc. has been fortunate to receive many client referrals over the years. The referrals come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals Out

Alliance Benefit Group of Illinois, Inc. does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Other Compensation

There is no other compensation received by ABG.

Custody

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the Quarterly Monitoring Reports provided by Alliance Benefit Group of Illinois, Inc.

Investment Discretion

Discretionary Authority for Trading

Alliance Benefit Group of Illinois, Inc. accepts discretionary authority to manage some Plan Participant securities accounts. For those accounts, Alliance Benefit Group of Illinois, Inc. has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

The client approves the custodian to be used and the commission rates paid to the custodian. Alliance Benefit Group of Illinois, Inc. does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in our client accounts on the client's behalf so that we may promptly implement the investment policy that the clients have approved in writing.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. Our clients sign a limited power of attorney so that we may execute the trades that they have approved.

Voting Client Securities

Proxy Votes

ABG does not vote proxies for securities held in customer accounts.

Financial Information

Financial Condition

Alliance Benefit Group of Illinois, Inc. does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because Alliance Benefit Group of Illinois, Inc. does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

Business Continuity Plan

General

Alliance Benefit Group of Illinois, Inc. has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Loss of Key Personnel

Alliance Benefit Group of Illinois, Inc. has cross trained employees to allow the continuation of services in the event that any one employee is lost due to death, disability or termination of services.

Information Security Program

Information Security

Alliance Benefit Group of Illinois, Inc. maintains an information security program to reduce the risk that personal and confidential information may be breached.

Privacy Notice

Alliance Benefit Group of Illinois, Inc has adopted this policy with recognition that protecting the privacy and security of the personal information we obtain about our clients is an important responsibility. We also know that our clients expect us to service their Plan in an accurate and efficient manner. To do so, we must collect and maintain certain personal information about clients. We want our clients to know what information we collect and how we use and safeguard that information.

WHAT INFORMATION WE COLLECT

We collect certain nonpublic personal identifying information about Plan Participants (such as Participants' name, address, social security number, etc.) from information that our clients provide us via Plan enrollment applications, contribution files or other forms as well as communications (electronic, telephone, written or in person) with our clients or the client's authorized representative (such as an attorney, accountant, etc.). We also collect information from the Plan's custodial platform about the Plan's accounts and transactions (such as purchases, sales, account balances, inquiries, etc.)

WHAT INFORMATION WE DISCLOSE

We do not disclose the nonpublic personal information we collect about our clients' Plans to

anyone except: (i) in furtherance of our business relationship with them and then only to those persons necessary to effect the transactions and provide the services that they authorize (such as authorized broker-dealers, custodians, independent managers, etc.); (ii) to persons assessing our compliance with industry standards (e.g. regulatory authorities, etc.); (iii) our attorneys, compliance consultant, accountants and auditors; or (iv) as otherwise provided by law.

We are permitted by law to disclose the nonpublic personal information to governmental agencies and other third parties in certain circumstances (such as third parties that perform administrative services on our behalf). These third parties are prohibited from using or sharing the information for any other

purpose. If our clients decide at some point to either terminate our services or become an inactive client, we will continue to protect any nonpublic information in accordance with our privacy policy, as may be amended from time to time.

SECURITY OF CLIENT INFORMATION

We maintain physical, electronic and procedural safeguards to protect a Plan's nonpublic personal information.

CHANGES TO OUR PRIVACY POLICY OR RELATIONSHIP WITH OUR CLIENTS

Our policy about obtaining and disclosing information may change from time to time. We will provide notice of any material change to this policy before we implement the change.