Disability Rights California

California's protection & advocacy system

ADMINISTRATION
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Sacramento, CA 95811
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REQUEST FOR PROPOSALS 2018-01

FOR

ADMINISTRATIVE, TRUSTEE, AND INVESTMENT SERVICES FOR DISABILITY RIGHTS CALIFORNIA'S 401(K) PLAN

RESPONSE DUE: JULY 3, 2018 AT 12:00 P.M. PACIFIC TIME

Note: This document contains confidential information and shall not be distributed outside your organization without the prior written consent of Disability Rights California.

Introduction:

Disability Rights California (DRC) is a 501 (c) (3) non-profit disability rights organization working since 1978 to advocate, educate, investigate and litigate to advance the rights, dignity, equal opportunities and choices for all people with disabilities. DRC currently employs about 250 employees and has four regional offices and 26 additional locations throughout the state. DRC offers its employees a 401(k) plan. Plan assets are over $22 million as of March 31, 2018, with 160 current employees participating.

DRC is requesting proposals from qualified 401(k) retirement services providers who are professional, responsive, proactive, creative, and will provide recordkeeping, administration, educational, and investment advisory services. DRC desires an alliance with an investment advisory firm who will serve as the Plan Fiduciary as required by ERISA Section 3(21) and will provide the Plan Trustees and internal Investment Committee with recommended investment options, and technical and strategic advice regarding DRC's 401(k) plan.

As a disability rights organization, it is critical that all selected vendors comply with W3C web standards and guidelines (these guidelines can be found at http://www.w3.org/consortium/) and provide materials that are fully accessible in both web and print formats. In addition, all vendor office locations must meet state and federal disability architectural access requirements (Americans with Disabilities Act and California Building Code).

Proposal Timeline:

June 7, 2018	RFP issued to selected bidders & on DRC's website at https://www.disabilityrightsca.org/pod/available-requests-for-proposals
July 3, 2018	RFP bids due at DRC 12:00 p.m. pacific standard time
July 16-17, 2018	Interviews for selected bidders in Sacramento, CA July 16: 1:00 p.m. to 5:00 p.m.

July 17: 11:00 a.m. to 4:00 p.m.

August 21, 2018 DRC Board Executive Committee approval

Proposal Format:

The proposal must contain the items listed below. To be consistent with DRC's accessibility protocols, the proposal must be provided in Microsoft Word and in Arial 14 font. The proposal should be as brief and concise as possible, providing relevant information and excluding marketing materials. The proposal, excluding the cover letter and any attachments, should not exceed 25 pages:

1. Cover Letter: A brief cover letter summarizing key elements of the proposal on letterhead and Arial 14pt font. The cover letter must include the name, address, telephone number, and email address of the proposer and all key personnel who will be providing requested services. A representative authorized to make contractual commitments must sign the cover letter.

2. Table of Contents: Please identify each section of your response as outlined in this RFP.

3. A response to items A-N.

4. All attachments identified in the RFP.

Proposal Submission:

Please provide one original proposal signed by an authorized official, as well as five copies of the proposal, by July 3, 2018 12:00 p.m. Pacific Time to:

Steve Haas, Human Resources Director
Disability Rights California
1831 K Street
Sacramento, CA 95811

In addition, one accessible electronic copy of the entire signed proposal must be emailed by the same deadline to Steve Haas at:

Steve.Haas@disabilityrightsca.org

Any questions should be directed in writing to:

Steve.Haas@disabilityrightsca.org

The proposal shall remain valid for a period of 180 days beyond the proposal due date.

Period of Performance:

DRC intends to award the contract for up to a five year period. The period of performance will be subject to periodic review by DRC. This contract may be terminated by DRC with a thirty (30) day written notice to the contractor without cause and regardless of the reason. Any contract executed based on award of this RFP must stipulate that the governing law will be the State of California.

Key Points:

This RFP does not commit DRC to award a contract to any firm that responds to or participates in this RFP process. All costs incurred by in responding to the RFP are solely the responsibility of the respondent. DRC reserves the right to accept or reject any or all responses as a result of this RFP, to obtain information concerning any or all respondents from any source, and to request an oral presentation from any or all respondents. DRC expressly reserves the right to negotiate with some, all, or none of the respondents with respect to any term or terms of the responses or contracts.

Responses that are incomplete, received after the deadline or do not comply with the conditions specified in this RFP may be rejected. Unless specifically requested by DRC, oral communications outside the process detailed in this RFP will not be considered. Should DRC elect to award a contract to your firm, your proposal and any supplemental information and responses may be incorporated into and made a part of any final written agreement between DRC and your firm. No such information or other material should be submitted that cannot be incorporated into the agreement.

Selection Criteria:

DRC will make its selection based upon its perception of the demonstrated competence, financial capacity, experience, knowledge and qualifications to perform the services on the reasonableness of the proposed fee for the services.

Any and all bids may be rejected when it is in DRC's interest to do so.
An award will be made only to a firm who is appropriately licensed, bonded and insured.

Additional consideration will be given to small businesses owned by persons with disabilities, small, minority and women-owned business concerns, small disadvantaged business concerns, HUBZone small business concerns, firms that utilize services of Historically Black Colleges and Universities (HCBU), and service-disabled veteran-owned small business concerns.

DRC's Current 401(k) Plan Data: Please refer to Attachment A for plan assets details. Attachment B Audited Financial Statements December 31, 2016. Attachment C Investment Policy.

RFP Requirements:

Please respond to each of the requirements below.

A. Minimum Qualifications/Experience:

The following are minimum requirements to be met by the respondent in order to be considered. Please provide information about how your firm meets the following minimum qualifications.

1. Ability to assume fiduciary status of the selection and monitoring of investment alternatives or propose other means that will assist DRC in meeting its ERISA Sections 3(21) and 404(c) obligations for its

401(k) plan. Respondents should outline their ability to meet ERISA Section 3(21) fiduciary requirements.

2. A minimum of ten (10) years of experience in providing administration/trustee and investment advisory services for 401(k) plans.

3. Registration with the Securities and Exchange Commission (SEC) and must hold all necessary licenses. Please provide copies.

4. Be financially solvent and appropriately capitalized. Provide the last two years of financial statements with your proposal submission.

5. No record of unsatisfactory performance as evidenced by complaints filed with the SEC, National Association of Securities Dealers (NASD) or any other federal or state agencies with jurisdiction over the services provided by the firm.

6. Adequate Errors and Omissions Insurance, Directors & Officers Liability Insurance, and Fiduciary Liability Insurance throughout the contract. Provide certificates of insurance.

B. General Requirements

1. Please provide a brief description of your firm and the principals who will be assigned to DRC's plan. This should include but is not limited to the general capabilities of your firm, date of incorporation, ownership, mission and other relevant information. In addition, please describe your firm's key strengths, competitive advantages, what sets your firm services apart from other 401(k) providers, and what unique value-added services your firm could provide. Please provide any information about recent or planned pertinent mergers or acquisitions.

2. Attach resumes of all personnel that are proposed to provide services to DRC's account. In addition, summarize their qualifications, experience and ability to handle our business on a priority basis; experience providing 401(k) investment advice to non-profits preferably in California, including number of clients, volume of account and investment performance over the last 3 years.

3. Please provide the number of 401(k) plans administered by your firm, the relative percentage of 401(k) plans to other investment clients. The number of new 401(k) plans you added in 2017, the number of 401(k) plans who left your firm in 2017 and why.

4. Identify how many new 401(k) plans will be migrating to your firm in the next 12 months. Provide specific timelines and how your system and the migration process works and any impact these other migrations will have on the proposed migration of DRC's 401(k) plan.

5. Has your firm and/or an officer or principal within the last five years been involved in any litigation or other legal proceedings relating to your consulting activities?

Scope of Services:

DRC expects its 401(k) provider and investment advisor to be a highly experienced leader and innovator in the management of 401(k) investments and able to provide comprehensive advisory services in compliance with the Employee Retirement Income Security Act, as amended ERISA, sections 3(21) and 404(c).

This section provides a general listing of services to be provided and is not meant to constitute an exhaustive list of duties. You are encouraged to identify additional services your firm can provide. The contract negotiated with the selected provider may include other services.

C. Investment Management Service

1. Describe your approach and philosophy in providing investment asset allocation and portfolio structuring advice, including the development of investment policies, portfolio structure, and guidelines for investment managers. Identify what changes you would recommend to the current list of investments and why.

2. Describe and/or provide the following: a) your firm's performance reporting and evaluation services, including: methods and sources of data, for monitoring and evaluating the performance of a 401(k) portfolio; b) how often performance reports are produced and

delivered; c) a sample performance report that includes overall portfolio, asset class and manager performance; d) a sample quarterly client reporting and sample monthly performance update.

3. Provide an overview of the steps your firm would take to address inadequate fund performance.

4. Describe how your firm will : a) Satisfying the requirements of ERISA sections 3(21) and 404(c); b) Provide advice on investment strategy, policy and administration, and c) Benchmark plan expenses.

D. Trustee, Recordkeeping, Reporting and Administrative Services

1. Describe how you will provide or arrange for recordkeeping services including preparation and filing of all required government filings needed to maintain the plan's qualified status (e.g., 5500), maintenance of adequate books and records containing all transactions individually-directed by participant. And any other required reporting

2. Describe all the testing and other administrative work you will provide or arrange for including whether you will provide these services directly or through a contract. If you propose a contract, please provide information about the proposed contractor. Is there standard testing or administrative work which you do not normally perform?

3. Explain your quality and/or service standards and costs for the following and any other areas you consider important:

    Enrollment Processes
    Hardship withdrawals
    Investment changes
    Loans
    Mandatory Distributions
    Participant statements
    Payroll processing
    Quarterly and Annual Statements, including Schedule C

Also, describe how you monitor these service standards and what happens if the standard is not met.

4. Describe and provide a sample copy of a participant statement. Discuss your ability to customize participant statements. What makes your participant statements different or unique in the marketplace?

5. Describe your online capabilities, the accessibility of all online services and describe how online transactions will be handled. Describe your standard reporting package and its timeliness of delivery. Provide sample reports and delineate which reports are available online.

6. Detail your firm's policies, procedures, data encryption, and technical measures to prevent unauthorized access or alteration, fraud, theft, misuse, or physical damage to hardware, software, networks and data. Describe your firm's current audit policies for your custodial services and systems. How often is this audit conducted and what was the date of the last audit? What were specific findings and recommendations, if any?

7. What is your privacy policy and policy regarding sharing of data?

8. Do you have a catastrophic and/or operational failure plan in place? If so, has it been tested recently? Please give a brief description.

9. What quality control systems do you have in place? Please provide your current System and Organization Controls (SOC) Report Describe fully.

10. Provide a copy of your service guarantee. How are our accounts guaranteed in the event of unauthorized access to our accounts?

11. Provide a suggested timeline for advising DRC’s Investment Committee of plan performance including the number of business days after the end of a reporting period that performance reports would be provided.

12. Describe how you will work with our independent auditors for our annual 401(k) audit and describe your general timeline and process.

13. How do you monitor legislative and/or regulatory changes affecting custodial services? How are these changes communicated to your clients?

14. What assistance do you offer in designing, drafting, and distributing plan documents, including the Summary Plan Description

E. Accessibility of Services to Persons With Disabilities

1. Approximately 38% of DRC staff are individuals with disabilities. Identify how all investment and related plan materials, including paper, online, voice-activated, 1-800 telephone voice-response service, video relay services, and electronic access to account information, would be provided in accessible formats and would be easy to understand.

F. Educational Services to Employees and Investment Committee

1. Describe your approach to educating a diverse group of DRC employees who work in 26 diverse locations throughout the state including rural communities. DRC's employees reflect the ethnic and economic diversity of California and range in ages from 20-70+. Discuss the frequency of educational opportunities and the methodology for providing education, including the use of standardized and customized materials and alternative media. How do you promote attendance and participation? Please provide samples of your education materials.

2. Describe how you will fulfill your role as an fiduciary and consultant to the 401(k) staff Investment Committee, which includes diverse staff who have varied levels of investment knowledge and experience, and management staff on any investment related issues including but not limited to monitoring and evaluation of the plan, revision of the investment policy, best practices, internal controls and compliance, as well as communication of updates and changes to regulatory environment and legislation as necessary. Respondents

should be able to attend Investment Committee meetings quarterly, in-person in Sacramento.

G. Fees and Fee Structure

1. Please provide full details of all fees and how they are calculated, including but not limited to the following:

    Valuation Frequency
    Conversion fee
    Charges for plan administration
    Moving assets from one fund to another
    Cost to amend the plan
    Cost to terminate the plan
    Loan, hardship, rollover, distribution fees
    Detail of all other transaction fees

2. If you offer an alliance relationship/accept soft dollars, please identify any "offset" to expenses. Disclose any finder’s fees, fee splitting, payments to consultants, or other contractual arrangements of the firm that could present a real or perceived conflict of interest. Include a copy of your firm’s conflict of interest policy.

3. Are you willing to guarantee your fees for a specific period of time? If so, how long? What are the limits on annual increases?

4. Will you commit to performance standards/guarantees and place fees at risk if standards are not met?

5. Does the firm have any minimum fee requirements?

6. Describe what plan consulting services are not included and related hourly charges and out-of-pocket expenses.

7. What are the factors you consider in determining future increases and when do they occur?

8. What are the breakpoints for reassessing the fee structure for administration services? Please describe the process. What are the fees for setup?

9. Are there fees for document design, drafting, maintenance and/or elective changes? If so, be sure to include this cost in the fee section.

H. Client Base/References

1. Provide client name, contact name, address, e-mail, and phone information of at least three current client references of a plan asset and participant size similar to our plan. At least one reference should have converted to your firm within the last 12 months.

2. Provide reference information on three former clients, at least one of whom has left within the last 12 months. Include reasons for why they ceased to be a client.

3. What are your client retention statistics for each of the last three years?

I. Employee Diversity

1. Please provide your employee demographics data, including persons with disabilities.

2. If applicable, please provide information on your firm's department/council that oversees employee diversity.

J. Board Diversity

1. Please provide your Board's demographic data.

K. Firms' Donation Policy for Non-Profits

1. Provide a copy of your firm's donation policy for non-profits or your team's policy for donation and participation with non-profits.

2. If available, please provide your firm's policy on employee volunteering.

L. Certifications

1. Respondent must certify that they are licensed with appropriate agencies, including the SEC, and have no finding reports. Please provide copies of all finding reports and licenses. Please explain any corrective action taken and status of finding reports.

2. To avoid all possibility of conflict of interest, the respondent must certify that none of the owners, officers, or stockholders of the respondent and none of their immediate family members are related to any of DRC's key employees or any members of the Board of Directors.

3. Compliance with Executive Order 11246 entitled "Equal Employment Opportunity" as amended by Executive Order 11375 and as supplemented in Department of Labor regulations (41CFR Part 60).

4. Certification that you have authority to bind your firm.

M. Indemnification from Liability

If selected as the Financial Advisor, the respondent's agreement will indemnify, defend and hold harmless DRC, its officers, agents and employees from any and all claims and losses accruing or resulting from Financial Advisor's performance.

N. Sample Agreements, Reports and Glossary of Terms

Provide sample agreements, reports, and glossary of terms.

Disability Rights California's facilities are scent-free environments

Employees/visitors to our offices may have sensitivity and/or reactions to fragrant products. Disability Rights California requests that employees and vendors refrain from wearing scented products (e.g., scented perfumes/colognes or lotions, etc.) in all Disability Rights California locations.

Attachment A

DI

EIN-94-2505916, PLAN NUMBER 001

Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of CY2017)
#

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment		(e) Current Value
*	TFIC	American Century Inflation-Adjusted Bond	$	20,178
*	TFIC	American Funds Balanced		290,871
*	TFIC	American Funds Growth Fund of America		427,425
*	TFIC	BlackRock Equity Dividend		370,474
*	TFIC	BlackRock Global Allocation		1,539,368
*	TFIC	BlackRock Lifepath Index 2020		118,428
*	TFIC	BlackRock Lifepath Index 2025		453,915
*	TFIC	BlackRock Lifepath Index 2030		183,460
*	TFIC	BlackRock Lifepath Index 2035		173,084
*	TFIC	BlackRock Lifepath Index 2040		107,685
*	TFIC	BlackRock Lifepath Index 2045		135,777
*	TFIC	BlackRock Lifepath Index 2050		185,636
*	TFIC	BlackRock Lifepath Index 2055		8,652
*	TFIC	BlackRock Lifepath Index 2060		5,429
*	TFIC	BlackRock Lifepath Index Retirement		118,088
*	TFIC	Calvert Equity Portfolio		1,327,918
*	TFIC	First Eagle Overseas		139,949
*	TFIC	Franklin Total Return		49,430
*	TFIC	Goldman Sachs Mid-Cap Opportunities		60,591
*	TFIC	Janus Triton		90,452
*	TFIC	Loomis Sayles Investment Grade Bond		1,192,391
*	TFIC	Nuveen Real Estate Securities		89,615
*	TFIC	Oppenheimer Main Street Small & Mid-Cap		108,681
*	TFIC	SSgA International Index		66,435
*	TFIC	SSgA Russell Small Cap Value Index		121,055

DI

EIN-94-2505916, PLAN NUMBER 001

Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of CY2017) (Continued)
#

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment	(e) Current Value
*	TFIC	SSgA S&P Mid Cap Index	$ 85,162
*	TFIC	SSgA U.S. Bond Index	58,071
*	TFIC	Thornburg International Value	166,210
*	TFIC	Transamerica AA - Conservative	1,354,557
*	TFIC	Transamerica AA - Growth	1,272,422
*	TFIC	Transamerica AA - Moderate Growth	4,387,178
*	TFIC	Transamerica AA - Moderate Portfolio	4,239,496
*	TFIC	Transamerica Mid Cap Value Opportunities	155,478
*	TFIC	Transamerica Partners High Yield Bond	109,871
*	TFIC	Transamerica Partners Stock Index	676,344
*	TFIC	Wells Fargo Advantage Precious Metals	90,974
*	TFIC	Transamerica Stable Value	1,296,154
	Participant Loans	Interest Rate 4.25 - 5.25%	626,606
			$ 21,903,510

* Denotes party-in-interest.
TFIC is Transamerica Financial Insurance Company.

Attachment B

DISABILITY RIGHTS CALIFORNIA 401(K) PLAN

FINANCIAL STATEMENTS
December 31, 2016 and 2015

DISABILITY RIGHTS CALIFORNIA 401(K) PLAN

CONTENTS

PCC
Propp Christensen Caniglia LLP
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Plan Administrator
Disability Rights California 401(k) Plan
Sacramento, California

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Disability Rights California 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employment Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 9, which was certified by Transamerica Financial Life Insurance Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certification from the trustee as of and for the years ended December 31, 2016 and 2015, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2016, is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Propp Christensen Caniglia LLP

June 13, 2017
Roseville, California

DISABILITY RIGHTS CALIFORNIA 401(K) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2016 and 2015

ASSETS

	2016	2015
Investments:		
Pooled separate accounts at fair value	$ 17,427,864	$ 15,256,499
Insurance company investment contract at contract value	917,895	1,088,023
Total investments	18,345,759	16,344,522
Receivables:		
Employer contributions	-	14
Participants' contributions	250	10
Notes receivable from participants	668,094	748,684
Total receivables	668,344	748,708
Net assets available for benefits	$ 19,014,103	$ 17,093,230

The accompanying notes are an integral part of these financial statements.

DISABILITY RIGHTS CALIFORNIA 401(K) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Years Ended December 31, 2016 and 2015

	2016	2015
Additions to net assets attributed to:		
Investment income:		
Net appreciation (depreciation) in fair value of pooled separate accounts	$ 1,077,992	$ (101,091)
Interest	12,367	10,948
Total investment gain (loss)	1,090,359	(90,143)
Interest income on notes receivable from participants	28,992	29,573
Miscellaneous income	-	259
Contributions:		
Employer	674,580	675,252
Participants	963,579	950,249
Rollovers	10,167	135,122
Total contributions	1,648,326	1,760,623
Total additions	2,767,677	1,700,312
Deductions from net assets attributed to:		
Benefits paid to participants	728,778	847,508
Deemed distributions	110,656	81,639
Administrative expenses	7,370	8,000
Total deductions	846,804	937,147
Net increase	1,920,873	763,165
Net assets available for benefits, beginning of year	17,093,230	16,330,065
Net assets available for benefits, end of year	$ 19,014,103	$ 17,093,230

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 1: DESCRIPTION OF PLAN

The following description of the Disability Rights California 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General
The Plan is a defined contribution plan covering the employees of Disability Rights California (the "Company") who are not in the Excluded Employee class. An Excluded Employee is defined as an employee who is employed as a legal assistant or law clerk, an employee with a fellowship that extends for two years or less in duration, classified as a short-term employee, an intermittent personal care assistant, attendant, and/or driver. Provided an employee is not an Excluded Employee and is 21 years or older, he/she is eligible to participate in the Plan immediately after being hired. He/she will become eligible for the employer matching contribution on the first day of the month coinciding with or immediately following his/her completion of six months of service, provided that he/she contributes the minimum amount each pay period. The minimum amount for both 2016 and 2015 was a 3% salary deferral each pay period. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The date of inception of the Plan was July 1, 2007. The Plan was most recently amended in October of 2015. The Company absorbs a significant amount of the cost to administer the Plan. The management of the Company is responsible for oversight of the Plan. The Investment Committee determines the appropriateness of the Plan's investment offerings, monitors investment performance and reports to the management of the Company.

NOTE 1: DESCRIPTION OF PLAN (CONTINUED)

Contributions
Each year participants may contribute up to a certain dollar limit of pretax annual compensation which is set by law as defined in the Plan. Participants who have attained age fifty before the end of the plan year are eligible to make catch-up contributions.

Participants may also rollover amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers various mutual funds and an insurance investment contract as investment options for participants. The Company makes a contribution for each participant contributing 3% or greater of their total compensation per paycheck. Employer contributions are a matching percentage plus 1% up to a maximum of 7%. The Company may contribute additional discretionary contributions to the Plan at the option of the Company's board of directors. Contributions are subject to certain Internal Revenue Service (IRS) limitations. No additional amount was contributed by the Company for the years ended December 31, 2016 and 2015.

Investment Options
Upon enrollment in the Plan, a participant may direct the investment of their contributions in whole percentage increments in any investment option offered by the Plan as listed in the supplemental schedule. Participants may change their deferral percentage and investment direction at any time.

NOTE 1: DESCRIPTION OF PLAN (CONTINUED)

Participant Accounts
Each participant's account is credited with the participant's contribution and allocations of the Company's contribution and plan earnings, and charged with an allocation of administrative expenses, if any. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting
Participants are vested immediately in their contributions and the Company's contribution portion of their accounts, plus actual earnings thereon.

Notes Receivable from Participants
Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates commensurate with local prevailing rates as determined by the plan administrator. Principal and interest is paid through payroll deductions.

Administration
The Company is responsible for filing all reports required of the Plan and for absorbing a significant amount of the cost to administer the Plan.

Certain administrative functions are performed by key employees of the Company. No such key employee receives compensation from the Plan for performance of administrative functions.

NOTE 1: DESCRIPTION OF PLAN (CONTINUED)

Payment of Benefits
On termination of service due to death, disability, retirement, or other reasons, a participant will receive the value of his or her account as a lump-sum distribution.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The financial statements are prepared using the accrual basis of accounting.

Use of Estimates
The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Investment Valuation and Income Recognition
Investments are reported at fair value (except for the fully benefit-responsive investment contract, which is reported at contract value). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company's investment committee determines the valuation policies. See below for discussion of fair value measurements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Valuation and Income Recognition (Continued)
Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year. Accrued interest, if any, on the underlying investments is added to the fair value of investments for presentation purposes.

Fair Value Measurement
The Plan has adopted the provisions of Financial Accounting Standards Board Accounting Standards Codification Topic 820, Subtopic 10 (FASB ASC 820-10), *Fair Value Measurements and Disclosures*, which defines fair value, establishes a framework for measuring fair value, and expands disclosure requirements for fair value measurements.

FASB ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Plan determines the fair values of its assets and liabilities based on the fair value hierarchy established in FASB ASC 820-10, except for assets valued using net asset value as practical expedient. The standard describes three levels of inputs that may be used to measure fair value (Level 1, Level 2 and Level 3).

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an on-going basis.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement (Continued)
Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs reflect the Plan's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Plan's own data.

The following is a description of the valuation methodology used for assets measured at fair value:

Pooled Separate Accounts: Valued at the unit value of the Plan's participation units as determined by the net asset value ("NAV") of the underlying shares less any contract charges and divided by the Plan's number of outstanding participation units. The NAV, as provided by the custodian, is used as practical expedient to estimate fair value. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for any amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement (Continued)
The pooled separate accounts above offer the following significant investment strategies:

Small/mid-cap stocks
Large-cap stocks
International stocks
Intermediate long-term bond
Aggressive bonds
Multi-asset/other

Notes Receivable From Participants
Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2016 or 2015. If a participant ceases to make loan payments and the plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded. These benefit payments are shown as deemed distributions on the Statement of Changes in Net Assets Available for Benefits.

Excess Contributions Payable
When applicable, amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability with a corresponding reduction to contributions. The Plan distributes the excess contributions to the applicable participants prior to April 15 of the following year. There were no excess contributions payable as of December 31, 2016 and 2015.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Payment of Benefits
Benefits are recorded when paid.

Operating Expenses
Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's accounts and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments. The Company maintains an ERISA Benefit Account (EBA) with Transamerica Financial Life Insurance Company that covers the cost of the annual audit and third-party administrator fees. Refer to Note 5 for further discussion.

Reclassifications
Certain items in the 2015 financial statements have been reclassified, with no effect on net assets available for benefits, to conform to the 2016 presentation.

Subsequent Events
Events and transactions have been evaluated for potential recognition or disclosure through June 13, 2017, the date that the financial statements were available to be issued.

New Accounting Pronouncements
In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-07, *Fair Value Measurement (Topic 820), Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. ASU 2015-07 eliminates the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value ("NAV") per share practical expedient.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements (Continued)

ASU 2015-07 also eliminates the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the NAV per share practical expedient. Investments that calculate NAV per share (or its equivalent), but for which the practical expedient is not applied will continue to be included in the fair value hierarchy along with the related required disclosures. The guidance requires retrospective application and is effective for public business entities for fiscal years, and interim periods within those years, beginning after December 15, 2015. For all other entities, the guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. Early adoption is permitted. The Plan has early adopted ASU 2015-07 as of December 31, 2016. The adoption has been reflected on a retrospective basis in the financial statements.

In July 2015, the FASB issued ASU 2015-12, Plan Accounting: *Defined Contribution Pension Plans (Topic 962): Part (I) Fully Benefit-Responsive Investment Contracts, Part (II) Plan Investment Disclosures, Part (III) Measurement Date Practical Expedient*. Part I eliminates the requirement to report fully benefit-responsive investment contracts at fair value with an adjustment to contract value. Direct investments in fully benefit-responsive contracts are measured, presented, and disclosed only at contract value. Part II eliminates the requirements to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. Part II also simplifies the level of disaggregation of investments that are measured using fair value. Plans are no longer required to disaggregate investments by nature, characteristics and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements (Continued)
Part III provides a practical expedient to permit plans to measure investments and investment-related accounts as of a month-end date that is closest to the plan's fiscal year-end, when the fiscal period does not coincide with month-end. The ASU is effective for fiscal years beginning after December 15, 2015, with early adoption permitted. Part III is not applicable to the Plan. The Plan has adopted Part I and II of ASU 2015-12 as of December 31, 2016. The adoption has been reflected on a retrospective basis in the financial statements.

NOTE 3: INVESTMENT CONTRACT WITH INSURANCE COMPANY

In 2007, the Plan entered into a traditional fully benefit-responsive guaranteed investment contract with Transamerica Financial Life Insurance Company (Transamerica) (the "Issuer") the contract value of which was $917,895 and $1,088,023 at December 31, 2016 and 2015, respectively. Transamerica maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. The crediting rate is based on a formula established by the contract issuer. The crediting interest rate is the daily equivalent of the effective annual rate of interest applicable for the month. Such interest rates are reviewed prior to the first day of each month. The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

NOTE 3: INVESTMENT CONTRACT WITH INSURANCE COMPANY (CONTINUED)

The contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan. Contract value, as reported to the Plan by Transamerica, represents contributions made under the contract, plus earnings, less participant withdrawals, and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

The Plan's ability to receive amounts due is dependent on the issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments.

Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan sponsor or other Plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA, or (5) premature termination of the contract.

NOTE 3: INVESTMENT CONTRACT WITH INSURANCE COMPANY (CONTINUED)

No events are probable of occurring that might limit the ability of the Plan to transact at contract value with the contract issuer and that also would limit the ability of the Plan to transact at contract value with the participants.

In addition, certain events allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. Such events include (1) an uncured violation of the Plan's investment guidelines, (2) a breach of material obligation under the contract, (3) a material misrepresentation, or (4) a material amendment to the agreement without the consent of the issuer.

NOTE 4: FAIR VALUE OF INVESTMENTS CALCULATED AT NET ASSET VALUE (NAV)

The following table summarizes certain information relevant to investments measured at fair value based on NAV per share as of December 31:

2016	Fair Value	Unfunded Commitments	Redemption Frequency
Pooled separate accounts	$ 17,427,864	N/A	Daily

2015	Fair Value	Unfunded Commitments	Redemption Frequency
Pooled separate accounts	$ 15,256,499	N/A	Daily

NOTE 5: RELATED-PARTY TRANSACTIONS AND PARTY-IN-INTEREST TRANSACTIONS

Certain plan investments are managed by Transamerica. Transamerica is the trustee for the Plan and, therefore, these transactions qualify as party-in-interest transactions.

The Company utilizes an ERISA Benefit Account (EBA) for keeping custodian rates down and paying plan expenses that are not allocated to participants' accounts. Because certain investments include revenue sharing, the Company has negotiated a fixed rate with Transamerica, with any excess earnings being deposited to the EBA used to pay for plan administrative expenses.

During 2016, there were no disbursements from the EBA. At December 31, 2016, the account has a remaining balance of $27,713.

During 2015, administrative expenses were paid using the EBA and the account had no remaining balance at December 31, 2015. The Plan or Plan Sponsor may make a payment to Transamerica for administrative expenses not covered by revenue sharing.

Fees paid by the Plan for investment management services amounted to $7,370 and $8,000 for the years ended December 31, 2016 and 2015, respectively.

NOTE 6: PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, no further contributions will be made to the Plan and all amounts credited to participant accounts will continue to be 100% vested.

NOTE 7: TAX STATUS

The Internal Revenue Service has determined and informed the Company that the Plan and related trust are designed in accordance with the applicable requirements of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and has no income subject to unrelated business income tax. Accordingly, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination.

The plan administrator has analyzed the tax positions taken by the plan and has concluded that as of December 31, 2016 and 2015, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. After the returns are filed, they remain subject to tax examination for a period of three years.

NOTE 8: RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

NOTE 9: CERTIFIED INVESTMENTS

Certain information related to investments disclosed in the accompanying financial statements and supplemental schedule, including investments held at December 31, 2016 and 2015, and net appreciation (depreciation) in fair value of investments, interest and dividends for the years ended December 31, 2016 and 2015, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by Transamerica Financial Life Insurance Company (the trustee of the Plan). The contract value of the investment contract held with the insurance company was certified by the trustee.

SUPPLEMENTAL INFORMATION

DISABILITY RIGHTS CALIFORNIA 401(K) PLAN

EIN-94-2505916, PLAN NUMBER 001

Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2016

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment	(e) Current Value
*	TFIC	American Century Inflation-Adjusted Bond	$ 44,614
*	TFIC	American Funds Balanced	29,304
*	TFIC	American Funds Growth Fund of America	383,678
*	TFIC	BlackRock Equity Dividend	382,761
*	TFIC	BlackRock Global Allocation	1,827,229
*	TFIC	Calvert Equity Portfolio	998,165
*	TFIC	First Eagle Overseas	109,799
*	TFIC	Franklin Total Return	86,908
*	TFIC	Goldman Sachs Mid-Cap Opportunities	44,935
*	TFIC	Janus Triton	38,693
*	TFIC	Loomis Sayles Investment Grade Bond	989,818
*	TFIC	Nuveen Real Estate Securities	128,773
*	TFIC	Oppenheimer International Growth	325
*	TFIC	Oppenheimer Main Street Small&Mid-Cap	163,185
*	TFIC	SSgA International Index	133,681
*	TFIC	SSgA Russell Small Cap Value Index	151,264
*	TFIC	SSgA Mid Cap Index	180,944
*	TFIC	SSgA U.S. Bond Index	44,364
*	TFIC	Thornburg International Value	140,904
*	TFIC	Transamerica AA - Conservative	1,219,153
*	TFIC	Transamerica AA - Growth	1,022,505
*	TFIC	Transamerica AA - Moderate Growth	3,863,148
*	TFIC	Transamerica AA - Moderate	3,723,208
*	TFIC	Transamerica Partners High Yield Bond	152,576
*	TFIC	Transamerica Partners Mid Value	133,814
*	TFIC	Transamerica Partners Stock Index	779,301

See independent auditor's report.

DISABILITY RIGHTS CALIFORNIA 401(K) PLAN

EIN-94-2505916, PLAN NUMBER 001

Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) (Continued)
December 31, 2016

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment	(e) Current Value
*	TFIC	Vanguard Target Retirement 2010	$ 330
*	TFIC	Vanguard Target Retirement 2015	51,021
*	TFIC	Vanguard Target Retirement 2020	34,322
*	TFIC	Vanguard Target Retirement 2025	59,122
*	TFIC	Vanguard Target Retirement 2030	103,733
*	TFIC	Vanguard Target Retirement 2035	87,750
*	TFIC	Vanguard Target Retirement 2040	59,248
*	TFIC	Vanguard Target Retirement 2045	31,205
*	TFIC	Vanguard Target Retirement 2050	67,707
*	TFIC	Vanguard Target Retirement 2055	23,397
*	TFIC	Vanguard Target Retirement 2060	337
*	TFIC	Vanguard Target Retirement Income	88,308
*	TFIC	Wells Fargo Advantage Precious Metals	48,335
*	TFIC	Transamerica Stable Value	917,895
	Participant Loans	Interest Rate 4.25 - 6.00%	668,094
			$ 19,013,853

* Denotes party-in-interest.
TFIC is Transamerica Financial Insurance Company.

Attachment C

Investment Policy Statement

for

Disability Rights California 401k Plan

March 20, 2018

INTRODUCTION

Disability Rights California (the Company) sponsors the Disability Rights California 401 k Plan (the Plan). The Company established the Plan to provide employees with the opportunity to accumulate assets for their retirement and other financial needs. It is intended to be operated in accordance with all applicable federal laws and regulations. The Named Fiduciary or its delegate, hereinafter referred to as "the Committee", is responsible for maintaining and adhering to this Investment Policy Statement and the investments offered by the Plan.

The Plan is a tax-qualified defined contribution plan that provides for benefits based solely on the amount contributed to each participant's account plus or minus any income, expenses, and gains or losses. In addition, the Plan is a participant directed individual account plan that is intended to qualify as a 404(c) Plan within the meaning of the Department of Labor regulations under Section 404(c) of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan provisions allow each Plan participant to exercise control over how his/her account will be invested. In addition, the Plan provides a range of investment options to enable Plan participants to customize the asset allocation of their accounts to meet their individual long-term financial needs and risk tolerance.

PURPOSE OF THE INVESTMENT POLICY STATEMENT

This Investment Policy Statement has been adopted for the purpose of providing guidelines, limitations and direction for the selection and monitoring of the investment choices held in trust for the benefit of Plan participants and their beneficiaries. This Investment Policy Statement will be reviewed periodically, and if appropriate, can be amended to reflect changes in the capital markets, Plan participant objectives, or other factors relevant to the Plan.

PLAN OBJECTIVES

The Plan is designed to:

- Provide participants with the opportunity to invest for their retirement
- Offer investment choices with different risk and return characteristics to enable all employees to invest according to their differing needs
- Encourage a high participation rate of all eligible employees
- Attract and retain high quality employees
- Obtain investment options at reasonable cost

ROLES AND RESPONSIBILITIES

The Committee is responsible for selecting an investment consultant. The Committee has fiduciary responsibility as the investment fiduciary as described under this Investment Policy Statement and will perform the responsibilities described below:

- Establishing and maintaining the Investment Policy Statement
- Selecting investment options and ensuring those selected are in adherence with the Investment Policy Statement
- Periodically evaluating the investment performance of investment options offered under the Plan and recommending investment option changes

ROLES AND RESPONSIBILITIES (continued)

The Investment Consultant advises the Committee on various investment-related issues with respect to the oversight and potential enhancements of the Plan investment options. The Investment Consultant serves as a non-discretionary fiduciary under section 3(21) of ERISA pursuant to the service agreement between the Investment Consultant and the Committee.

Merrill Lynch has been retained as the Investment Consultant.

Investment Consultant services include:

- Assisting the Committee with creating the Plan's investment menu.
- Providing reports, on a quarterly basis, evaluating various metrics and characteristics (where available) of each of the investment options compared to appropriate indexes and/or peer group universes.
- Conducting an investment option review at the request of the Committee when, for example, noteworthy changes or significant under-performance occurs.
- Assisting the Committee in the search and replacement of existing investment options when a review merits this change.

The Investment Consultant's role is to provide advice to the Committee. The Investment Consultant has no discretionary control or authority over the Plan and its assets.

ASSET CLASSES

The Plan intends to provide a range of investment options to enable Plan participants to customize the asset allocation of their accounts to meet their individual long-term financial needs and risk tolerance. The Committee will consider, but not be limited to, the following asset classes for possible inclusion in the plan as investment choices to be made available to participants:

ASSET	ASSET CLASS
Stable Value	Money Market/Stable Value
Short-Term Bond	Fixed Income
Intermediate Government	Fixed Income
Intermediate-Term Bond	Fixed Income
Corporate Bond	Fixed Income
Inflation-Protected Bond	Fixed Income
Multisector Bond	Fixed Income
World Bond	Fixed Income
High Yield Bond	Fixed Income
Emerging Markets Bond	Fixed Income
Large Value	Domestic Equity
Large Blend	Domestic Equity
Large Growth	Domestic Equity
Mid-Cap Value	Domestic Equity
Mid-Cap Blend	Domestic Equity

ASSET	ASSET CLASS
Mid-Cap Growth	Domestic Equity
Small Value	Domestic Equity
Small Blend	Domestic Equity
Small Growth	Domestic Equity
Real Estate	Domestic Equity
World Large Stock	Foreign Equity
Foreign Large Value	Foreign Equity
Foreign Large Blend	Foreign Equity
Foreign Large Growth	Foreign Equity
Foreign Small/Mid Value	Foreign Equity
Foreign Small/Mid Blend	Foreign Equity
Foreign Small/Mid Growth	Foreign Equity
Diversified Emerging Mkts	Foreign Equity
Global Real Estate	Foreign Equity
Allocation--15% to 30% Equity	Other
Allocation--30% to 50% Equity	Other
Allocation--50% to 70% Equity	Other
Allocation--70% to 85% Equity	Other
Allocation--85%+ Equity	Other
World Allocation	Other
Commodities Broad Basket	Other
Target Date Asset Class	Other

ASSET ALLOCATION TOOLS & QUALIFIED DEFAULT INVESTMENT ALTERNATIVE (QDIA) SELECTION

Target Date Series: The Committee has decided to offer Target Date funds which are intended to provide an investor with an asset allocation option that they may determine is aligned with their own targeted retirement date. These asset allocation type funds are broadly diversified by asset class, issue type, and economic sector. The Committee has designated the Target Date fund series as the default investment that will be used for the investment of contributions when a participant has not exercised their right to direct the investment of their contributions. In the instance when a participant has not provided investment instructions for their balance in the Plan, these assets will be invested in the Target Date fund that most closely targets an age 65 retirement date. Combined with the required notices, this option is intended to satisfy the requirements of the Department of Labor's Qualified Default Investment Alternative regulations.

SELECTION OF INVESTMENT OPTIONS

Searches for investment options should include investment options that have demonstrated success across various metrics. In selecting an investment option, including the selection of a QDIA election, a due-diligence process is followed, which analyzes the investment option according to a number of criteria. Metrics for evaluation may include the following:

- Risk-adjusted return

SELECTION OF INVESTMENT OPTIONS (continued)

- Portfolio turnover
- Fees
- Management Tenure

PROCESS FOR ONGOING EVALUATION OF THE INVESTMENT OPTIONS

The Committee will review the performance of investment options across various metrics on a quarterly basis. Investment performance reports will be made available to the Committee members on a quarterly basis. In the event that a meeting is not scheduled for a quarter, individual Committee members or the Committee's delegate will review performance information and initiate actions as necessary. Interim meetings may be called on an ad-hoc basis at the discretion of the Committee Chairman.

Actively Managed Strategies

Active investment strategies will be evaluated on a variety of quantitative and qualitative metrics that may include risk-adjusted return metrics, portfolio turnover, fees, and management tenure.

Passively Managed Strategies

Passively managed investment options are expected to track the performance of the index strategy that the option is designed to replicate, less management fees, with marginal tracking error.

Target Date Funds

Target Date funds will be qualitatively assessed based on criteria that may include a fund's organization, management, glide path, fees, and underlying portfolio.

Stable Value & Money Market Funds

Stable Value and Money Market funds will be assessed based on criteria that may include performance, organization, legal, investment policy, consistent style and expense.

Fluctuating rates of return characterize the securities markets, particularly during short-term time periods. Recognizing that short- term fluctuations may cause variations in an investment option's performance, the Committee intends to employ investment options with long-term investment strategies and will evaluate investment performance with an eye toward long-term investing.

INVESTMENT OPTION TERMINATION

All investment options are expected to perform according to their prescribed objectives under this policy. The Committee recognizes the long-term nature of retirement Plan investing and the variability of market returns. Periodic underperformance in any of the criteria outlined in this policy will not necessitate the termination of an investment option. Underperformance will provoke thoughtful consideration by the Committee of the factors causing underperformance and possible courses of action that the Committee may take.

The Committee may place an investment option on probationary status where the investment option's performance will undergo a greater level of review and analysis until the Committee removes the investment option from probationary status or decides to terminate or take other action with regard to the investment option.

INVESTMENT OPTION TERMINATION (continued)

The Committee will endeavor to use its judgment and the information available to act in a prudent manner on behalf of the Plan and its participants. The Committee has appointed Merrill Lynch as Investment Consultant to assist in the periodic review of the Plan's investment options.

The Committee reserves the right to terminate any investment option at any time for any reason.

PARTICIPANT COMMUNICATIONS

The Committee or its delegate will communicate to participants that they have control over their individual accounts and will provide educational material designed to help participants make informed decisions. Fund prospectuses and other participant communication materials will be distributed or made available upon request. Updated investment performance data will be provided at least annually.

This Investment Policy Statement is adopted, and may be revised and amended by the Committee.

SIGNATURES

Signatures	Date
Steven Haas	3/20/2018
Karen A. Kees	3/20/2018

Disability Rights California 401k Plan

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