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Office of the Minnesota Secretary of State  
Minnesota Public Benefit Corporation / Annual Benefit Report  
Minnesota Statutes, Chapter 304A



Read the instructions before completing this form  
Must be filed by March 31  
Filing Fee: \$55 for expedited service in-person, \$35 if submitted by mail

The Annual Benefit Report covers the 12 month period ending on December 31 of the previous year.  
Notice: Failure to file this form by March 31 of this year will result in the revocation of the corporation's public benefit status without further notice from the Secretary of State, pursuant to Minnesota Statutes, Section 304A.301

- 1. Corporate Name: (Required) Check the Ticker SBC
- 2. The public benefit corporation's board of directors has reviewed and approved this report.
- 3. In the field below, enter the information required by section 304A.301 subd. 2 or 3 for the period covered by this report, (see instructions for further information): Note: Use additional sheets if needed. (Required)

See Attached.

4. I, the undersigned, certify that I am the chief executive officer of this public benefit corporation. I further certify that I have signed this document no more than 30 days before the document is delivered to the secretary of state for filing, and that this document is current when signed. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.

Susan Seltzer  
Signature of Public Benefit Corporation's Chief Executive Officer  
March 15, 2017

Date (Must be dated within 30 days before the report is delivered to the Secretary of State for Filing)

Email Address for Official Notices

Enter an email address to which the Secretary of State can forward official notices required by law and other notices:

SUSAN.SELTZER@CHECKTHETICKER.COM

Check here to have your email address excluded from requests for bulk data, to the extent allowed by Minnesota law.

List a name and daytime phone number of a person who can be contacted about this form:

SUSAN Seltzer 952 926-4602  
Contact Name Phone Number

Entities that own, lease, or have any financial interest in agricultural land or land capable of being farmed must register with the MN Dept. of Agriculture's Corporate Farm Program.

Does this entity own, lease, or have any financial interest in agricultural land or land capable of being farmed?  
Yes  No

# Check the Ticker SBC

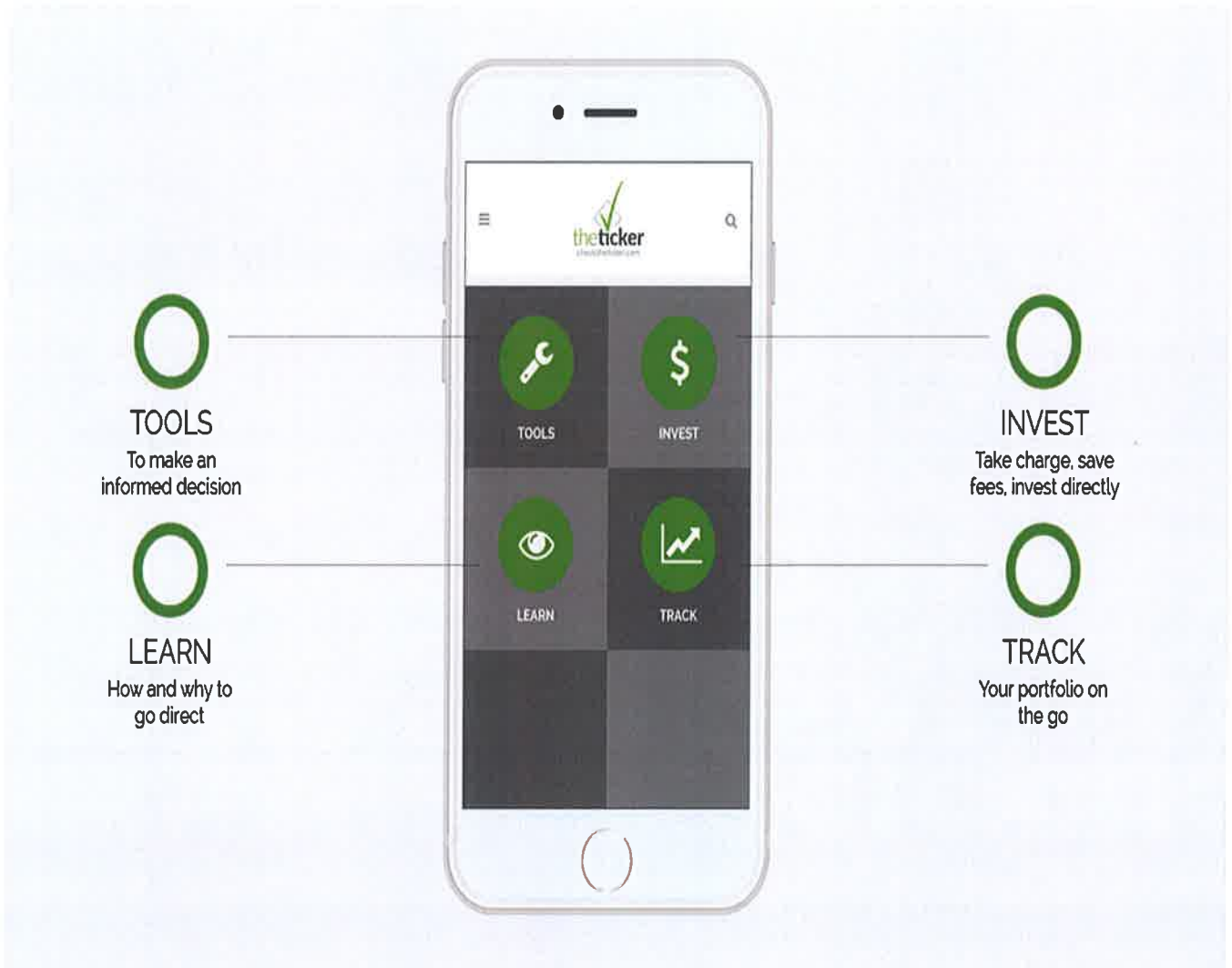
A Minnesota Specific Benefit Corporation

## First Annual Benefit Report

March 15, 2017



# The Digital eLearning Retirement Solution



## About Us

✓ theTicker™ provides retirement investors with comprehensive fee analysis and audited performance transparency for all tax qualified plans, including 401ks, IRAs and HSAs. For the first time, retirement investors have a step-by-step factual data process to make an informed choice about who manages their retirement savings, measured against industry benchmarks and established regulatory safeguards.

An innovative, independent eLearning process, available for the first time using publicly available software, ✓ theTicker provides techniques to access professional analyst ratings of retirement products from research firms such as Morningstar, as well as direct links to audited performance of money managers at the SEC (Securities and Exchange Commission), to provide complete transparency as to fees and performance.

✓ theTicker gathers together the SEC filings, analyst information and research which the busy retirement investor needs to select the best money manager with confidence.

✓ theTicker provides a roadmap for investors, based on factual industry criteria, and offers the transparency needed to make an informed choice.

## Engagement and education matter.

The retirement investor wins, the economy wins and society wins.

Retirement investors can't afford excessive fees that don't add value, and they can't accept poor investment performance when there are better alternatives. With the proper tools, benchmarks and engagement, unnecessary fees and expenses can be avoided, resulting in nest eggs that grow faster and larger. This serves to fuel greater consumer spending at retirement and puts less strain on social programs.

Independent online retirement investing selection criteria and robust tools open a new window of engagement for retirement investors. The tools both engage and educate. Savings will grow, not only through an engaged retirement investor, but through significantly reduced fees and improved performance.

✓ theTicker is the first digital e-learning process that provides the retirement investor the interactive tools to evaluate performance and fees. Performance matters, after all fees, including "advisor" or intermediary fees.

✓ theTicker is the first digital e-learning process to eliminate out-dated, costly retirement investment product distribution systems and redundant intermediaries through today's technology.

## **Check the Ticker SBC Mission**

In accordance with our Articles of Incorporation, Check the Ticker, is an independent business entity—unaffiliated with any financial services firm, broker or fund manager—the Company provides objective, independently- created and independently-delivered educational resources to retirement investors. These education resources are designed to assist retirement investors through online tools and an interactive digital process:

1. To better evaluate fund managers against established criteria, based on SEC disclosures.
2. More effectively access fund managers through increased understanding of product fees, distribution costs and channels.

Today intermediaries, under the auspices of providing “advice,” are in fact, pursuing selling strategies that benefit the intermediary over the retirement investor. Check the Ticker – for the first time – provides the independent transparent education every retirement investor needs to make informed choices for their retirement savings.

## **What is the Societal Problem that our eLearning Digital Retirement Solution addresses?**

The population of the United States is not prepared to participate in the management of their retirement savings. Hence, Americans are investing in inappropriate and poorly performing investments and are receiving poor and unnecessarily expensive investment advice. Cumulatively, this reduces the populations’ retirement savings – and subsequent spending by the retired population – increasing the burden on their children and on society as a whole.

This problem has been the result; and is increasing for two reasons:

- 1) The shift from defined benefit pensions to defined contribution plans.
- 2) Regulatory oversight of financial intermediaries has not kept pace with the large and expanding volumes of qualified plan investments.

It is not appropriate to look to K-12 or post-secondary education to address this problem. Individuals usually do not start working, and saving for retirement, until several years after they have completed their education. Asking K-12 or post-secondary education to include relevant training into their curriculum is neither efficient nor effective.

To date, the Department of Labor's response has been to require workplace plan sponsors – 401(k) and 403(b) plans to include “education.” However, this education is delivered by the financial advice industry that is incentivized to sell financial products rather than to train recipients on how to evaluate financial instruments. Virtually all-financial literacy efforts have been funded by the financial services industry, with associated conflicts.

Check the Ticker provides investor education that is designed to train recipients on how to evaluate financial instruments in a flexible, efficient and cost effective manner. Check the Ticker provides employers with a new and better option to fulfill their education requirements when they offer a 401(k) and 403(b) savings plan. With no funding conflicts, Check the Ticker SBC addresses this pressing societal benefit.

### **I. White House February 2016 Report on Conflicted Advice wrote:**

“If conflicted advice affects a larger portion of IRA assets than the \$1.7 trillion considered here—or if the estimate were extended to other forms of retirement savings—the total annual cost would exceed \$17 billion.”

If retirement investors are losing in excess of \$17 billion in losses due to conflicted intermediaries (advisors/sales personnel)<sup>1</sup>, what is an alternative to minimize these losses to retirement investors?

This report stated:

“Middle class economics means that Americans should be able to retire with dignity after a lifetime of hard work. But today, the rules of the road do not ensure that financial advisers act in their clients' best interest when they give retirement investment advice. Instead, some firms incentivize advisers to steer clients into products that may have higher fees and lower returns. These conflicts of interest in retirement advice cost America's families an estimated \$17 billion a year.”

“Conflicted advice leads to “large and economically meaningful costs for Americans’

<sup>1</sup> <https://obamawhitehouse.archives.gov/the-press-office/2016/04/06/fact-sheet-middle-class-economics->

retirement saving, as highlighted here:

- Conflicted advice leads to lower investment returns. Savers receiving conflicted advice earn returns roughly 1 percentage point lower each year (for example, conflicted advice reduces what would be a 6 percent return to a 5 percent return).
- An estimated \$1.7 trillion of IRA assets are invested in products that generally provide payments that generate conflicts of interest. Thus, we estimate the aggregate annual cost of conflicted advice is about \$17 billion each year.
- A retiree who receives conflicted advice when rolling over a 401(k) balance to an IRA at retirement will lose an estimated 12 percent of the value of his or her savings if drawn down over 30 years.

The average IRA rollover for individuals 55 to 64 in 2012 was more than \$100,000; losing 12 percent from conflicted advice has the same effect on feasible future withdrawals as if \$12,000 was lost in the transfer.”<sup>2</sup>

## II. SEC Disclosures May Not Be Effective

SEC disclosures are often not effective, when sales personnel (advisors) are involved as defined in a SEC Evidence Summit on March 10, 2017:

1. Verbal behaviors by sales personnel undermine disclosure effectiveness, “talking about less important information, prevents consumers from noticing more important information” or providing “senseless explanations” (LeBoeuf, Choplin and Stark (2015).
2. Consumers need relevant information to make an informed choice and they have to know how to use that information. (SEC Evidence Summit March 10<sup>th</sup>, 2017)
3. Professional “advisors” or sales personnel make mistakes, even in the absence of conflicts of interest -Fisch, Wilkinson-Ryan & Firth (Duke 2016) Example: 32% of advisors answered this question incorrectly “Does index fund performance vary substantially depending on the expertise of fund managers and does diversification reduce the variability of my portfolio?”
4. The SEC Evidence Summit, March 10, 2017, shows over half of sales personnel (advisors) selecting inappropriate, high fee index funds, in a study.

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<sup>2</sup> The Effects of Conflicted Investment Advice on Retirement Savings  
FEBRUARY 23, 2015 AT 9:45 AM ET BY JASON FURMAN AND BETSEY STEVENSON

### **III. Issues with Performance Disclosures in Managed Accounts and Collective Investment Trusts in Defined Contribution Plans**

June 2014, the U.S. Government Accountability Office (GAO) published a report “**401(k) Plans: Improvements Can Be Made to Better Protect Participants in Managed Accounts**”.

“401(k) plan sponsors have increasingly offered participants managed accounts— *services* under which providers manage participants' 401(k) savings over time by making investment and portfolio decisions for them. These services differ from investment options offered within 401(k) plans. Because little is known about whether managed accounts are advantageous for participants and whether sponsors understand their own role and potential risks, GAO was asked to review these services.

“GAO found that the absence of guidance for managed accounts has led to inconsistency in sponsors' procedures for selecting and overseeing providers. Without better guidance, plan sponsors may be unable to select a provider who offers an effective service for a reasonable fee. In addition, Department of Labor (DOL) generally does not require providers to furnish sponsors with performance and benchmarking information for managed accounts, as it does for investments available in a plan, although some providers do furnish similar information. Without this information, sponsors cannot effectively compare providers when making a selection or determine whether managed accounts are positively affecting participants' retirement savings.”<sup>3</sup>

### **IV. Department of Labor Final Rule on IRA Fiduciary Definition Was to Take Effect April 2017**

April 8, 2016, the Department of Labor filed in the Federal Register a new rule:

“This document contains a final regulation defining who is a “fiduciary” of an employee benefit plan under the Employee Retirement Income Security Act of 1974 (ERISA or the Act) as a result of giving investment advice to a plan or its participants or beneficiaries. The final rule also applies to the definition of a “fiduciary” of a plan (including an individual retirement account (IRA) under the Internal Revenue Code of 1986 (Code). The final rule treats persons who provide investment advice or recommendations for a fee or other compensation with respect to assets of a plan or IRA as fiduciaries in a wider array of advice relationships. “

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<sup>3</sup> **401(K) PLANS:**

**Improvements Can Be Made to Better Protect Participants in Managed Accounts**

GAO-14-310: Published: Jun 25, 2014. Publicly Released: Jul 29, 2014.



This rule is designed to address the shortcomings of the 1975 IRS 5-Part test that establishes who may be deemed a fiduciary advisor to a retirement plan, such as an IRA and provide a private right of action, potential for class action suits, for IRA investors, offering an alternative to conflicted financial services industry's FINRA mandatory arbitration in brokerage accounts.

## **V. Delay of Department of Labor 2016 Rule on Fiduciary Definition for IRA**

February 3, 2017, the White House Administration, Congress and certain financial services firms and lobbying groups delayed implementation of this Department of Labor Rule, as stated by President Trump's current Economic Council Director, Gary Cohn:

"Gary Cohn, White House Economic Council director, told the *Wall Street Journal* in an interview published last night that the administration would also move against a regulation designed to force retirement advisers to work in the best interest of their clients. That "fiduciary rule" is set to take effect in April. Promulgated by the Department of Labor, it's meant to eliminate conflicts-of-interest among professionals dealing with people enrolled in qualified retirement plans and IRAs."

"Cohn told the Journal that the rule is "bad" in part because it forces consumers into funds with lower fees even if they are not the best investments for them."<sup>4</sup>

As the *New York Times* wrote on February 10, 2017, "Is Your Financial Advisor Acting in Your Best Interest"<sup>5</sup>

"But at the end of the day, fiduciary standard or not, investors are going to need to look more closely at what they own and why they continue to own it." Check the Ticker meets this mandate.

## **VI. Education in Workplace is currently provided by Financial Services Firms**

All education in the workplace, often paid for by defined contribution plan participants, is provided by financial services firms, that also sell investment products, such as managed accounts.

Workplace "financial education" is provided by financial intermediaries, trained to sell products, which are labeled "advisors" and "investment experts" while often having no professional training in investment selection or may not hold a college degree. There are outstanding lawsuits against

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<sup>4</sup> Washington Post, "**Trump to order regulatory rollback Friday for finance industry starting with Dodd-Frank**" By **Fred Barbash** and **Rena Merle** February 3

<sup>5</sup> NY Times, Sullivan, Paul, "Is Your Financial Advisor Acting in Your Best Interest":

<https://www.nytimes.com/2017/02/10/your-money/is-your-financial-adviser-acting-in-your-best-interest.html>

these 401(k) education, advice and investment advisory product services due to conflicts of interest. For example, the largest 401(k) in-house education provider, Financial Engines', legal complications and conflicts are summarized here in a quick Google Search:

### Another 401(k) record keeper sued over 'pay to play' scheme with ...

[www.investmentnews.com/.../another-401-k-record-keeper-sued-over-pa...](http://www.investmentnews.com/.../another-401-k-record-keeper-sued-over-pa...) ▼

Nov 11, 2016 - Plaintiffs in the Xerox case allege the record keeper is a fiduciary under the Employee Retirement Income Security Act of 1974, due to its selection of **Financial Engines** as the sole provider of investment advice to the Ford plans and because selection of a provider fiduciary is itself a fiduciary function.

### Voya targeted in 401(k) fee suit hinging on relationship with Financial ..

[www.investmentnews.com/.../voya-targeted-in-401-k-fee-suit-hinging-o...](http://www.investmentnews.com/.../voya-targeted-in-401-k-fee-suit-hinging-o...) ▼

Sep 14, 2016 - Voya allegedly pays **Financial Engines** a portion of the participant fee, ... 401(k) excessive-fee lawsuit brought against Fidelity Investments.

### Aon Hewitt sued for 401(k) 'kickback' scheme with Financial Engines

[www.investmentnews.com/.../aon-hewitt-sued-for-401-k-kickback-sche...](http://www.investmentnews.com/.../aon-hewitt-sued-for-401-k-kickback-sche...) ▼

Jan 31, 2017 - Aon Hewitt is the latest retirement-plan record keeper to be sued for an ... **Financial Engines**, following similar lawsuits filed recently against ...

### Lawsuit against Financial Engines a red flag for plan sponsors

[www.investmentnews.com/.../lawsuit-against-financial-engines-a-red-flag...](http://www.investmentnews.com/.../lawsuit-against-financial-engines-a-red-flag...) ▼

Aug 11, 2014 - A new lawsuit against **Financial Engines** for alleged patent infringement is in its early stages, but plan sponsors who work with the 401(k) service provider ought to keep the case on their radar. ... **Financial Engines** provides personalized fiduciary advice to employees of the plan sponsors it works with.

### Delta employees sue Fidelity for 'illegal kickbacks' from Financial ...

[riabiz.com/.../delta-employees-sue-fidelity-for-illegal-kickbacks-from-fin...](http://riabiz.com/.../delta-employees-sue-fidelity-for-illegal-kickbacks-from-fin...) ▼

Jul 6, 2016 - The suit alleges that "**Financial Engines** is paying Fidelity 22.5 basis ... fazed by an ominous lawsuit hanging fire against **Financial Engines**."

## **How Does Check the Ticker SBC Address These Societal Problems?**

### **Check the Ticker SBC, Independent eLearning, provides a Cost-Effective Alternative to the Existing Distribution Model of Retirement Product and Conflicted Education Offerings in the Workplace**

Check the Ticker provides, for the first time, an alternative to the retirement investor as to how they choose to spend their money:

1. Every retirement investor now has the option to understand how to select the best core retirement money manager, based on strict criteria and data, all derived from SEC filings and independent education.
2. Retirement investors can continue to pay a sales force to purchase a given product, but they now have the interactive tools to evaluate any recommendation, which is mandated with an ongoing “suitability standard”, where “advice” does not extend beyond the time of investment product sales.

Check the Ticker eLearning modules empower the retirement investor, if they so choose, to eliminate the intermediary and access SEC registered investment companies on a direct basis, for small business plans or defined contribution plan rollovers.

1. Corporate 401(k) plans, employers, may now empower their employees through independent eLearning and digital tools to determine what qualified default investment alternative (QDIA) is in the employee’s best interest.

The GAO (Government Accountability Office) has warned performance, after all fees, is often not a consideration by employers (and employees) and must be.

- a. As more and more firms adopt automatic payroll deductions for retirement savings, the employees need the tools and education to evaluate exactly where the corporation has chosen to place their retirement savings, without their knowledge, in many cases.

- b. Further, the Financial Services Roundtable is encouraging corporations to take 10% of every employee paycheck, automatically, for retirement savings in their Save 10 Campaign.<sup>6</sup> The automatic QDIA options are often not the best alternative. They are simple, but may deliver “disastrous returns” as discussed at the SEC Evidence Summit March 2017 (Carvalho and Silverman 2017).
2. Small businesses need the education and tools to understand SEP and SIMPLE direct plans. They now have an alternative to eliminate investment consultants, broker-dealers and costly 401(k) administration fees and annual 5500 costly filings.
3. Retirement investors need the tools to analyze any investment selection, either in their 401(k), 403(b) or HSA or offered by an intermediary for their IRA or SEP.
4. Retirement investors, with proper tools and training, have a new cost-effective alternative to existing distribution channels for retirement product. They may go direct.

Technology now provides, through Application Programming Interface (API's)<sup>7</sup> access to regulatory data and simple online tools, the ability for retirement investors and corporate defined contribution providers, access to data to make an informed choice through cost-effective new online protocols that provide immediate transparency. Check the Ticker harnesses this technology, for the very first time, for the retirement investor, in or outside the workplace.

## Why an SBC?

Publicly held retirement investor education providers, such as Financial Engines, (Ticker FNGN) have a duty to their shareholders first and foremost, a duty to maximize shareholder value.

To provide bona-fide independent retirement investor selection education would significantly harm or impact:

- (1) Revenues from their managed account corporate product.
- (2) Revenues generated from “education” offered in the workplace that is designed to increase revenues for their advisory services, offered by a sales force with little to no investment selection expertise.

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<sup>6</sup> <http://save10.org>

<sup>7</sup> Wikipedia [https://en.wikipedia.org/wiki/Application\\_programming\\_interface](https://en.wikipedia.org/wiki/Application_programming_interface)

- (3) Revenues from social security strategies tied into the Social Security data links.

Check the Ticker, a specific benefit corporation, has a duty to consider environmental or social factors, in our case, a duty to retirement investors. Our officers and directors are obligated to pursue our stated specific benefit and consider the impact on society.

Check the Ticker believes this situation can be addressed immediately through a first of its kind independent eLearning platform using access to regulatory data, publicly available online tools and a highly targeted, easy to use curriculum. The retirement investor who invests the time and energy in Check the Ticker eLearning independent curriculum can realize a significantly larger retirement next egg by more fully understanding performance, fees and potentially avoid costly distribution expenses, which often present additional cyber security risks, through such intermediaries.

Employers have a responsibility to:

- (1) Inform their employees on the drawbacks and conflicts of investment selection education provided by financial services firms and their representatives.
- (2) Provide bona-fide independent investment selection education so that employees have the tools, training, transparency and resources to make an informed choice in evaluation of any investment product or financial intermediary recommendation.

As an SBC, we have the legal protections to not only pursue our financial revenue goals, but to make a difference in the lives of many and society overall. We are a for-profit corporation, with significant revenue goals, that intends to vigorously pursue our social imperatives, while increasing the financial interests of our shareholders.

Our mission is protected if there are capital infusions or leadership changes.

## **Pursuit of Specific Benefit**

With regard to the period covered for this report, February 26, 2016 to December 31, 2016, Check the Ticker pursued the stated specific benefit in its Articles of Incorporation as follows:

1. A robust, targeted, independent eLearning curriculum was written, designed and tested for readability and comprehension for a broad range of retirement investor.

2. Online tools, research and regulatory data, accessed through API's, are incorporated into the curriculum.
3. Pricing studies were done to ensure the eLearning modules are competitive from the standpoint of (1) time required to master the curriculum and (2) value of the content to the retirement investor.
4. Hosting alternatives have been examined and will ensure the lowest cost, yet convenient alternative for the modules.
5. The curriculum incorporates both a gamification element in every module and a monthly The Ticker Checker practicum that builds a community and ongoing engagement. It provides the subscriber ongoing understanding of "advice" analysis, financial news analysis, and the option to include Environmental, Social and Corporate Governance (ESG) considerations analysis.
6. Check the Ticker website was designed and hosted and it will be publicly available at launch, April 1, 2017.
7. Check the Ticker eLearning modules will be offered to:
  - i) Small businesses, state governments and non-profits that seek to implement immediately direct employee retirement plans and employee education that engages the employee or independent contractor in direct plans, with a life-long learning alternative to understand and manage the investment selection process
  - ii) Corporations and University or school 403(b) plans that choose to implement immediately an independent education option to empower their employees to engage in their retirement future and invest in the time to understand the questions to determine what investment option is in their best interest. Check the Ticker provides an immediate alternative to corporations' concerns with conflicted in-house retirement education and potential fiduciary liability questions. Currently offered education, designed to sell more products for the financial services firms, breaches a fiduciary duty to provide employees bona-fide independent education.

In sum, Check the Ticker eLearning modules eliminate the intermediary costs that add no value, through a curriculum that promotes:

- Transparency
- Informed choice based on relevant data
- A systematic framework for analyzing such data
- Online tools that employ API's at costs that permit competitive pricing of visualization tools that foster actionable plans

## Successes

Check the Ticker will be introduced to the public on April 1, 2017.

Interested small businesses, state governments and corporations may subscribe beginning on that date to:

- Small business direct defined contribution plans, enabled through Check the Ticker employer and employee eLearning modules and online tools.
- Corporations/403(b) plans may provide Check the Ticker independent eLearning modules as an employee benefit commencing April 1.

To implement Check the Ticker eLearning modules and monthly The Ticker Checker engagement service, at your firm, contact [info@checktheticker.com](mailto:info@checktheticker.com).

## Challenges

The following are challenges in 2016 that prevented us from achieving the specific benefit purpose.

We delayed launch in 2016 to ensure the eLearning module content met all the needs to meet our specific benefit purpose.

Check the Ticker had hoped to roll out its eLearning modules to individual retirement investors. Marketing, distribution and administrative costs prohibit this, until additional funds can be raised to generate the economies of scale necessary to support the individual market.

Check the Ticker would also like to offer the service in Spanish, in addition to English. That option will be provided as revenues increase.

## Looking Ahead

Check the Ticker eLearning digital retirement solution can provide an immediate new alternative to the current costly and problematic retirement distribution channels.

State governments can provide the service, providing an immediate alternative for those not covered by a retirement plan, as the small business option is also designed for the self-employed or independent contractor.

Small businesses can implement the most cost effective plan, a direct plan, along with independent education for their staff and employees.

Corporations can provide an immediate alternative to empower employees to understand the retirement “advice” model, as true fiduciary employers, while simultaneously providing their employees life-long independent education on how to access data and tools, to implement an analytical process that enables an informed choice and engages the retirement investor in their future.

With the aging population and retiring baby boomers, society will benefit by retirees retaining more of their nest egg (as will millennial who inherit the boomers’ savings) in their pockets.

There is great value in education that informs both the retiree and family on how best to analyze investment options through an independent factual process that also addresses the issue of cognitive capacity to manage the money.<sup>8</sup>

“Cognitive Capacity and the Capacity to Manage Money” addresses these issues for which Check the Ticker provides a solution.

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<sup>8</sup> [http://crr.bc.edu/wp-content/uploads/2017/01/IB\\_17-1.pdf](http://crr.bc.edu/wp-content/uploads/2017/01/IB_17-1.pdf)

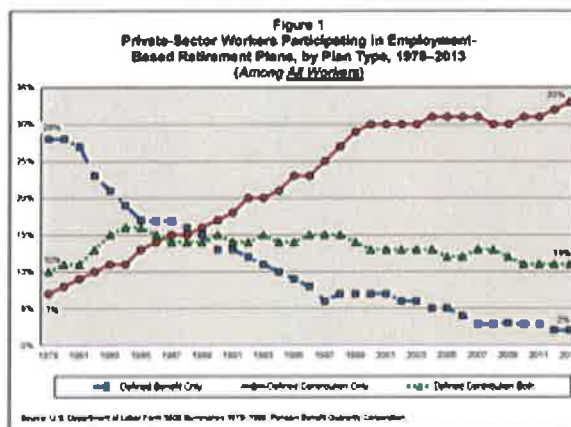


March 15, 2017

## Finances and Market

### Retirement Savings Today

- Retirement savings continue to move from a defined benefit to an individually managed defined contribution plan.
- All of us now have more responsibility to manage our retirement savings.
- In 2015, IRAs accounted for the greatest share of assets at \$7.6 trillion, ... Defined contribution plans held \$6.8 trillion, \$ 4.7 trillion of which were in 401(k) plans. ... Mutual funds managed \$3.8 trillion, or 56 percent of those assets.\*
- ✓ theTicker is designed to provide the tools, training and perspective to help you successfully navigate this new environment.



(\*Benefits Pro, June 15, 2015)

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theTICKER™  
checktheticker.com

Based on the 2010 Form 5500 (filed by companies with 401(k) plans) there are:

- 638,000 401(k) plans
- 88.7 million total 401(k) plan participants
- 73.6 million active 401(k) plan participants
- Half of U.S. workers lack access to a company-sponsored plan
- 45% of businesses with fewer than 100 employees offer 401(k)'s<sup>9</sup>

There is no independent eLearning digital curriculum of the nature of Check the Ticker that is targeted, transparent, and engaging. It meets a fiduciary need by employers to provide employees independent education through today's technology, using tools and online data available to analyze investment selection processes and current investment product distribution channels. It provides the most straightforward alternative to small businesses and their employees to immediately implement the most cost-effective retirement plans.

<sup>9</sup> <https://www.ebri.org/publications/benfaq/index.cfm?fa=retfaq13>

Millennial that seeks ESG investment strategies will find targeted Check the Ticker eLearning modules devoted to this otherwise uncovered topic, again using API's, online tools and regulatory data.


Private seed cash flow from Check the Ticker founders have covered all expenses. Given societal demand for such a product, it is anticipated annual subscription revenue and angel funding will expedite growth that will ideally implement the individual IRA component and international strategy.

Current trends indicate that with the compelling societal needs for ready alternatives to ameliorate the looming "retirement crisis", as an SBC we can provide prospective investors a (1) valued social impact, (2) an ongoing structure to maintain such specific benefit following a financing or sale and (3) a combination that leads to higher valuations.

March 15, 2017

## Certifications by Board of Directors

The undersigned, being all the Directors of Check the Ticker SBC, hereby acknowledge and certify that I have reviewed and approved the First Annual Specific Benefit Report.

 March 15, 2017

Susan Seltzer

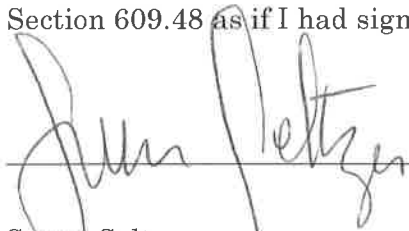
Chief Executive Officer, President and Secretary

## Submission

### SUBMISSION:

I, the undersigned, certify that I am the President and Secretary of this public benefit corporation. Further certify that I have signed this document no more than 30 days before the document is delivered to the secretary of state for filing, and that this document is current when signed.

I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this Document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.

 March 15, 2017

Susan Seltzer

Chief Executive Officer, President and Secretary

875245000052



Office of the Minnesota Secretary of State  
Minnesota Public Benefit Corporation / Annual Benefit Report  
Minnesota Statutes, Chapter 304A



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1. Corporate Name: (Required) Check the Ticker SBC

2. The public benefit corporation's board of directors has reviewed and approved this report.

3. In the field below, enter the information required by section 304A.301 subd. 2 or 3 for the period covered by this report, (see instructions for further information): Note: Use additional sheets if needed. (Required)

See Attached.

4. I, the undersigned, certify that I am the chief executive officer of this public benefit corporation. I further certify that I have signed this document no more than 30 days before the document is delivered to the secretary of state for filing, and that this document is current when signed. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.

Susan Seltzer  
Signature of Public Benefit Corporation's Chief Executive Officer

March 15, 2017  
Date (Must be dated within 30 days before the report is delivered to the Secretary of State for Filing)

Email Address for Official Notices

Enter an email address to which the Secretary of State can forward official notices required by law and other notices:

SUSAN.SELTZER@CHECKTHETICKER.COM

Check here to have your email address excluded from requests for bulk data, to the extent allowed by Minnesota law.

List a name and daytime phone number of a person who can be contacted about this form:

SUSAN Seltzer 952 926-4602  
Contact Name Phone Number

Entities that own, lease, or have any financial interest in agricultural land or land capable of being farmed must register with the MN Dept. of Agriculture's Corporate Farm Program.

Does this entity own, lease, or have any financial interest in agricultural land or land capable of being farmed?

Yes  No

# Check the Ticker SBC

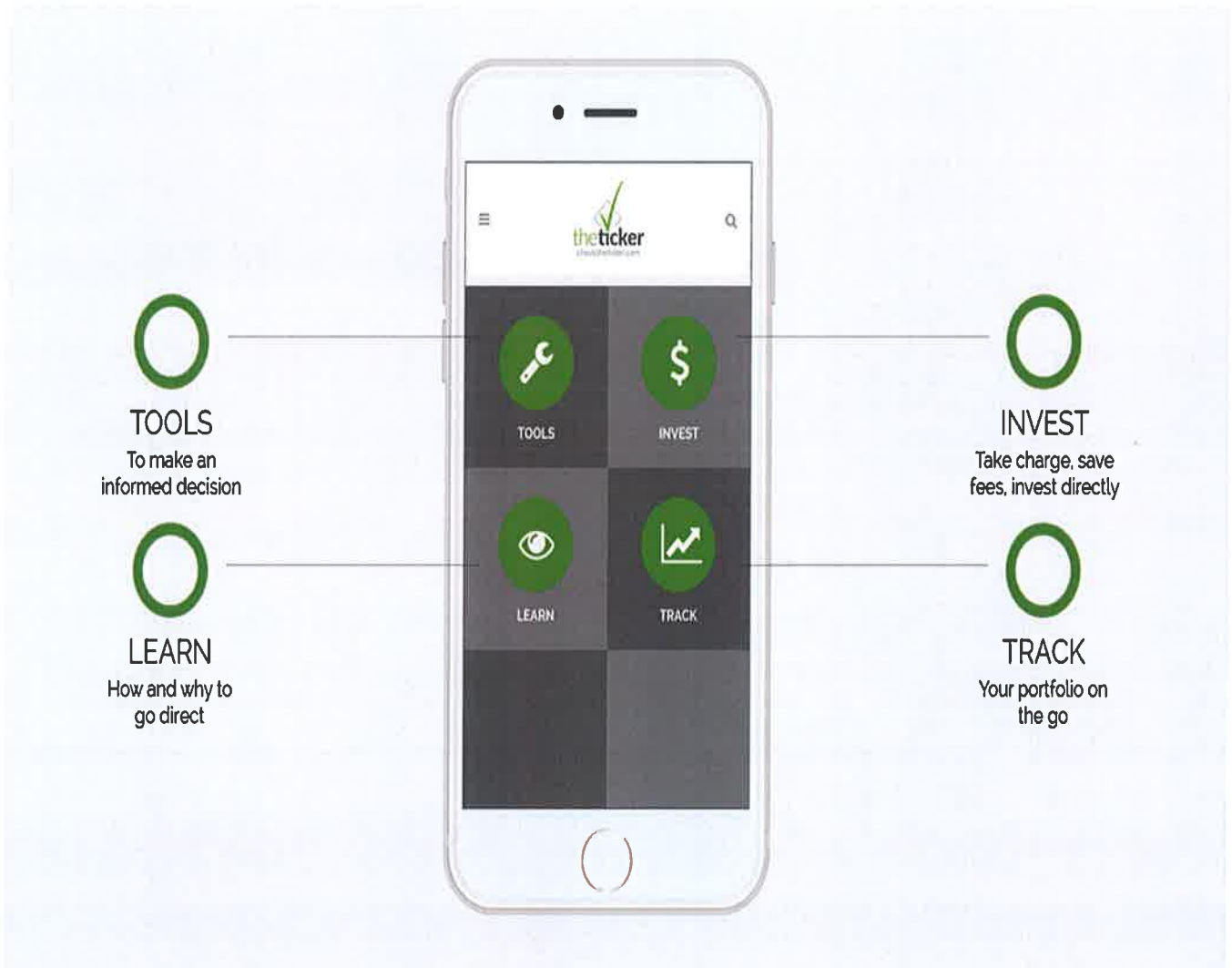
A Minnesota Specific Benefit Corporation

## First Annual Benefit Report

March 15, 2017



# The Digital eLearning Retirement Solution



## About Us

✓ theTicker™ provides retirement investors with comprehensive fee analysis and audited performance transparency for all tax qualified plans, including 401ks, IRAs and HSAs. For the first time, retirement investors have a step-by-step factual data process to make an informed choice about who manages their retirement savings, measured against industry benchmarks and established regulatory safeguards.

An innovative, independent eLearning process, available for the first time using publicly available software, ✓ theTicker provides techniques to access professional analyst ratings of retirement products from research firms such as Morningstar, as well as direct links to audited performance of money managers at the SEC (Securities and Exchange Commission), to provide complete transparency as to fees and performance.

✓ theTicker gathers together the SEC filings, analyst information and research which the busy retirement investor needs to select the best money manager with confidence.

✓ theTicker provides a roadmap for investors, based on factual industry criteria, and offers the transparency needed to make an informed choice.

## Engagement and education matter.

The retirement investor wins, the economy wins and society wins.

Retirement investors can't afford excessive fees that don't add value, and they can't accept poor investment performance when there are better alternatives. With the proper tools, benchmarks and engagement, unnecessary fees and expenses can be avoided, resulting in nest eggs that grow faster and larger. This serves to fuel greater consumer spending at retirement and puts less strain on social programs.

Independent online retirement investing selection criteria and robust tools open a new window of engagement for retirement investors. The tools both engage and educate. Savings will grow, not only through an engaged retirement investor, but through significantly reduced fees and improved performance.

✓ theTicker is the first digital e-learning process that provides the retirement investor the interactive tools to evaluate performance and fees. Performance matters, after all fees, including "advisor" or intermediary fees.

✓ theTicker is the first digital e-learning process to eliminate out-dated, costly retirement investment product distribution systems and redundant intermediaries through today's technology.

## **Check the Ticker SBC Mission**

In accordance with our Articles of Incorporation, Check the Ticker, is an independent business entity—unaffiliated with any financial services firm, broker or fund manager—the Company provides objective, independently- created and independently-delivered educational resources to retirement investors. These education resources are designed to assist retirement investors through online tools and an interactive digital process:

1. To better evaluate fund managers against established criteria, based on SEC disclosures.
2. More effectively access fund managers through increased understanding of product fees, distribution costs and channels.

Today intermediaries, under the auspices of providing “advice,” are in fact, pursuing selling strategies that benefit the intermediary over the retirement investor. Check the Ticker – for the first time – provides the independent transparent education every retirement investor needs to make informed choices for their retirement savings.

## **What is the Societal Problem that our eLearning Digital Retirement Solution addresses?**

The population of the United States is not prepared to participate in the management of their retirement savings. Hence, Americans are investing in inappropriate and poorly performing investments and are receiving poor and unnecessarily expensive investment advice. Cumulatively, this reduces the populations’ retirement savings – and subsequent spending by the retired population – increasing the burden on their children and on society as a whole.

This problem has been the result; and is increasing for two reasons:

- 1) The shift from defined benefit pensions to defined contribution plans.
- 2) Regulatory oversight of financial intermediaries has not kept pace with the large and expanding volumes of qualified plan investments.



It is not appropriate to look to K-12 or post-secondary education to address this problem. Individuals usually do not start working, and saving for retirement, until several years after they have completed their education. Asking K-12 or post-secondary education to include relevant training into their curriculum is neither efficient nor effective.

To date, the Department of Labor's response has been to require workplace plan sponsors – 401(k) and 403(b) plans to include “education.” However, this education is delivered by the financial advice industry that is incentivized to sell financial products rather than to train recipients on how to evaluate financial instruments. Virtually all-financial literacy efforts have been funded by the financial services industry, with associated conflicts.

Check the Ticker provides investor education that is designed to train recipients on how to evaluate financial instruments in a flexible, efficient and cost effective manner. Check the Ticker provides employers with a new and better option to fulfill their education requirements when they offer a 401(k) and 403(b) savings plan. With no funding conflicts, Check the Ticker SBC addresses this pressing societal benefit.

### **I. White House February 2016 Report on Conflicted Advice wrote:**

“If conflicted advice affects a larger portion of IRA assets than the \$1.7 trillion considered here—or if the estimate were extended to other forms of retirement savings—the total annual cost would exceed \$17 billion.”

If retirement investors are losing in excess of \$17 billion in losses due to conflicted intermediaries (advisors/sales personnel)<sup>1</sup>, what is an alternative to minimize these losses to retirement investors?

This report stated:

“Middle class economics means that Americans should be able to retire with dignity after a lifetime of hard work. But today, the rules of the road do not ensure that financial advisers act in their clients' best interest when they give retirement investment advice. Instead, some firms incentivize advisers to steer clients into products that may have higher fees and lower returns. These conflicts of interest in retirement advice cost America's families an estimated \$17 billion a year.”

“Conflicted advice leads to “large and economically meaningful costs for Americans’

<sup>1</sup> <https://obamawhitehouse.archives.gov/the-press-office/2016/04/06/fact-sheet-middle-class-economics->

retirement saving, as highlighted here:

- Conflicted advice leads to lower investment returns. Savers receiving conflicted advice earn returns roughly 1 percentage point lower each year (for example, conflicted advice reduces what would be a 6 percent return to a 5 percent return).
- An estimated \$1.7 trillion of IRA assets are invested in products that generally provide payments that generate conflicts of interest. Thus, we estimate the aggregate annual cost of conflicted advice is about \$17 billion each year.
- A retiree who receives conflicted advice when rolling over a 401(k) balance to an IRA at retirement will lose an estimated 12 percent of the value of his or her savings if drawn down over 30 years.

The average IRA rollover for individuals 55 to 64 in 2012 was more than \$100,000; losing 12 percent from conflicted advice has the same effect on feasible future withdrawals as if \$12,000 was lost in the transfer.”<sup>2</sup>

## II. SEC Disclosures May Not Be Effective

SEC disclosures are often not effective, when sales personnel (advisors) are involved as defined in a SEC Evidence Summit on March 10, 2017:

1. Verbal behaviors by sales personnel undermine disclosure effectiveness, “talking about less important information, prevents consumers from noticing more important information” or providing “senseless explanations” (LeBoeuf, Choplin and Stark (2015).
2. Consumers need relevant information to make an informed choice and they have to know how to use that information. (SEC Evidence Summit March 10<sup>th</sup>, 2017)
3. Professional “advisors” or sales personnel make mistakes, even in the absence of conflicts of interest -Fisch, Wilkinson-Ryan & Firth (Duke 2016) Example: 32% of advisors answered this question incorrectly “Does index fund performance vary substantially depending on the expertise of fund managers and does diversification reduce the variability of my portfolio?”
4. The SEC Evidence Summit, March 10, 2017, shows over half of sales personnel (advisors) selecting inappropriate, high fee index funds, in a study.

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<sup>2</sup> The Effects of Conflicted Investment Advice on Retirement Savings  
FEBRUARY 23, 2015 AT 9:45 AM ET BY JASON FURMAN AND BETSEY STEVENSON

### **III. Issues with Performance Disclosures in Managed Accounts and Collective Investment Trusts in Defined Contribution Plans**

June 2014, the U.S. Government Accountability Office (GAO) published a report “**401(k) Plans: Improvements Can Be Made to Better Protect Participants in Managed Accounts**”.

“401(k) plan sponsors have increasingly offered participants managed accounts— *services* under which providers manage participants' 401(k) savings over time by making investment and portfolio decisions for them. These services differ from investment options offered within 401(k) plans. Because little is known about whether managed accounts are advantageous for participants and whether sponsors understand their own role and potential risks, GAO was asked to review these services.

“GAO found that the absence of guidance for managed accounts has led to inconsistency in sponsors' procedures for selecting and overseeing providers. Without better guidance, plan sponsors may be unable to select a provider who offers an effective service for a reasonable fee. In addition, Department of Labor (DOL) generally does not require providers to furnish sponsors with performance and benchmarking information for managed accounts, as it does for investments available in a plan, although some providers do furnish similar information. Without this information, sponsors cannot effectively compare providers when making a selection or determine whether managed accounts are positively affecting participants' retirement savings.”<sup>3</sup>

### **IV. Department of Labor Final Rule on IRA Fiduciary Definition Was to Take Effect April 2017**

April 8, 2016, the Department of Labor filed in the Federal Register a new rule:

“This document contains a final regulation defining who is a “fiduciary” of an employee benefit plan under the Employee Retirement Income Security Act of 1974 (ERISA or the Act) as a result of giving investment advice to a plan or its participants or beneficiaries. The final rule also applies to the definition of a “fiduciary” of a plan (including an individual retirement account (IRA) under the Internal Revenue Code of 1986 (Code). The final rule treats persons who provide investment advice or recommendations for a fee or other compensation with respect to assets of a plan or IRA as fiduciaries in a wider array of advice relationships. “

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<sup>3</sup> **401(K) PLANS:**

**Improvements Can Be Made to Better Protect Participants in Managed Accounts**

GAO-14-310: Published: Jun 25, 2014. Publicly Released: Jul 29, 2014.

This rule is designed to address the shortcomings of the 1975 IRS 5-Part test that establishes who may be deemed a fiduciary advisor to a retirement plan, such as an IRA and provide a private right of action, potential for class action suits, for IRA investors, offering an alternative to conflicted financial services industry's FINRA mandatory arbitration in brokerage accounts.

## V. Delay of Department of Labor 2016 Rule on Fiduciary Definition for IRA

February 3, 2017, the White House Administration, Congress and certain financial services firms and lobbying groups delayed implementation of this Department of Labor Rule, as stated by President Trump's current Economic Council Director, Gary Cohn:

"Gary Cohn, White House Economic Council director, told the *Wall Street Journal* in an interview published last night that the administration would also move against a regulation designed to force retirement advisers to work in the best interest of their clients. That "fiduciary rule" is set to take effect in April. Promulgated by the Department of Labor, it's meant to eliminate conflicts-of-interest among professionals dealing with people enrolled in qualified retirement plans and IRAs."

"Cohn told the Journal that the rule is "bad" in part because it forces consumers into funds with lower fees even if they are not the best investments for them."<sup>4</sup>

As the *New York Times* wrote on February 10, 2017, "Is Your Financial Advisor Acting in Your Best Interest"<sup>5</sup>

"But at the end of the day, fiduciary standard or not, investors are going to need to look more closely at what they own and why they continue to own it." Check the Ticker meets this mandate.

## VI. Education in Workplace is currently provided by Financial Services Firms

All education in the workplace, often paid for by defined contribution plan participants, is provided by financial services firms, that also sell investment products, such as managed accounts.

Workplace "financial education" is provided by financial intermediaries, trained to sell products, which are labeled "advisors" and "investment experts" while often having no professional training in investment selection or may not hold a college degree. There are outstanding lawsuits against

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<sup>4</sup> Washington Post, "**Trump to order regulatory rollback Friday for finance industry starting with Dodd-Frank**" By **Fred Barbash** and **Rena Merle** February 3

<sup>5</sup> NY Times, Sullivan, Paul, "Is Your Financial Advisor Acting in Your Best Interest":

<https://www.nytimes.com/2017/02/10/your-money/is-your-financial-adviser-acting-in-your-best-interest.html>

these 401(k) education, advice and investment advisory product services due to conflicts of interest. For example, the largest 401(k) in-house education provider, Financial Engines', legal complications and conflicts are summarized here in a quick Google Search:

### Another 401(k) record keeper sued over 'pay to play' scheme with ...

[www.investmentnews.com/.../another-401-k-record-keeper-sued-over-pa...](http://www.investmentnews.com/.../another-401-k-record-keeper-sued-over-pa...) ▼

Nov 11, 2016 - Plaintiffs in the Xerox case allege the record keeper is a fiduciary under the Employee Retirement Income Security Act of 1974, due to its selection of **Financial Engines** as the sole provider of investment advice to the Ford plans and because selection of a provider fiduciary is itself a fiduciary function.

### Voya targeted in 401(k) fee suit hinging on relationship with Financial ..

[www.investmentnews.com/.../voya-targeted-in-401-k-fee-suit-hinging-o...](http://www.investmentnews.com/.../voya-targeted-in-401-k-fee-suit-hinging-o...) ▼

Sep 14, 2016 - Voya allegedly pays **Financial Engines** a portion of the participant fee, ... 401(k) excessive-fee lawsuit brought against Fidelity Investments.

### Aon Hewitt sued for 401(k) 'kickback' scheme with Financial Engines

[www.investmentnews.com/.../aon-hewitt-sued-for-401-k-kickback-sche...](http://www.investmentnews.com/.../aon-hewitt-sued-for-401-k-kickback-sche...) ▼

Jan 31, 2017 - Aon Hewitt is the latest retirement-plan record keeper to be sued for an ... **Financial Engines**, following similar lawsuits filed recently against ...

### Lawsuit against Financial Engines a red flag for plan sponsors

[www.investmentnews.com/.../lawsuit-against-financial-engines-a-red-flag...](http://www.investmentnews.com/.../lawsuit-against-financial-engines-a-red-flag...) ▼

Aug 11, 2014 - A new lawsuit against **Financial Engines** for alleged patent infringement is in its early stages, but plan sponsors who work with the 401(k) service provider ought to keep the case on their radar. ... **Financial Engines** provides personalized fiduciary advice to employees of the plan sponsors it works with.

### Delta employees sue Fidelity for 'illegal kickbacks' from Financial ...

[riabiz.com/.../delta-employees-sue-fidelity-for-illegal-kickbacks-from-fin...](http://riabiz.com/.../delta-employees-sue-fidelity-for-illegal-kickbacks-from-fin...) ▼

Jul 6, 2016 - The suit alleges that "**Financial Engines** is paying Fidelity 22.5 basis ... fazed by an ominous lawsuit hanging fire against **Financial Engines**."

## **How Does Check the Ticker SBC Address These Societal Problems?**

### **Check the Ticker SBC, Independent eLearning, provides a Cost-Effective Alternative to the Existing Distribution Model of Retirement Product and Conflicted Education Offerings in the Workplace**

Check the Ticker provides, for the first time, an alternative to the retirement investor as to how they choose to spend their money:

1. Every retirement investor now has the option to understand how to select the best core retirement money manager, based on strict criteria and data, all derived from SEC filings and independent education.
2. Retirement investors can continue to pay a sales force to purchase a given product, but they now have the interactive tools to evaluate any recommendation, which is mandated with an ongoing “suitability standard”, where “advice” does not extend beyond the time of investment product sales.

Check the Ticker eLearning modules empower the retirement investor, if they so choose, to eliminate the intermediary and access SEC registered investment companies on a direct basis, for small business plans or defined contribution plan rollovers.

1. Corporate 401(k) plans, employers, may now empower their employees through independent eLearning and digital tools to determine what qualified default investment alternative (QDIA) is in the employee’s best interest.

The GAO (Government Accountability Office) has warned performance, after all fees, is often not a consideration by employers (and employees) and must be.

- a. As more and more firms adopt automatic payroll deductions for retirement savings, the employees need the tools and education to evaluate exactly where the corporation has chosen to place their retirement savings, without their knowledge, in many cases.

- b. Further, the Financial Services Roundtable is encouraging corporations to take 10% of every employee paycheck, automatically, for retirement savings in their Save 10 Campaign.<sup>6</sup> The automatic QDIA options are often not the best alternative. They are simple, but may deliver “disastrous returns” as discussed at the SEC Evidence Summit March 2017 (Carvalho and Silverman 2017).
2. Small businesses need the education and tools to understand SEP and SIMPLE direct plans. They now have an alternative to eliminate investment consultants, broker-dealers and costly 401(k) administration fees and annual 5500 costly filings.
3. Retirement investors need the tools to analyze any investment selection, either in their 401(k), 403(b) or HSA or offered by an intermediary for their IRA or SEP.
4. Retirement investors, with proper tools and training, have a new cost-effective alternative to existing distribution channels for retirement product. They may go direct.

Technology now provides, through Application Programming Interface (API's)<sup>7</sup> access to regulatory data and simple online tools, the ability for retirement investors and corporate defined contribution providers, access to data to make an informed choice through cost-effective new online protocols that provide immediate transparency. Check the Ticker harnesses this technology, for the very first time, for the retirement investor, in or outside the workplace.

## Why an SBC?

Publicly held retirement investor education providers, such as Financial Engines, (Ticker FNGN) have a duty to their shareholders first and foremost, a duty to maximize shareholder value.

To provide bona-fide independent retirement investor selection education would significantly harm or impact:

- (1) Revenues from their managed account corporate product.
- (2) Revenues generated from “education” offered in the workplace that is designed to increase revenues for their advisory services, offered by a sales force with little to no investment selection expertise.

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<sup>6</sup> <http://save10.org>

<sup>7</sup> Wikipedia [https://en.wikipedia.org/wiki/Application\\_programming\\_interface](https://en.wikipedia.org/wiki/Application_programming_interface)

- (3) Revenues from social security strategies tied into the Social Security data links.

Check the Ticker, a specific benefit corporation, has a duty to consider environmental or social factors, in our case, a duty to retirement investors. Our officers and directors are obligated to pursue our stated specific benefit and consider the impact on society.

Check the Ticker believes this situation can be addressed immediately through a first of its kind independent eLearning platform using access to regulatory data, publicly available online tools and a highly targeted, easy to use curriculum. The retirement investor who invests the time and energy in Check the Ticker eLearning independent curriculum can realize a significantly larger retirement next egg by more fully understanding performance, fees and potentially avoid costly distribution expenses, which often present additional cyber security risks, through such intermediaries.

Employers have a responsibility to:

- (1) Inform their employees on the drawbacks and conflicts of investment selection education provided by financial services firms and their representatives.
- (2) Provide bona-fide independent investment selection education so that employees have the tools, training, transparency and resources to make an informed choice in evaluation of any investment product or financial intermediary recommendation.

As an SBC, we have the legal protections to not only pursue our financial revenue goals, but to make a difference in the lives of many and society overall. We are a for-profit corporation, with significant revenue goals, that intends to vigorously pursue our social imperatives, while increasing the financial interests of our shareholders.

Our mission is protected if there are capital infusions or leadership changes.

## **Pursuit of Specific Benefit**

With regard to the period covered for this report, February 26, 2016 to December 31, 2016, Check the Ticker pursued the stated specific benefit in its Articles of Incorporation as follows:

1. A robust, targeted, independent eLearning curriculum was written, designed and tested for readability and comprehension for a broad range of retirement investor.



2. Online tools, research and regulatory data, accessed through API's, are incorporated into the curriculum.
3. Pricing studies were done to ensure the eLearning modules are competitive from the standpoint of (1) time required to master the curriculum and (2) value of the content to the retirement investor.
4. Hosting alternatives have been examined and will ensure the lowest cost, yet convenient alternative for the modules.
5. The curriculum incorporates both a gamification element in every module and a monthly The Ticker Checker practicum that builds a community and ongoing engagement. It provides the subscriber ongoing understanding of "advice" analysis, financial news analysis, and the option to include Environmental, Social and Corporate Governance (ESG) considerations analysis.
6. Check the Ticker website was designed and hosted and it will be publicly available at launch, April 1, 2017.
7. Check the Ticker eLearning modules will be offered to:
  - i) Small businesses, state governments and non-profits that seek to implement immediately direct employee retirement plans and employee education that engages the employee or independent contractor in direct plans, with a life-long learning alternative to understand and manage the investment selection process
  - ii) Corporations and University or school 403(b) plans that choose to implement immediately an independent education option to empower their employees to engage in their retirement future and invest in the time to understand the questions to determine what investment option is in their best interest. Check the Ticker provides an immediate alternative to corporations' concerns with conflicted in-house retirement education and potential fiduciary liability questions. Currently offered education, designed to sell more products for the financial services firms, breaches a fiduciary duty to provide employees bona-fide independent education.

In sum, Check the Ticker eLearning modules eliminate the intermediary costs that add no value, through a curriculum that promotes:

- Transparency
- Informed choice based on relevant data
- A systematic framework for analyzing such data
- Online tools that employ API's at costs that permit competitive pricing of visualization tools that foster actionable plans

## Successes

Check the Ticker will be introduced to the public on April 1, 2017.

Interested small businesses, state governments and corporations may subscribe beginning on that date to:

- Small business direct defined contribution plans, enabled through Check the Ticker employer and employee eLearning modules and online tools.
- Corporations/403(b) plans may provide Check the Ticker independent eLearning modules as an employee benefit commencing April 1.

To implement Check the Ticker eLearning modules and monthly The Ticker Checker engagement service, at your firm, contact [info@checktheticker.com](mailto:info@checktheticker.com).

## Challenges

The following are challenges in 2016 that prevented us from achieving the specific benefit purpose.

We delayed launch in 2016 to ensure the eLearning module content met all the needs to meet our specific benefit purpose.

Check the Ticker had hoped to roll out its eLearning modules to individual retirement investors. Marketing, distribution and administrative costs prohibit this, until additional funds can be raised to generate the economies of scale necessary to support the individual market.

Check the Ticker would also like to offer the service in Spanish, in addition to English. That option will be provided as revenues increase.

## Looking Ahead

Check the Ticker eLearning digital retirement solution can provide an immediate new alternative to the current costly and problematic retirement distribution channels.

State governments can provide the service, providing an immediate alternative for those not covered by a retirement plan, as the small business option is also designed for the self-employed or independent contractor.

Small businesses can implement the most cost effective plan, a direct plan, along with independent education for their staff and employees.

Corporations can provide an immediate alternative to empower employees to understand the retirement “advice” model, as true fiduciary employers, while simultaneously providing their employees life-long independent education on how to access data and tools, to implement an analytical process that enables an informed choice and engages the retirement investor in their future.

With the aging population and retiring baby boomers, society will benefit by retirees retaining more of their nest egg (as will millennial who inherit the boomers’ savings) in their pockets.

There is great value in education that informs both the retiree and family on how best to analyze investment options through an independent factual process that also addresses the issue of cognitive capacity to manage the money.<sup>8</sup>

“Cognitive Capacity and the Capacity to Manage Money” addresses these issues for which Check the Ticker provides a solution.

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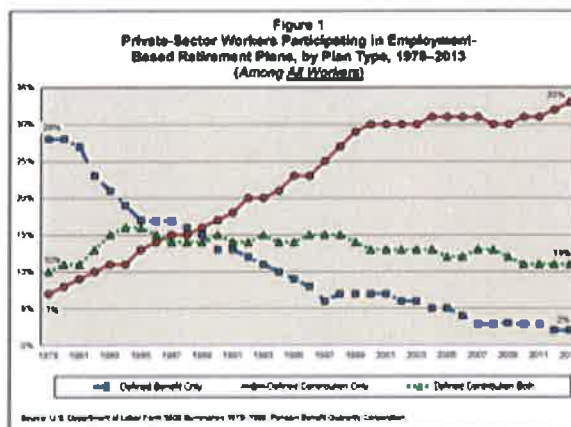
<sup>8</sup> [http://crr.bc.edu/wp-content/uploads/2017/01/IB\\_17-1.pdf](http://crr.bc.edu/wp-content/uploads/2017/01/IB_17-1.pdf)

March 15, 2017

## Finances and Market

### Retirement Savings Today

- Retirement savings continue to move from a defined benefit to an individually managed defined contribution plan.
- All of us now have more responsibility to manage our retirement savings.
- In 2015, IRAs accounted for the greatest share of assets at \$7.6 trillion, ... Defined contribution plans held \$6.8 trillion, \$ 4.7 trillion of which were in 401(k) plans. ... Mutual funds managed \$3.8 trillion, or 56 percent of those assets.\*
- ✓ theTicker is designed to provide the tools, training and perspective to help you successfully navigate this new environment.



(\*Benefits Pro, June 15, 2015)

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theTICKER™  
checktheticker.com

Based on the 2010 Form 5500 (filed by companies with 401(k) plans) there are:

- 638,000 401(k) plans
- 88.7 million total 401(k) plan participants
- 73.6 million active 401(k) plan participants
- Half of U.S. workers lack access to a company-sponsored plan
- 45% of businesses with fewer than 100 employees offer 401(k)'s<sup>9</sup>

There is no independent eLearning digital curriculum of the nature of Check the Ticker that is targeted, transparent, and engaging. It meets a fiduciary need by employers to provide employees independent education through today's technology, using tools and online data available to analyze investment selection processes and current investment product distribution channels. It provides the most straightforward alternative to small businesses and their employees to immediately implement the most cost-effective retirement plans.

<sup>9</sup> <https://www.ebri.org/publications/benfaq/index.cfm?fa=retfaq13>

Millennial that seeks ESG investment strategies will find targeted Check the Ticker eLearning modules devoted to this otherwise uncovered topic, again using API's, online tools and regulatory data.


Private seed cash flow from Check the Ticker founders have covered all expenses. Given societal demand for such a product, it is anticipated annual subscription revenue and angel funding will expedite growth that will ideally implement the individual IRA component and international strategy.

Current trends indicate that with the compelling societal needs for ready alternatives to ameliorate the looming "retirement crisis", as an SBC we can provide prospective investors a (1) valued social impact, (2) an ongoing structure to maintain such specific benefit following a financing or sale and (3) a combination that leads to higher valuations.

March 15, 2017

## Certifications by Board of Directors

The undersigned, being all the Directors of Check the Ticker SBC, hereby acknowledge and certify that I have reviewed and approved the First Annual Specific Benefit Report.

 March 15, 2017

Susan Seltzer

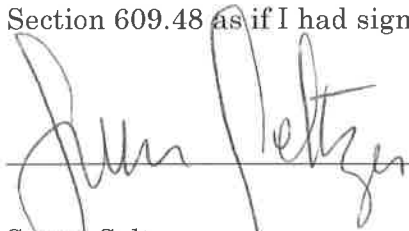
Chief Executive Officer, President and Secretary

## Submission

### SUBMISSION:

I, the undersigned, certify that I am the President and Secretary of this public benefit corporation. Further certify that I have signed this document no more than 30 days before the document is delivered to the secretary of state for filing, and that this document is current when signed.

I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this Document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.

 March 15, 2017

Susan Seltzer

Chief Executive Officer, President and Secretary



**Work Item 942126900031**  
**Original File Number 875245000052**

STATE OF MINNESOTA  
OFFICE OF THE SECRETARY OF STATE  
FILED  
**03/23/2017 11:59 PM**

*Steve Simon*

Steve Simon  
Secretary of State