

## **REQUEST FOR PROPOSAL**

### **INVESTMENT MANAGER-LARGE CAP EQUITY CORE**

#### **NEW YORK LIQUIDATION BUREAU**

#### **BACKGROUND INFORMATION**

The New York Liquidation Bureau (“NYLB”) administers the affairs of insurance companies that are in court-ordered rehabilitation, liquidation, or conservation. The NYLB is currently managing the affairs of 33 domestic estates, one of which is Executive Life Insurance Company of New York in Rehabilitation (“ELNY”).

The NYLB invites all qualified investment management firms (the “Proponents”) to draft and submit to the NYLB (at the Proponents’ expense) a proposal (the “Proposal”) in accordance with the requirements outlined in this Request for Proposal (“RFP”). The selected investment management firm (the “Awardee”) will be performing services solely on behalf of the Superintendent as Rehabilitator (“Rehabilitator”) of ELNY, not in his official capacity as regulator.

#### **PROJECT OVERVIEW**

The NYLB requests the services of a qualified investment management firm to manage ELNY’s Large Cap Equity Core (“Large Cap”) mandate of approximately \$300 million. The Large Cap portfolio is to be managed in accordance with ELNY’s investment guidelines established under the court approved Rehabilitation Plan, dated December 16, 1992 (“Plan”) and may be modified in consultation with, and with the approval of, the Rehabilitator. If you wish to submit a proposal, please complete the requested information contained herein and include the appropriate appendices.

#### **PROCEDURES FOR SUBMISSION OF PROPOSALS**

##### **Formatting and Delivery**

The Proposal must be formatted in 12-point font or larger font. The cover of each Proposal shall include the name of the Proponent and the subject matter, as follows:  
**RFP: Investment Manager-Large Cap Equity Core.** Each proponent shall submit one original and four copies of the Proposal. The Proposals must be sent via mail, overnight courier, or hand delivery to:

Executive Life Insurance Company of New York  
In Rehabilitation  
New York Liquidation Bureau  
123 William Street  
New York, NY, 10038-3889  
Attn: John P. Kelly, Chief Compliance Officer  
**RFP: Investment Manager-Large Cap Equity Core**

Proposals must be received no later than **5 p.m., on October 14, 2008**. Late proposals will be disqualified from consideration.

### **Proponent's Certification**

The Proposal must be signed and dated by the Proponent. In submitting a signed Proposal, Proponent certifies that the information in the Proposal is complete, truthful, and accurate.

### **Binding Effect of Proposal**

Each Proponent shall be bound by the information contained in the Proposal, including fees quoted for services.

### **Withdrawal of Proposal**

Proposals may be withdrawn from consideration at any time by written submission to Chief Compliance Officer John P. Kelly at the address listed above.

### **Proponents' Questions**

Proponents may submit questions up until **5 p.m., on October 10, 2008**, via e-mail to Chief Compliance Officer John P. Kelly at [jpkelly@nylb.org](mailto:jpkelly@nylb.org), or via mail to John P. Kelly at the address listed above. **EMAIL IS PREFERRED.**

### **Modifications to the RFP**

The NYLB may modify the RFP in writing or provide an addendum to the RFP prior to selection of an investment management firm and allow Proponents to revise their Proposals or supply additional information in response.

### **Evaluation of Proposals**

After evaluating the Proposals, the NYLB may compile a short list of Proponents and may invite Proponents to appear for an interview. The NYLB may, if necessary, request additional information from the Proponents.

### **Communication with Bureau Personnel**

Except as provided in this RFP and as otherwise necessary for the conduct of business operations previously established with the NYLB, Proponents may not communicate with NYLB personnel who are involved in the review, evaluation or selection of a Proponent. The NYLB will disqualify Proponents who engage in prohibited communications of a material nature, as determined by the NYLB.

**Conflicts of Interest**

The NYLB is concerned with both actual and perceived conflicts of interest. If a Proponent has been involved in litigation against the NYLB within the last 10 years, it must disclose such involvement. If the Awardee is representing or performing work for any person or entity involved in litigation against the NYLB, the Awardee must disclose such matters and take the necessary and appropriate steps to exercise independent judgment and ensure that the NYLB’s interests are not compromised. In addition, Proponents must disclose any known employees who are related by blood to or living in the same household as any NYLB employee, and any known employees who were previously employed in any capacity by the NYLB.

**PROPOSAL CONTENTS**

In order to facilitate a fair evaluation of all Proposals, the NYLB requires a uniform Proposal format. Please provide the requested information in your investment manager proposal.

**EVALUATION AND AWARD**

In selecting an Awardee, the NYLB will consider, among other factors it deems appropriate, whether the Proponent: (1) has expertise in investment management similar to that proposed herein; (2) has demonstrated that it will commit appropriate staffing and resources to manage ELNY’s investment portfolio; and (3) is in good standing with professional and governmental organizations and conducts its business in an ethical manner. The NYLB is not bound to accept the lowest-priced proposal.

Upon selection of an Awardee, the NYLB will attempt to execute an investment management contract with the Awardee within 60 days.

**BUREAU’S RIGHTS**

This RFP does not commit the NYLB to select an Awardee or enter into a contract with any Proponent. The NYLB reserves the right to: (a) rescind or revoke this RFP prior to execution of a contract with the Awardee; (b) utilize any ideas from the Proposals. The NYLB may: (a) reject a Proposal if it is non-responsive or non-compliant with the requirements set forth in this RFP; or (b) waive minor discrepancies in any Proposal. All materials submitted in response to this RFP become the property of the NYLB and will not be returned. The NYLB disclaims responsibility and liability for any costs related to Proponent’s participation in this RFP.

## Equity Request for Proposal

### BACKGROUND

Response Date		
Legal Name of Firm		
Mailing Address		
Primary Contact: Name Phone Number Email Address		
Type of Firm: Place an "X" by the appropriate box	Independent Investment Advisor	Bank Affiliated Investment Advisor
	Broker Affiliated Investment Advisor	Insurance Affiliated Advisor
	Mutual Fund Company	Other (Describe)
Names of Relevant affiliated Companies		
Registered under Investment Advisory Act of 1940?	Yes or No. (If yes, submit Form ADV as Appendix __)	
Is the firm a qualified Investment Manager under Sec 3(38) of ERISA		
Ownership Type (e.g. Public, employee, partnership subsidiary, other (explain))		
Percent Employee Owned		
Any past, current or pending litigation against your firm or its principals?	Yes or No. (If yes, provide detailed explanation as Appendix __)	
Describe levels of coverage for SEC-required fidelity bonds, error and omissions coverage and any other coverage your firm carries.		
Has Firm been Subject to any Investigation by any Governmental Authority within the Last 10 Years		
Has Firm Previously Provided Services to ELNY or the NYLB, Including Whether the Firm has		

any Financial Interest in any Organization that has Contracted to Provide Services to the NYLB	
A Statement of Whether Proponent of any of its Partners or Principals have been Subject to any Criminal Convictions with the Last 10 Years	

**FIRM INFORMATION**

Total Firm Assets Under Management						
List Primary Investment Styles And AUM for each Style:	Style	Assets Under Management				
Org Chart	Include a firm-wide organization chart as Appendix ____ In addition, if Firm is a subsidiary of a larger organization, also include an organization chart for the investment management arm.					
Provide number Breakdown of firm-wide staff for the investment management business:	<b>Portfolio Managers</b>	<b>Research</b>	<b>Client Service</b>	<b>Trading</b>	<b>Operations</b>	<b>Administrative</b>
Provide Investment Professional staff gain/loss for last 3 years		<b>2006</b>	<b>2007</b>	<b>2008 YTD</b>		
	# Added					
	# Departed					
	Ending Count					
Describe Compensation arrangements for professional staff, including % of comp as bonus; # eligible to share in firm profits and % firm profits paid out as bonuses						
Describe Internal Controls designed to ensure compliance with client investment policies.						
Describe your firm's ethics						

policy. Provide a copy of your firm's code of ethics as Appendix ____.	
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What are your internal policies and compliance procedures related to employees' trading for their own accounts?	
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Describe your investment style and philosophy for this mandate. Is your approach top-down, bottom-up or a combination?	
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Describe your investment process for this mandate including your buy/sell disciplines.	
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How are your firm's research capabilities organized (e.g. geographic, industry, etc)	
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Define economic scenarios that are more and less favorable to your investment style.	
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Describe your firm's approach to sector/industry diversification. Do you monitor and limit sector exposure or is it a residual of the security selection process? If so do you monitor and/or limit sector /industry diversification?	
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Biographies of all investment professionals responsible for this product	Attach as Appendix ____
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Name primary portfolio manager for proposed account	
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How many accounts is he/she responsible for? Comment on additional responsibilities that he/she may have.				
Describe changes in key decision making personnel for this product since 2004.				
Include information on individuals key to this product that have left the organization since 2004. Attach as appendix ___ if more than 5 individuals	Name	Responsibility	Length of Service	Reason for leaving
Describe the firm's approach to minimizing dispersion of results among portfolios.				
Describe proxy voting process				
List of all Brokerage Firms with whom you currently trade	Appendix ___			
Range and Average Commission paid for trades.				
% of Assets typically paid for brokerage commissions				
What percent of commissions is paid to affiliated broker/dealers?				
List services you receive through soft dollars and the soft dollar cost	Service	Soft Dollar Cost		

Describe your firm's disaster preparedness provisions.	
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**PRODUCT INFORMATION**

Product Inception Year				
AUM for Product as of 3/31/08				
Benchmark preferred and reason				
# Names in Portfolio				
Maximum % Holding of a security				
Product Turnover Rate	2005	2006	2007	
Average % Cash Held	2005	2006	2007	
Existing Holdings market Cap	Smallest	Largest	Median	Average
Current P/E Ratio				
Current P/B Ratio				
List Top 10 Holdings & % of Port	Name	%	Name	%
	1.		6.	
Top 5 Contributors to Performance for Last 12 Months	Name	Contribution to Performance: BP over Benchmark		
5 Greatest Detractors from Performance for Last 12 Months	Name	Contribution to Under Performance: BP under Benchmark		
Sector Allocation	Include as Exhibit __ your current portfolio holdings' sector weights versus			

	benchmark.
List 5 largest clients for this mandate	
Annualized Returns (1,3,5 and 10 years) and yearly for the last five years (if available) versus benchmark	Include as Attachment in Excel
Annual attribution analysis (security, sector, capitalization, etc.) for each of the last five years	Include as Attachment in Excel

**FEES**

Proposed Fee Schedule	
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