

### ***Just got back from NIPA's Annual Conference in Las Vegas***

NIPA's May, 2007 conference was at the Planet Hollywood (formerly the Aladdin Hotel) in Las Vegas. I had a lot of fun there but was a little surprised when I heard a rumor that NIPA's annual conference would be held there again next year. When I went to confirm this rumor with a NIPA staffer, I learned that NIPA's annual conference will actually be at Planet Hollywood three years in a row. This year, then again in 2008, and in 2009. So, if you like hanging out in Vegas or you want to make plans to see a particular show in the future, it sounds like you can count on there being a pension conference there in early May (for the next couple of years).

### ***PPA Periodic Benefit Statements: Are we done yet?***

As May 15<sup>th</sup> has just passed, I thought I would check in with you about the periodic pension benefit statement project – first, to talk about consulting and administration tips that I recommend you consider concerning your clients and then, to summarize some of the lessons learned in dealing with the initial calendar quarter's requirements.

First and foremost in the aftermath of May 15<sup>th</sup>, is to evaluate how the alternative annual vesting disclosure will be handled by your TPA Firm.

1. Alternative annual vesting disclosure. Use of the "alternative annual vesting disclosure option" under PPA paired with the "multiple source option" permitted by the Department of Labor Field Assistance Bulletin means that sometime between now and February 15, 2008 (the current 45-day window period associated with the December 31, 2007 quarter/year-end), defined contribution plan sponsors need to provide specific vesting information to plan participants with accounts. There are a couple of different approaches that TPA Firms may consider:

- a. Firms continuously providing Annual Participant Certificates with year-end reports (typically prepared on a pension software system like Datair, ASC, Sungard, etc.) are advised to add a footnote to the Annual Participant Certificates produced by your pension system as follows:

**This annual participant certificate complies with the alternative annual vesting disclosure per Section 508(a)(1)(a)(2)(C) of the Pension Protection Act.**

- b. Firms whose procedures are "spotty" in providing traditional "annual participant certificates" due to i) avoidance of redundancy required to replicate financial figures from reports prepared by daily-valuation alliance institutions or ii) in-house daily valuation systems where web access and 800# access are more of a focus than traditional processes such as the "annual participant

certificates” that provide account balance information broken down by contribution source with vested percentage information.

It may be advisable to reconsider your position as far as utilization of the annual participant certificate approach as part of your standard service package.

Alternatively, firms that do not want to go through the process of inputting all the account balance information into the pension computer system(s) from the daily valuation reports may decide to produce a new kind of participant vesting notice that presents individual vesting statements for each participant showing either the vested percentage as of a particular plan year-end or the date as of which a participant is expected to achieve 100% vesting.

OK, that’s it for the first step I would advise now that the May 15<sup>th</sup> deadline is over.

2. Those clients with segregated brokerage account situations need “counseling.” The longer the quarterly statement project wore on, the more it became glaring to me that these segregated brokerage account set-ups are just plain out-of-date and out-of-sync with the DC plan investment marketplace. Perhaps they should all be told – either get with the future and set up your plan in a daily valuation environment (through either an alliance or an in-house daily valuation arrangement) OR we cannot deal with you anymore. OK, most would say that’s going a little too far/too crazy for us to consider. Taking a more pragmatic approach to real consulting solutions for these people:

- a. It is in the best interest of the employer/plan sponsor and the plan fiduciaries to limit self-directed brokerage accounts to being set up with one particular financial institution (and one selected by the company, not the participants). Reason being? When one particular financial institution is utilized for self-directed brokerage accounts in a retirement plan, the employer/plan sponsor should then have a contract with that one provider. This translates to there being a clear understanding that the employer/plan sponsor is the primary client to be served under the umbrella of the qualified plan investments. The participants who choose to set up self-directed brokerage accounts are merely “sub-accounts” under the employer’s qualified plan arrangement. Theoretically, this should mean that the financial institution pays closer attention to the qualified plan rules and fiduciary standards of ERISA, rather than caving to outrageous requests for inappropriate participant loans (often, without appropriate loan documentation being signed) and/or inappropriate in-service distributions (again, often overlooking the need for proper distribution election forms and notices).

BTW – The proposed arrangement of self-directed brokerage accounts being limited to one financial institution, period, chosen by the plan sponsor (not the participants) is in direct contrast with what is known as the “unrestricted”

version of self-directed brokerage accounts where any plan participant (typically, a control-oriented, mucky-muck) can talk to any investment broker and decide to set up a brokerage account with any portion of their retirement plan monies (without necessarily even making sure that plan trustees will receive copies of investment statements that are essential to the preparation of the annual Form 5500 filing..

- b. I think that all of your clients with any portion of their plan assets handled as trustee-managed, “pooled trusts” should be given a heads up as far as the word-of-mouth from the Department of Labor concerning the potential that plans with pooled assets will most likely be told that they have to share detailed plan investment information with all plan participants – as it relates to the pooled assets that are currently managed by the plan trustees. In the law PPA that was signed into law by President Bush on August 17, 2006, there is written evidence that our government is expecting that most defined contribution plans are now offering the right to direct investments to plan participants and that, to a large extent, the marketplace validates that the majority of at least the 401(k) plans are, in fact, driven by participants’ control over the investment selections – typically, from a menu of mutual fund choices selected by the plan fiduciaries. As far as exactly how detailed the asset disclosure should be for the plan participants, written guidance is expected to be released by the Department of Labor no later than August 17, 2007 (since the PPA law requires issuance 1-year after the law was enacted). In the meantime, if a plan with a “hybrid” investment structure (part participant-directed, part pooled) is subject to the quarterly pension benefit statement rules, it is our position that, until clear written guidance is provided by the Department of Labor with respect to the “value of investments” disclosure for the pooled portion of the plan, we are taking a wait-and-see stance.

There are so many comments that could be made about lessons learned in handling the first quarterly pension benefit statements – but I am going to try and stick to what’s important as I write these bullet points:

1. **The alternative annual vesting disclosure**, Regardless of who prepared the documentation, most of the first quarter’s periodic benefit statements do not go the full way to disclose the latest available vested percentage information or the earliest date on which benefits will become 100% vested.
  - a. Vesting is actually the only core requirement in the new pension benefit statement legislation that has a special “annual alternative” rule. This means that a plan sponsor subject to the quarterly pension benefit statement requirements can either synch vesting information with one of the four quarterly statements or, provide a separate annual vesting statement with such information as is necessary for the participant to calculate their vested benefits.

- b. The timeline for providing this annual vesting disclosure is not well-defined but, most agree, must be done sometime within the time for providing the last quarterly statement for a particular calendar year – in other words, the ultimate deadline for 2007 annual vesting statements is currently thought to be February 15, 2008 (assuming the 45-day window period continues to apply to the 12/31/2007 year-end pension benefit statements).
  - c. Practitioners are really taking a wait-and-see approach on this vesting disclosure issue. It is not clear yet how the DOL will respond to more practical issues like this when guidance is issued late Summer, 2007 (sometime before the 8/17/2007 1-year timeline has elapsed).
  - d. Some practitioners who adopted this wait-and-see approach as far as the annual vesting alternative decided to omit vesting completely from the first quarterly pension benefit statements. Personally, I feel more comfortable, when drafting these quarterly notices, to at least provide some kind of verbiage touching on each of the core content requirements (including vesting and permitted disparity). I feel the same way about plan document printouts that simply omit sections that do not apply while my favorite style of document is the adoption agreement format that lays out all the variables and the goal is to check the boxes that apply.
2. **The financial institutions saying “we’ve got it covered,” even when they don’t.** I fully appreciate the extreme levels of frustration that these new quarterly notice rules have caused to everyone in the retirement plan industry. However, it is unfortunately misleading (and sounds a little defensive) to say “it’s covered,” when it comes to an issue that is so far from being that black-and-white that it might take an army of people and an arsenal of disclosures to truly fulfill the requirements and intentions of PPA Section 508. I, for one, am of the opinion that footnotes to a financial statement is not what they had in mind when they created this new requirement. I think that the intentions behind this new disclosure requirement include an educational component meant to be more of an ongoing effort.
- a. **This new requirement is more of an educational endeavor.** It is not so much about the specific financial information as it is about enhancing the participants’ understanding of what information they can expect to receive about their retirement plan benefits, when they can expect to receive it, and what the different sources of information are.
  - b. **Having quarterly or monthly financial statements being sent regularly to participants is a valuable service but not likely sufficient to satisfy the core content requirements under PPA’s new periodic statement/notice rules.**
  - c. During this good-faith compliance period, it would appear to be in the best interest of plan participants and plan fiduciaries for the company to make their best effort to conform with the intentions behind this new law to provide a new employee disclosure at least once every calendar quarter (for plans that extend the right to direct any investments, to any participants). Regulations are pending

with regard to this new requirement and are expected to be released by the Department of Labor late summer of 2007. Only then can decisions to limit disclosure content to employees become possible and only if forthcoming guidance permits employers/plan sponsors to do so.

- d. Some of the content requirements for this new employee disclosure go beyond the type of financial information that any one financial institution previously provided. For example:
  - i. Information about “diversification of investments.” The Department of Labor expects every compliant employer to include three paragraphs (with one of those paragraphs including the web address where plan participants can go to learn even more about diversification. These three paragraphs were included in Field Assistance Bulletin 2006-03 to help practitioners who were drafting these new periodic statements/notices for employers.
  - ii. Information about “permitted disparity.”
  - iii. Information about “vesting.”
  - iv. Information about any accounts that are “walled off” from participant-direction and controlled by trustees responsible for managing pooled trust investments.
  - v. Information about a participant’s total accrued benefit (total account balance) and the value of investments. This content requirement points to the type of breakdown that the financial institution’s statements typically cover. However, those routine financial statements do not always include participant loan balances or, in some cases, insurance cash values, that an employee might have to research by contacting the plan’s financial institution or the plan’s TPA Firm for current, up-to-date information. Given that so many plan participants across the country have taken advantage of participant loans when they are offered by a plan, this aspect of the new disclosure requirements is best handled by what we are recommending – to provide a separate periodic statement/notice requirement with pointers for participants about the multiple sources for retirement plan information and how they can go about gathering pertinent information to be sure their personal employee benefit records are complete.

3. **The plans with a “hybrid” investment structure where investments are part pooled (managed by trustees), part self-directed accounts (making the entire plan subject to the quarterly pension benefit statement disclosure)**. Perhaps one of the biggest controversies about these plans is the application of the “value of investments” requirement to the pooled asset situation.

- a. I understand that ASPPA GAC people have had conversations with Department of Labor officials about some of the implications of the pooled trust annual reporting. Discussions have apparently taken place (only verbally, nothing in written guidance) as follows:

- i. Whether the diversification content must be included in the “annual pension benefit statements” for the pooled trusts? NO.
  - ii. Whether the value of investments information applies to the “annual pension benefit statements” for the pooled trusts? YES.
  - iii. Whether shortcuts can be taken when providing this value of investments information by combining various line items on the pooled trust’s portfolio listing and providing a less-than-detailed summary of the pooled trust’s investments? NO. The DOL officials are envisioning that a full copy of the pooled trust’s balance sheet listings would be provided to plan participants as a supplement to the pension benefit statements.
  - iv. Whether the 45-day window period for producing statements will be extended out further – especially with respect to the December 31<sup>st</sup> year-end pension benefit statements for the annual statements on the more traditional, exclusively pooled trust situations. Everyone knows that there is little chance of a traditional, annual plan having updated reports done as quick as 6-weeks after the end of the calendar year. And, to add the craziness of every fiscal year plan needing to produce some kind of annual pension benefit statement information as of 12/31 each year. On this issue, DOL is now more aware of certain realities about the timing of year-end work than before. However, it is uncertain how the DOL will respond to these more practical issues when guidance is issued late Summer, 2007 (sometime before the 8/17/2007 1-year timeline has elapsed).
- b. As far as the question about the disclosure of the value of investments, PPA Section 508 indicates that the pension benefit statements for DC Plans should include: *“the value of each investment to which assets in the individual account have been allocated, determined as of the most recent valuation date under the plan, including the value of any assets held in the form of employer securities, without regard to whether such securities were contributed by the plan sponsor or acquired at the direction of the plan or of the participant or beneficiary.”*
  - c. It’s not that cut and dry. Trying to interpret the meaning of that statement is difficult because there is literally no allocation of “pooled assets” to an individual account. If there were such an allocation of pooled assets, then it would seem that when plan assets need to be liquidated in order to settle a plan benefit payment, there would be a pro-rata liquidation of a participant’s percentage of the pooled trust’s holdings. Rather, when plan benefits become due and payable, a pooled trust will simply pay benefits from a cash account and, if necessary, sell plan investments to create a sufficient amount of plan liquidity for plan distributions to be made. The suggestion that a pooled trust’s portfolio/asset listing is theoretically “allocated” to each participant who holds an account under a pooled trust is just too off-the-wall to extrapolate a reasonable procedure at this stage.

- d. A “wait-and-see” on the “value of investments” seems justifiable in these hybrid situations. I think we should carefully evaluate what is in writing vs. what is being said by government officials by word-of-mouth and, personally, I’d rather not react prematurely to “word- of-mouth” opinions passed from the DOL to ASPPA GAC committee members or other practitioners who attend conferences. Being taught years ago that private letter rulings don’t carry the weight of law, we should really pay attention to the fact that word-of-mouth at conferences and private meetings does not carry the weight of law either. Notice that at every conference where government officials talk, they make it clear that any words coming out of their mouths are just their opinions and not indicative of the government’s official position on anything. I say: likewise for what they say verbally; anywhere, anytime.
  - e. In other words, it is my stance that, until there are “black and white regulations” or even a “FAB” in print about how the Department of Labor interprets the “value of investments” being applicable to a “pooled trust” scenario, I think that especially people serving clients in a litigious state like California should not jump on the bandwagon and go overboard with disclosures such as what essentially translates to providing a full and entire balance sheet to pooled plan participants. Not yet, anyway. Not until after DOL produces written guidance that provides more specific direction on how to handle the “pooled,” annual benefit statement disclosures.
  - f. As Sal Tripodi said in a recent newsletter, providing detailed investment disclosures could turn the plan participants into “watchdogs” overseeing the investment decisions made by their employer/plan trustees. He was saying it because he believes it is a necessary step based on ASPPA GAC conversations with the DOL. However, that is exactly what I’d be afraid of, if I were the TPA service provider or one of the fiduciaries at the employer/plan sponsor level.
  - g. On the other hand, there was a question asked in the recent ASPPA web cast about quarterly statements. One practitioner wanted to know what should be disclosed about the value of investments in a hybrid plan structure where there was a 12-page listing for the pooled trust’s investments. The answer given was that copies of all 12-pages should be distributed to all participants entitled to receive a quarterly pension benefit statement.
  - h. Some people in that other camp believe that we must go a step further and let each participant in a pooled trust know what percentage of the total asset pool their account represents; others have said we must actually customize an asset listing for each individual participant by applying their percentage of the total assets to each line item in the pooled trust balance sheet. My point? Without definitive written guidance, word-of-mouth produces a distortion in understanding what the exact result should be and opinions abound (always).
4. **Multiple sources reference table.** Another minor difference of opinion exists as far as the multiple source reference table. It is debatable what the DOL meant when they said it must be provided “in advance.” Having looked up the citation given in the DOL FAB

2006-03, the “in advance” clause simply refers to “in advance” of the 45-day deadline given for distributing the notice/statement to plan participants. However, some experts took the position that “in advance” meant that a pre-notice needed to go out to plan participants before the actual pension benefit statement was distributed, to warn them that multiple sources would be used. A notice to announce another notice? When it’s a known fact that plan participants are not really reading things given to them about their retirement plan, anyway? Let’s try common sense and work towards effectiveness in employee communications, at least the best we can given the unique circumstances of this new periodic notice/benefit statement requirement.

Many practitioners (including me) found creative uses for the multiple sources reference table – that often went beyond the literal meaning of multiple sources. In fact, I now feel the multiple source reference is more of an educational piece that can help participants become familiar with the plan information and when/where it is available. It might refer to any of the following sources of information:

- The Periodic Notice/Benefit Statement;
- Summary Plan Description from the HR/plan contact;
- Plan Financial Statements from the named financial institution;
- Plan Financial Statements from the financial institution(s), generically speaking, for those who have self-directed brokerage accounts;
- Annual Participant Certificate from the TPA Service firm;
- The URL/web address for the financial institution;
- The 800# for the financial institution;
- The phone # and/or mailing address for the TPA Service firm;
- The contact # for insurance information;
- The DOL web site information.

## ***Plan Documentation and Disclosures***

I would like to compare notes with those of you whose jobs require involvement with plan document drafting, preparation, and/or review as well as those of you involved with development of internal operating procedures to comply with the ever-increasing number of disclosures that must be provided to your clients’ employees.

Over the last year or so, it seems like a never-ending list of projects have come from legislative changes. Projects which are not really considered “core functions” of a TPA/Consulting firm. From my personal experience, these projects have included:

- 1) New Quarterly Benefit Statement/Notice requirement
- 2) Military Reservist Distribution form

- 3) 402(f) tax notice update: non-spousal rollover option may be addressed; rollovers of after-tax distributions; Roth distributions; Distribution warning re: consequences of not deferring receipt of retirement plan distribution
- 4) Default Investment Alternative Notice
- 5) Auto Enrollment communication package
- 6) Form 8905: January 31, 2007 deadline
- 7) Review of EGTRRA DC documents before actual roll-out: purposely delaying roll-out and usage for clients until such point as an IRS letter has been released for the master plan(s). Down-side to earlier roll-out is that any clients who adopt an EGTRRA plan document before IRS approval has been released must “re-adopt” the final, approved version of the EGTRRA plan document (even if no material changes were made). In other words, an EGTRRA document in the m&p world is not considered “valid” unless the adoption by employer/plan sponsors takes place after the date of issuance of the IRS approval letter on the master plan.
- 8) Handling of sophisticated DB Plans like those with multiple benefit formulas or cash balance plans. These plans cannot satisfy the word-for-word adopter rules under a GUST volume or prototype document. Therefore, they should generally be submitted to IRS as individually designed plans.
- 9) Roth 401(k) communication package
- 10) Final K and M amendment package: December 31, 2006 deadline
- 11) Plan-by-plan review/validation of required compliance amendments
  - a) GUST
  - b) Cross-tested gateway minimum language
  - c) EGTRRA
  - d) DC Plans: 401(a)(9) Final Regulations
  - e) DB Plans:
  - f) Automatic Rollover/Reduction in Cash-Out Threshold
- 12) 404(c) communication package: Post-PPA 2006
- 13) Late deposit package including VFCP filing documentation
- 14) Plan Expenses communication package

Another way to look at these projects is that every TPA/Consulting practice must keep pace with three different aspects of plan documentation and disclosures:

- Substantiating/validating that prior compliance amendments are signed timely and that both paper files and electronic/paperless files are in good order; and

- Reviewing disclosures and operational procedures in light of PPA 2006 changes; and
- Preparing for the EGTRRA restatement process.

I am looking forward to the NIPA Annual Conference that will take place in Las Vegas, just a few weeks from now. The theme of that conference is: Best Practices, a timely theme for our ever-evolving industry.

As far as Best Practices relative to plan documentation and disclosures, TPA/Consulting firms that adhere to the following “policies” appear to meet the highest compliance and operational standards (from my perspective):

- I. Restate every takeover onto your firm’s document. This practice is the best way to ensure that the client’s plan document is up-to-date with current legislative requirements and it also eliminates any conflicts as far as prototype plans that become invalidated if plan investments are no longer held by the particular financial institution who sponsors the prototype document.
- II. Obtain a Determination Letter for at least every ERISA Plan. I could list a number of reasons why it is still the Best Practice to pro-actively help employer/plan sponsors satisfy the highest compliance standard for plan documents by pro-actively obtaining an IRS Determination Letter on their behalf. During IRS audits, the first question asked is still: *Provide a copy of the plan’s determination letter*. In other words, the IRS still considers the best proof of a compliant employer (with regard to plan document standards) to be the possession of an IRS determination letter. Also, while bankruptcy law protects plan sponsors operating under a pre-approved document, apparently state laws may differ in the case of a lawsuit.
- III. Pay very close attention to the execution date of the document itself and any amendments. The IRS auditors are carefully reviewing the dating of any plan documents or amendments and it is quite common to get a question from the IRS reviewer asking about the timing of the signatures (or lack thereof). It is essential that you stress to your clients the importance of a properly adopted document and the fact that the compliance fees for late amenders that are discovered during the determination letter process or plan audit are significantly greater than those for a voluntary submission under Revenue Procedure 2006-27 (EPCRS).
- IV. Provide background information to clients concerning electronic disclosures. Such information should typically address: what reasonable access means according to IRS/DOL standards as far as who actually can qualify under the government standards and which disclosures can be disseminated to employees electronically. You and your clients should know, for example, that a kiosk set-up is not considered reasonable access. To me, this type of “upgrade” makes the most sense for those employers who have plan investments in the daily valuation environment.

With so much going on in the area of plan documentation and disclosures, some of you may feel like you need additional support to stay on top of new or updated requirements. This is an area that I often help my TPA/Consulting firm clients address.

Also, with this newsletter, I want to share another possible resource. Amy Cavanaugh, CPC, QPA, QKA, whom many of you may know from her roles with ASPPA, Tag Data and/or Accudraft. She also happened to be one of the first 10 employees of Corbel. Amy has begun a consulting service designed to assist firms in managing and developing document procedures that are comprehensive enough to address the smallest amendment to a full-blown restatement such as EGTRRA. Amy is available either on-site or electronically to perform an audit of your document production procedures and make suggestions as to how to assure that your documents are accurate, timely executed, properly archived and entered into a data base that makes it easier to prepare required notices and supplemental documentation. She has created many tools in order to assist in required data collection and has some innovative ideas as to how to map documents from one provider to another and offers an informative webinar to get you thinking of ways to streamline and better manage document generation.

Amy is an advocate of automation and helps firms look for opportunities to improve efficiency levels and profitability when procedural upgrades are being reviewed. Please refer to the .pdf file attachment that came to your e-mail box with this newsletter, to learn more about Amy's proposal to help TPA/Consulting firms with documentation projects. We will also be posting Amy's biography on the Virtual Associates page of my website at: <http://www.morgancpc.com/associates.htm>. In the interim, please refer to the footer on the attached .pdf file for Amy's contact information.

Let's keep in mind what Rich Hochman (of McKay Hochman) said about PPA and its implications: "The Pension Protection Act of 2006 (PPA 2006) represents the most dramatic change to the disclosure requirements of ERISA since it was enacted in 1974. ERISA was designed to protect employees' retirement income by imposing financial disclosure requirements and minimum funding provisions. PPA 2006 adds additional disclosure obligations that will provide participants with a better understanding of a plan's assets and how they are invested."

### ***Movies, movies***

Looking back over the last 3 or 4 months, I can definitely say I have seen a lot of movies. In the table on the next few pages, I am sharing some of my favorites and those I did not like so much.

My Favorites	Not So Much
<p>1. <b>Reign Over Me.</b> I skipped seeing this movie for the longest. Then, my brother told me that it was worth it. I think it shows that none of us can decide how someone else should react to tragedy when it happens. No judgments from others would be nice; NOT the attitude of most people in this country, even post-9/11.</p>	<p>1. <b>Norbit.</b> Laughed at the previews but the laughs in the movie are pretty much limited to those scenes in the previews</p>
<p>2. <b>Zodiac.</b> Someone said that all the killings happen in the first 15 to 20 minutes. Then, the psychodrama begins. That psychodrama stuff is what I like. I also want to believe that, although they never caught the guy, the one prime suspect who they say died of a heart attack was really the Zodiac.</p>	<p>2. <b>The Good Shepherd.</b> Love Matt Damon, Love Angelina Jolie more – how could they portray such boring, boring lives?</p>
<p>3. <b>The Breach.</b> Loved Ryan Phillippe (Reese Witherspoon's ex) in his role as a young man in training to become an FBI agent. Good drama. Great portrayal of the contrast between an older man with a principled "front" vs. a real man of principles.</p>	<p>3. <b>The Departed.</b> Love Matt Damon and Leonardo DiCaprio. Lots of famous actors. All the killing and the missions to kill seemed to real and vengeful to me. Too long. Not enough dialogue. Bloody.</p>
<p>4. <b>The Hoax.</b> The things people will do and the risks they will take to try and get rich. It's a theme that is continuously played out on TV and in the movies (and in real life).</p>	<p>4. <b>Babel.</b> Too long and too slow for me. Not enough dialogue for my taste. Loved the actors but found too much reality in the third world country; hopelessness in the plight of the illegal alien nanny.</p>
<p>5. <b>Amazing Grace.</b> Focuses on a part of British history that is almost never talked about.</p>	<p>5. <b>Flags of Our Fathers.</b> War, it's too real.</p>

<p>Great impromptu, intensely dramatic speeches from the actor who plays the main role.</p>	
<p>6. <b>Blood Diamond.</b> Did not know that Jennifer Connelly was in this movie until I got there. Loved the theme of making the most of every moment and how chemistry and circumstances can totally accelerate the “bonding” process. To see Leonardo DiCaprio and Jennifer Connelly at the bar when their intensely blue eyes meet, pictures don’t get better than that.</p>	
<p>7. <b>Notes on a Scandal.</b> Twisted psychodrama. Great actors. Happened to see the British actor, Bill Nighy, who plays Cate Blanchett’s husband in this movie, in a NY theatre production last December – with Julianne Moore in <i>The Vertical Hour</i>. Interesting.</p>	
<p>8. <b>The Queen.</b> Some say it is more like a documentary and that’s part of what makes it good – the actors are made to look and act so much like the real-life people, it’s almost too polished.</p>	
<p>9. <b>The Lives of Others.</b> Set in East Germany: Pre and Post-Stassi. In a sense, the good of humanity prevails. Some wonder why?</p>	
<p>10. <b>Freedom Writers.</b> I have to admit an affinity for “teacher movies.” This one goes beyond the norm. Great piece of work!</p>	