**Notice to Employees Eligible to Participate in Deutsche Bank's Long Term Disability Plan of Request for Authorization Under Prohibited Transaction Exemption 96-62, as Amended**

You are hereby notified that Deutsche Bank Americas Holding Corp. ("DB") and its indirect wholly-owned captive insurance company MHL Reinsurance Ltd. ("MHL") have applied to the U.S. Department of Labor ("DOL") for authorization that the prohibited transaction provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), do not apply to the reinsurance transaction described below. The transaction involves the reinsurance of risks and the receipt of premiums by MHL from insurance contracts currently funding DB's Long Term Disability ("LTD") Program (collectively the "Plan"). The authorization is necessary because MHL is an affiliate of DB. Because of the relationship between MHL and DB, such reinsurance would otherwise constitute a prohibited transaction under ERISA. This notice informs you of the application to the DOL and certain changes to the LTD program benefits, and describes your right to comment to the DOL about these changes.

**Overview**

DB's Plan provides LTD benefits, and covers active employees. The Plan is insured with UNUM Life Insurance Company ("UNUM"). Under the transaction, UNUM will continue to insure Plan risks. However, UNUM will reinsure 100% of the risks with MHL. The Plan Administrator has determined that the transaction is in the interest of the participants and beneficiaries because of benefit improvements that will be provided to them. The authorization by the DOL will be subject to the conditions described below and set forth in more detail in Exhibit A.

The reinsurance agreement is simply an internal arrangement between MHL and UNUM. UNUM will continue to insure the benefits provided to you under the Plan including the benefit improvements.

**Parties to the Proposed Reinsurance Transaction**

**COMPANY**

**DB** is a global investment bank with approximately 77,053 employees in 76 countries at 2009 calendar year end; DB offers financial services throughout the world. DB has offices in major financial centers including New York, London, Frankfurt, Paris, Moscow, Amsterdam, Toronto, Sao Paulo, Singapore, Hong Kong, Tokyo and Sydney. The bank offers financial products and services for corporate and institutional clients along with private and business clients. Services include sales, trading, and origination of debt and equity, mergers and acquisitions (M&A), risk management products, corporate finance, wealth management, retail banking and transaction banking.

For fiscal year ending December 31, 2009, DB reported net income of €4,958 million (euro) or approximately $6,770 million (USD).

## CAPTIVE

**MHL** was incorporated in the State of Vermont on September 12, 2005. It functions as a captive reinsurance company and was issued a certificate of authority on October 12, 2005. The company was formed to reinsure mortgage guaranty insurance related to mortgage loans originated or purchased by DB and affiliates. For fiscal year ending December 31, 2009, MHL had total assets of $688,535.00.

## The Plan

DB maintains the Plan for active eligible employees. Under the Plan, DB provides LTD coverage. The Plan is currently insured with UNUM.

The Plan is sponsored by the Deutsche Bank Americas Holding Corp. under the Deutsche Bank Long Term Disability Plan (507). The federal employer identification number of the Plan sponsor is (13-3645372).

## Changes to the Plan

DB recently formulated a plan to utilize MHL for the reinsurance of benefits and will make improvements to the Plan described below, if the DOL authorization is granted. UNUM will continue to insure the Plan with the new enhanced benefits. However, UNUM will reinsure 100% of the risks with MHL. The benefits enhancements are not required as part of a legal proceeding, court order or judgment under state or federal law. The following improvements to the Plan's benefits will become effective on or before December 1, 2011.

DB will enhance the benefits under the Plan as follows:

- Option #1:

The monthly benefit under Option #1 has been improved. The monthly benefit under Option #1 is based on 50% of an employee's monthly earnings (i.e., fixed compensation or base pay only). DB has made changes to certain employees' compensation, so that there has been a shift of compensation from variable pay to fixed pay. Although there has been a decrease from $20,000 to $10,000 in the Option #1 monthly benefit, due to this shift in compensation (variable pay to base pay) and base pay increases, it is anticipated that there will be an overall average benefit increase of 16% for covered payroll participating in Option #1. The costs of coverage under Option #1 are fully paid for by DB.

- Option #2:

The maximum monthly benefit under Option #2 has been improved. The monthly benefit under Option #2 is based on 60% of an employee's monthly earnings (i.e, base pay and average variable compensation combined). The benefit under this option increased from a monthly maximum benefit of $20,000 to a maximum monthly benefit of $25,000, representing a $5,000 increase in the monthly maximum benefit. The costs of coverage under Option #2 are paid for by DB and participating employees.

- Minimum Monthly Benefit
    - Enhanced Benefit:
        - DB will increase the minimum monthly benefit amount from $100 to $500 or 15% of the gross disability payment for both Option #1 and Option #2. All employees will benefit from this enhancement.
- Dependent Care Expense
    - Enhanced Benefit:
        - DB will add a Dependent Care Expense Benefit for all employees. While an insured employee is participating in the Rehabilitation and Return to Work Program, a Dependent Care Expense Benefit will be added to help offset dependent care expenses for children under the age of 15 and for other family members over the age of 15 who need personal care assistance. The benefit will be $350.00 per month, not to exceed $1,000.00 per month for all dependent care expenses combined.
- Total Rehabilitation and Return To Work (RTW) Benefit Cap To 110%:
    - Enhanced Benefit:
        - DB will increase the Total Rehabilitation and Return To Work (RTW) Benefit Cap from 100% to 110%.
- Will Preparation Benefit:
    - Enhanced Benefit:
        - DB will add a Will Preparation Benefit of $200 for disability claimants for the preparation of a new will or the review of an existing will.

**<u>Independent Fiduciary</u>**

In connection with the application to the DOL, DB has retained, at its sole expense, Milliman, Inc. ("Milliman") which provides specialized fiduciary services on behalf of employee benefit plans. Milliman, as the Independent Fiduciary for the Plan, has analyzed the transaction and rendered an opinion that the requirements of subsections (a) through (f) of the draft requested authorization, attached as Exhibit A, have been complied with. In addition, Milliman will represent the interests of the Plan, as the Independent Fiduciary at all times with respect to the proposed transaction. Milliman will monitor compliance by the parties with the terms and conditions of the proposed transaction on an on-going basis, and will take whatever action is necessary and appropriate to safeguard the interests of the Plan and its participants and beneficiaries with respect thereto, and to ensure that the proposed transaction remains in the interest of the Plan and its participants and beneficiaries.

## **Overview of Exemption Conditions**

The following is a summary of the principal conditions that would be imposed by the DOL authorization (a full version of which is attached as Exhibit A):

- The Plan will pay no more than adequate consideration for the insurance contracts.

- No commissions will be paid by the Plan with respect to the direct sale of such contracts or the reinsurance thereof.

- In the initial year of any such contract involving MHL, there will be an immediate and objectively determined benefit to the participants and beneficiaries of the Plan in the form of increased benefits.

- DB has retained an Independent Fiduciary, at its sole expense, to analyze the transaction and render an opinion that the requirements of subsections (a) through (f) of Exhibit A have been complied with.

## **Tentative Authorization of the Proposed Transaction**

Authorization of the DOL was requested under procedure called the Prohibited Transaction Exemption ("PTE") 96-62. This process requires that at least two prior exemptions of substantially similar structure have been granted by the DOL. You can find descriptions of these other transactions along with the comments from the Federal Register on **Memorial Sloan-Kettering Cancer Center, FAN 2008-22E (December 31, 2008) and Microsoft Corporation, FAN 2009-16E (November 19, 2009)** which are also substantially similar to the transaction described herein. In those cases, each respective employer proposed using its captive insurance company to reinsure employee benefits, and agreed to provide improved benefits, retain an Independent Fiduciary, contract only with insurers with an A rating from A.M. Best Company or a similar rating agency, and arrange the transaction with the captive as indemnity insurance only. Based on these representations, the DOL granted relief from the prohibited transaction restrictions under sections 406 (a) and (b) of ERISA.

The proposed transaction described in this Notice has met the requirements for tentative authorization from the DOL under PTE 96-62. Unless the DOL otherwise notifies DB, a final authorization would be effective August 20, 2011.

**Your Right to Comment on Tentative Authorization**

As an interested party, you have the right to submit comments to the DOL on the tentative authorization. If you decide to do so, please submit your comments at the following address:

Employee Benefits Security Administration
Office of Exemption Determinations, Division of Exemptions
U.S. Department of Labor
200 Constitution Avenue, N.W.
Room N-5700
Washington, D.C. 20210
Attn: Anna Vaughan – RE: E-00668

Please be sure to reference the submission number E-00668. Comments must be received by the DOL no later than August 15, 2011.

Comments may be faxed or e-mailed to the DOL. The fax number is (202) 219-0204 and the e-mail address is vaughan.anna@dol.gov. If you have questions regarding your right to comment on this tentative authorization, you may call Ms. Anna Vaughan at (202) 693-8565.

## Exhibit A

## Pending Authorization

The restrictions of Section 406(a) and 406(b) of ERISA shall not apply to the reinsurance of risks and the receipt of premiums therefrom by MHL and in connection with insurance contracts sold by UNUM ("the Fronting Insurance Company") or any successor insurance company which is unrelated to DB to provide Long Term Disability ("LTD") benefits (collectively, the "Plan") to participants, provided the following conditions are met:

(a) MHL
   (1) Is a party in interest with respect to the Plan by reason of a stock or partnership affiliation with DB that is described in Section 3(14)(E) or (G) of ERISA;
   (2) Is licensed to sell insurance or conduct reinsurance operations in at least one State as defined in section 3(10) of ERISA;
   (3) Has obtained a Certificate of Authority from the Insurance Commissioner of its domiciliary state which has neither been revoked nor suspended;
   (4) Will undergo an examination by an independent certified public accountant for its last completed taxable year immediately prior to the taxable year of the reinsurance transaction. In addition, the independent certified public accountant will examine MHL's reserves on an annual basis in connection with the Employee Benefits business to be reinsured by MHL to ensure that appropriate reserve levels are maintained. Further, such accountant must prepare and furnish its report to the Independent Plan Fiduciary within 6 months after the end of the taxable year; and
   (5) Is licensed to conduct reinsurance transactions by a State whose law requires that an actuarial review of reserves be conducted annually by an independent firm of actuaries and reported to the appropriate regulatory authority;

(b) The Plan pays no more than adequate consideration for the insurance contracts;

(c) No commissions are paid by the Plan with respect to the direct sale of such contracts or the reinsurance thereof;

(d) In the initial year of any contract involving MHL, there will be an immediate and objectively determined benefit to the Plan's participants and beneficiaries in the form of increased benefits that are described in the Notice to Interested Persons;

(e) In subsequent years, the formula used to calculate premiums by the Fronting Insurance Company (currently UNUM) or any successor insurer will be similar to formulae used by other insurers providing comparable LTD Insurance coverage under similar programs. Furthermore, the premium charges calculated in accordance with the formulae will be reasonable and will be comparable to the premiums charged by the insurers and its competitors with the same or a better rating providing the same coverage under comparable programs;

(f) The Plan only contracts with insurers with a financial strength rating of A from A.M. Best Company (Best's). The reinsurance arrangement between the insurer and MHL will be indemnity insurance only, i.e., the Fronting Insurance Company will not be relieved of liability to the Plan should MHL be unable or unwilling to cover any liability arising from the reinsurance arrangement; and

(g) The Plan retains an Independent Fiduciary (the Independent Fiduciary), at DB's expense, to analyze the transaction and render an opinion that the requirements of sections (a) through (f) have been complied with. For purposes of this exemption, the Independent Fiduciary is a person who:

(1) Is not directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with DB, MHL, or the Fronting Insurance Company (this relationship hereinafter referred to as an ''Affiliate'');

(2) Is not an officer, director, employee of, or partner in, DB, MHL, or the Fronting Insurance Company (or any Affiliate thereof);

(3) Is not a corporation or partnership in which DB, MHL, or the Fronting Insurance Company has an ownership interest or is a partner;

(4) Does not have an ownership interest in DB, MHL, or the Fronting Insurance Company, or any Affiliate thereof;

(5) Is not a fiduciary with respect to the Plan prior to the appointment; and

(6) Has acknowledged in writing acceptance of fiduciary responsibility and has agreed not to participate in any decision with respect to any transaction in which the Independent Fiduciary has an interest that might affect its best judgment as a fiduciary.

(7) For purposes of this definition of an ''Independent Fiduciary,'' no organization or individual may serve as an Independent Fiduciary for any fiscal year if the gross income received by such organization or individual (or partnership or corporation of which such individual is an officer, director, or 10 percent or more partner or shareholder) from B, MHL or their Affiliates (including amounts received for services as Independent Fiduciary under any prohibited transaction exemption granted by the Department) for that fiscal year exceeds 5 percent of that organization or individual's annual gross income from all sources for such fiscal year.

In addition, no organization or individual who is an Independent Fiduciary, and no partnership or corporation of which such organization or individual is an officer, director, or 10 percent or more partner or shareholder, may acquire any property from, sell any property to, or borrow funds from DB, MHL or their Affiliates during the period that such organization or individual serves as Independent Fiduciary, and continuing for a period of six months after such organization or individual ceases to be an Independent Fiduciary, or negotiates any such transaction during the period that such organization or individual serves as Independent Fiduciary.