



May 24, 2011

Horseheads Central School District
Attn: Ralph Marino Jr.
1 Raider Lane
Horseheads, NY 14845-2398

Dear Ralph,

As you probably will recall, in January, we had written you regarding the need for transaction fees beginning July 1, 2011 and had forwarded an estimate of what those fees were likely to be, based on activity from your employees last year. We had asked for your input as to whether the employer or the employees would be responsible for these fees going forward.

A few weeks back in April, we sent out a second correspondence indicating that we had been discussing these fees with your Investment Providers in hopes of a promising solution for both you and Omni.

I am pleased to announce that these discussions have progressed faster than anticipated and have led to a solution that will result in Omni waiving all transaction fees for our clients. The investment industry recognized early on in our discussions that these transactions used to be the exclusive domain of their companies, and their responsibility to take care of for their clients. Passing this responsibility on to companies like Omni after January 2009, resulted in huge overhead responsibilities to third party administrators and left us little choice but to seek relief either from the employer plan-sponsor or the participant.

This was never the final solution preferred for our clients. Had Omni NOT had a National presence in the 403(b) arena, I am quite sure that I would not be writing this letter to you announcing the solutions that are now at hand for all of us. I suspect that the individual investment companies would have told us that they had no interest in seeking a solution to this problem. Because we are the largest and most highly respected firm in our field, the Investment Providers are highly interested in assisting our mutual clients with mitigating these costs.

We have had numerous conversations and meetings with the leading Investment Providers to reach a long-term solution. Our attorneys are developing a Preferred Provider Program© that will be the first of its kind in the country. We expect this program could reduce your costs associated with our services anywhere from 30%-50% once fully implemented. While we do not have definitive agreements with all of the investment providers in-place today, my sense is that we will within the next six (6) months.

What this means for right now is that I would like to offer you a renewal Services Agreement at **THE SAME RATE AS IN THE 2010-2011 SCHOOL YEAR**. Additionally, the renewal Services Agreement for the upcoming year stipulates that when we have the Preferred Provider Program© ready to go and if you choose to implement it in your District, we will REFUND any fees paid under your 2011-2012 Renewal Services Agreement that the Providers have agreed to pay Omni.

I hope and trust this will meet with your approval as we value your business. I am well aware of the economic strains school districts find themselves under – we all are. That is why it is important for you to know that we are going to do everything within our power to keep your business and keep you as a satisfied client.

If by any chance you have previously communicated different information to your employees on transaction fees, I would ask that you communicate this important announcement to all of your employees as soon as possible to avoid any confusion in this matter. Omni will continue to work on our clients' behalf to LOWER these costs. We would like to be the first company to RETURN money to the Districts – not ask for more.

Please send me an email at rwilliams@omni403b.com or call me toll-free at: 1-866-216-3800 if you have any questions or concerns.

Very truly yours,

A handwritten signature in black ink, appearing to read "Rodney H. Williams". The signature is fluid and cursive, with a large initial "R" and "W".

Rodney H. Williams, President, CEO

Omni Financial Group, Inc.

THE OMNI GROUP

Listens. Leads. Delivers.



Water Tower Office Park
1099 Jay Street, Bldg. F
Rochester, NY 14611-1153
Ph: 585.436.6664 Fax: 585.436.3633

Renewal Services Agreement

Name of Employer: Horseheads Central School District

The Services Agreement for the academic year 2010-2011, entered into by your organization and The Omni Group ("OMNI"), is hereby renewed for the academic year 2011-2012 with the following fee schedule below:

FEE SCHEDULE FOR 2011-2012 YEAR

	<u>No of TSA's</u>	<u>RATE</u>	<u>ANNUAL AMOUNT</u>
Contributing Employees:			
<u>403(b) Accounts</u>	<u>219</u>	<u>\$ 37.00</u>	<u>\$ 8,103.00</u>
<u>457 Accounts</u>	<u>0</u>	<u>\$ 37.00</u>	<u>\$ 0.00</u>
<u>403(b) ROTH Accounts</u>	<u>0</u>	<u>\$ 37.00</u>	<u>\$ 0.00</u>
<u>Non-Electives</u>	<u>1</u>	<u>\$ N/A</u>	<u>\$ 100.00</u>
<u>Plan Transactions</u>	<u>N/A</u>	<u>\$ N/A</u>	<u>\$ Waived</u>
<u>TOTAL 2011-2012:</u>			<u>\$ 8,203.00</u> *

* TOTAL fee may be subject to a partial refund contingent upon Omni implementing and collecting the above fees during the term of this Renewal Services Agreement pursuant to the Preferred Provider Program© and Employer participation in the program.

EMPLOYER:

By: _____

Print Name: _____

Print Title: _____

Date: _____

OMNI FINANCIAL GROUP, INC.:

By: Rodney H. Williams
Rodney H. Williams, President

By: Nina M. Rovinski
Nina M. Rovinski, Vice President

Date: 05/24/2011

RETURN BY MAIL TO THE ADDRESS LISTED ABOVE BY JULY 1, 2011