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Contact: Anne Kazel-Wilcox
Gold Coast Communications
(561) 741-1010
akazel@goldcoastcommunications.com

Pension Reform Prompts Charter School to Turn to Artificial Intelligence -- Legend Advisory's AI Helps Pave New Path --

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Berkely, Mich. — Legend Advisory Corporation, a registered investment adviser, today announced that its asset management services, which utilize artificial intelligence -- a science that allows a computer system to think and learn like humans but at very fast speeds -- has been chosen as the default investment option for the employee retirement plan of a collection of charter schools in the greater Detroit area of Michigan. Default options are the investment programs in which plan participants funds are invested, should the participants fail to select a specific investment or investment program offered by their plan sponsor. Following the Pension Protection Act passed last summer, plan sponsors may start offering diversified default investment options such as computer models under Investment Advice programs, though the specific rules on such options have yet to be finalized. CS Partners, an educational consulting and management company working with public charter schools in Michigan, chose to be ahead of the wave, and selected Legend Advisory's investment management services, which utilizes the artificial intelligence, to act as the public charter school's default option, CS Partners believes that offering a computer based system such as Legend's fulfills the intent of the pension reform act and employing a default option will help fulfill the retirement needs of the school's employees.

"We're very mindful of our educators retirement needs, and I believe those needs most certainly won't be met through passive, low-earning investments," said Chuck Stockwell, President of CS Partners. Stockwell is an educator, instructional systems consultant, central office administrator, superintendent and former elementary school principal. "We want our educators to focus on doing what they do best, knowing that their investments will be managed via a computer based system."

CS Partners oversees the management of retirement 401k plans for eight charter schools in suburban Detroit and southeast Michigan covering grades K-12.

Added Michael Pesendorfer, President of M3 Investments offering Legend Advisory's services, referring to plan participants who are put into default options, "Making no choice, can be a bad choice." Pesendorfer noted that more than one-quarter of all of the retirement funds overseen by CS Partners on behalf of charter schools ended up in the default option. "Now, if an educator does not have the time or inclination to designate a specific investment program, their retirement funds will still receive active management."

Legend Advisory's Neuralvision II model portfolio, which utilizes the firm's artificial intelligence, called AANN for Asset Allocation Neural Network, will serve as the default option. The artificial intelligence system is designed to forecast the relative strength of global asset classes. After an evaluation of AANN's output by Legend Advisory's

Investment Committee, recommendations are fed into a separate optimization program, which creates weightings to suit the individual risk tolerances of Legend's model portfolios. Neural networks, such as AANN, sift through data using highly interconnected processes, and like brain cells, can learn the structure of data and detect patterns. AANN is able to scan thousands of pieces of data at a time at very fast speeds, examining their interrelationships and making predictions as to the relative strength of asset classes in domestic and international stock and bond markets.

Legend Advisory handles approximately \$1 million in investment funds on behalf of CS Partners and the Michigan charter schools. Legend financial advisors met with employees at each of the schools to explain the new default option. "I believe there was a sense of relief among many employees that they did not have to choose an option, but could instead be automatically assigned active global asset management through AANN," added Pesendorfer. Pesendorfer and his staff handle retirement investments for nearly 50 school districts in Michigan, and he hopes many of those will follow CS Partners' lead.

CS Partners, provides educational consulting and human resources management services to eight schools in southeast Michigan including Conner Creek Academy East in Warren, Ann Arbor Learning Community in Ann Arbor, and American Montessori Academy in Livonia among others. The firm also manages two schools, Kensington Woods High School in Howell and Charyl Stockwell Academy in Hartland.

Legend Advisory Corporation, www.legendadvisorycorp.com, is a registered investment advisor headquartered in Palm Beach Gardens, Florida. Legend Advisory Corp. is a subsidiary of Waddell & Reed Financial, Inc. (NYSE: WDR), one of the oldest mutual fund complexes in the U.S. with over \$50 billion under management (as of June 30, 2007, including all investment managers within the organization). Legend Advisory Corporation has over \$1.5 billion in assets under management (as of June 30, 2007) from public and private retirement plans, endowments, foundations, institutions and individuals. AANN's *Investing with Intelligence* is available to clients through Legend Advisory Corporation's national network of brokers and financial advisors.

Past performance is no guarantee of future results. Investing involves market risk, including the possible loss of principal. There is no guarantee that the recommendations made by AANN in the future will be accurate. AANN is a computer based modeling tool which utilizes artificial intelligence to formulate its results. Output from AANN's results are then used by Legend Advisory's Investment Committee to make investment decisions in managing the model portfolios. AANN does not, in and of itself make any investment decisions.

4600 East Park Drive, Ste 300, Palm Beach Gardens, Florida 33410 (866) 774-8671

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