

Date: February 22, 2023

To: Maryland Senate Education, Energy, and the Environment Committee

From: Bob Rohlin, Maryland Prepaid College Trust (MPCT) account holder
9117 Walden Road, Silver Spring, MD 20901
(301) 502-6632

Re: **Breach of Contract** on how rollovers are paid out. See MPCT Disclosure Statement

Article VI: Rollover Amount Will Equal Payments plus 100% of Investment Earnings

Article IX: Changes to the Contract. "...we will not retroactively modify existing Contract provisions in a manner adverse to you or your Beneficiary,..."

MY STATEMENT

My name is Bob Rohlin. I am a MPCT account holder. I have three accounts for my three children, Liam (18), Sebastian (15), and Eva (11). I am most concerned about my oldest son Liam's account.

This time last year, he got accepted to James Madison University (JMU) to start in the Fall '22. Using our Statement from December 2021, we thought we had enough money to pay for the out-of-state tuition. The FAFSA value for his account showed \$95,458. I paid \$47,163 in contributions.

The FAFSA value made sense to me because Article VI of the contract's disclosure states that contributions will earn 6% interest compounded monthly. It also states that "Transfers within Maryland 529" will equal the actual payments made to the Prepaid College Trust plus 100% of the trust returns. When we were filling out the FAFSA form, I called Intuition two times to confirm the FAFSA value on my son's account. I was told that the annual statement reflected the accurate value of his account. My Annual Statement for December 2021 has never been corrected and it is considered binding. Additionally, there are numerous documented examples where prior account holders were paid out contributions plus 100% of investment earnings when they rolled their money into another 529 plan prior to November 2021.

In April 2022, I contacted Intuition to find out how I could Rollover the money, and they said that rollovers had not been done for some time, but they were working on it, and they hoped it would be resolved within the month. Well, April turned into May, which turned into June, and then the end of October (2022). Now, they are working on manual calculations, which I will talk about in a moment. Essentially, my money was, and still is being held hostage. As a result, my son decided to take a gap year until this gets resolved.

On January 2023, I received the manual calculation for my Rollover that was based on the new Minimum Benefit calculation, which I am now being told is used as the value for rollovers. My son's account value was reduced from \$95,458 to \$51,444. This Minimum Benefit does not include my trust returns. What I expected to receive in my rollover value is my paid contributions plus 100% of trust returns, as stated in the contract's disclosure.

The Executive Director and the MPCT Board changed how rollovers are being paid out. This is a breach of contract in Article VI and IX of the disclosure. The problem we face today is not a computer

programming error, or miscalculation, that has to be fixed. They (the Executive Director and the MPCT Board) changed how rollovers are paid out by retroactively reversing investment earnings. I want my rollover to be carried out based on the written contract and disclosure, and based on how rollovers were calculated prior to November 2021. I want my contributions and investment earnings to be restored to the FAFSA value of my December 2021 statement, plus the interest accrued in 2022 and 2023.

WHAT WE WANT

1. STOP THE MANUAL CALCULATIONS
2. RESTORE THE TRUST RETURNS TO ACCOUNT HOLDERS
3. PAYOUT ROLLOVERS AS WAS DONE PRIOR TO NOVEMBER 2021