
From: White, Bennett [mailto:bennett.white@smithbarney.com]
Sent: Wednesday, April 25, 2007 9:15 AM
To: EBSA, E-ORI - EBSA
Subject: Input on 401(k) fee disclosure

My comments will be brief.

As a principle in a retirement plan advisory practice with nearly 20 years of experience and over a billion dollars under advisement, I feel I can offer a genuine perspective on this topic.

I periodically (quarterly or semi-annually) meet with my plan sponsor clients to review their plans with them (i.e. investment performance, service, etc.). Part of this exercise is to review the fees they pay to their service providers including our own fees. We examine HOW much they pay; WHO is getting paid; is it for the BENEFIT of the participants; and is it REASONABLE by benchmarking the fees.

This process ranges in difficulty depending upon the service provider- some are forthcoming with the necessary information/disclosure, with others it is difficult, and with some it is nearly impossible. This is where the focus needs to be.

The suggestion has been made that fee disclosure needs to have a prominent place on participant communications such as quarterly statements- this is severely misguided. All of us in this industry are keenly aware of participants' education level when it comes to retirement planning and managing their investments. I would submit that they would not be able to properly manage this piece of information. I feel many would use fees as a primary (or worse, only) decision criteria. The ill-logic going something like this: "as money market funds cost less than equity funds, money market must be a better ong-term value". For those participants who wish to seek out such fee information, they can do so currently with little effort via the fund's (or separate account's) prospectus.

In summary, I feel the DoL needs to reemphasize the importance around the need for service providers to disclose their fees and revenue sharing arrangements, and let the market economy take it from there. If there is then proper plan sponsor due diligence, participants will not need to be unnecessarily burdened with additional disclosure information that the majority do not ultimately understand.

Thank you.

Bennett White
Retirement Plan Advisor
THE KELLIHER GROUP AT SMITH BARNEY
25 Recreation Park Dr.
Hingham, MA 02043
(781) 740-3047

