



## OUTLINE OF TOPICS FOR THE U. S. DEPARTMENT OF LABOR'S EMPLOYEE BENEFITS SECURITY ADMINISTRATION PUBLIC HEARING OCTOBER 21, 2008

October 13, 2008

### NEED FOR PERSONAL ADVISERS -2 MINUTES

The goal of providing investment advice to millions of Americans who rely on investments to fund their retirement is highly appropriate, particularly in view of the volatility of recent markets. The expectations of a larger number of investors to be able to manage their investments have been destroyed by the market volatility, thus increasing the need for competent personal advisers.

### VALUE OF PROPOSALS TO PLAN SPONSORS -5 MINUTES

While the proposals offer protection to plan sponsors for using Fiduciary Advisers, there is no incentive to do so. Instead of an incentive to offer investment advice services to participants, plan sponsors are discouraged by the added costs and regulatory burdens imposed. Most plan sponsors feel adequately protected from fiduciary liability and are not eager to add this benefit.

### VALUE OF PROPOSALS TO ADVISERS -5 MINUTES

It is necessary to attract competent advisers to the business of giving advice to participants and IRAs but proposals provide little reason for advisers to change current business practices.

- Plan advisers will have to spend more time for lower compensation with more regulation.
- Investment firms will have to introduce new services are unlikely to improve their earnings.
- Non-ERISA advisers will have to enter a market consisting of additional burdens and clients who are not favorably disposed to paying their fee.

### IDENTIFYING COMPETENT ADVISERS -3 MINUTES

Providing exemptions creates the opportunity for abuse and impropriety. The proposal should increase the screening requirements to include only advisers that have demonstrated competence, quality and ethical standards in the past.

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