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Build your future.

July 17, 2007

Office of Regulations and Interpretations  
Employee Benefits Security Administration, Room N-5669  
U.S. Department of Labor  
Attention: Fee Disclosure RFI  
200 Constitution Ave., N.W.  
Washington, D.C. 20210

To Whom It May Concern,

Thank you for the opportunity to contribute information regarding 401(k) fees. We wanted to let you know that as a Washington-based business, we at ShareBuilder are focused on helping Americans protect their hard-earned retirement savings. We believe that 401(k) fees can have a dramatic impact on a person's ability to meet their retirement savings goals and agree that there is a need for better fee disclosure.

As a leading 401(k) provider to America's small business community, we are proud to say that ShareBuilder already provides its customers with full disclosure on all fees related to its 401(k) product and has put forth a clear benchmark to others in the industry to follow suit and give the average American a fair shake at saving for a comfortable retirement.

#### **The 1% Goal – A Fair Benchmark**

ShareBuilder recently announced a national campaign aimed at raising awareness of the participant fees charged in most 401(k) plans. Called the '1% Goal,' this campaign focuses on our belief that every 401(k) participant should know exactly how much they are paying in fees. Further, we are taking a strong position by declaring that no participant should pay more than 1% in total fees.

We have enclosed a copy of the press release announcing the '1% Goal.' We encourage you to visit our website at [www.401kcostguide.com](http://www.401kcostguide.com) for an example of a 401(k) plan provider that is making a difference and providing America's workers with the information on their retirement savings that they deserve.

#### **Giving Small Businesses a Fair Shake**

Eighty-five percent of small businesses do not have a 401(k) plan. As a result, most of the clients we serve have little to no pre-existing retirement assets. Yet, ShareBuilder is able to provide each participant an account that almost always has less than 1% fees. If this can be done for low asset plans, it stands to reason it can be done for larger plans.

#### **Let's Inspire Change that is Good for Every American**

Our goal is to inspire the 401(k) industry to simplify 401(k) fees and then clearly present to each American worker how much they pay in fees each year.

We hope to have an opportunity to brief you on our campaign and its success, and share with you our vision for an American workforce where every employee has access to a 401(k) plan. We thank you for the opportunity to share our perspective on this important issue.

Sincerely,



Stephan C. Roche  
Vice President & General Manager, Small Business Group



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**FOR IMMEDIATE RELEASE**

**ShareBuilder Launches the '1% Goal' to Combat Excessive 401(k) Fees and Help Small Businesses Save**

*The '1% Goal' Aims to Raise Consumer Awareness of Hidden Fees by Setting a Clear Benchmark and Providing Complete Visibility into ShareBuilder's 401(k) Fee Structure*

BELLEVUE, WA – (June 7, 2006) – Do high fees really make a difference for retirement savings accounts? The answer is unequivocally 'yes.' America's workers pay billions of dollars every year in 401(k) fees. From ShareBuilder's perspective, a significant portion of 401(k) participant fees are excessive and unjustified, and it is drawing Congressional scrutiny. For small businesses just launching a new 401(k) plan for their employees, these fees can be astronomical. Larger businesses, on the other hand, have the negotiating power to help avoid paying high fees. ShareBuilder is committed to fixing this disparity by providing small businesses with a 401(k) with such low fees that even Fortune 500 companies will be envious.

ShareBuilder, a leading 401(k) provider to America's small business community, announced today an industry-leading campaign aimed at raising awareness of the participant fees charged in most 401(k) retirement plans. Called the '1% Goal,' this campaign focuses on ShareBuilder's belief that every 401(k) participant should know exactly how much they are paying in fees on their retirement savings. Further, ShareBuilder is taking a strong position by declaring that no participant should pay more than 1% in total fees.

"Participant fees in 401(k)s and IRAs have a dramatic impact on a person's ability to meet their retirement savings goals," said Stephan Roche, VP and General Manager of the ShareBuilder Small Business Group. "The '1% Goal' aims to raise awareness of the need for greater fee transparency. Our goal is to inspire the 401(k) industry to simplify 401(k) fees and then clearly present to each American worker how much they pay in fees each year."

Central to the campaign is the full disclosure of all fees related to the ShareBuilder 401(k) product. In short, ShareBuilder 401(k) charges a 0.75% annual asset management fee and offers exchange traded funds (commonly known as ETFs) with an average model portfolio expense ratio of 0.21%. Thus, the total of all fees paid by participants in our 401(k) plans will be approximately 0.96% of their retirement assets annually. That compares very favorably to common benchmarks of 1.50% or more for small business 401(k)s.

"We recognize that small business leaders are too busy growing their company to make this issue a priority. And, their employees don't necessarily have the time or expertise to figure out mutual fund management fees, 12b-1 fees, wrap fees, sales loads, or other fees. That's why we advocate setting a cap of 1% on total fees assessed to a 401(k) participant," says Roche.



To support the '1% Goal,' ShareBuilder has created a new website dedicated to decoding 401(k) fees and illustrating how they impact retirement savings. Anyone interested in learning more should visit [www.401kcostguide.com](http://www.401kcostguide.com). The information is also available on the ShareBuilder 401(k) site. This new site is entirely dedicated to providing easy-to-understand materials. ShareBuilder also provides a '\$50 off' offer to anyone able to find a 401(k) service with equal or greater fee transparency.

#### **Fees clearly impact retirement investment returns**

To illustrate\* how these seemingly small fees can add up over time, the new website provides a compelling example. In this case, ShareBuilder compares an employee paying 1% in 401(k) fees versus another paying 2% in fees.

*John and Alan are two 401(k) participants. Each has \$50,000 invested in the same type of fund delivering the same 8% return a year. Let's assume that they hold onto these funds for twenty years until reaching retirement age. The only difference is that John's annual participant fees and expenses total 1%, while Alan pays a total of 2%. After 20 years, John will have \$35,026 more in retirement savings than Alan. After 30 years, John will have \$97,716 more than Alan.*

*\* This hypothetical presentation is based on a fixed annual 8% return with no distributions or tax considerations, and does not imply future returns.*

#### **Start by Asking the Right Questions**

Digging through mutual fund prospectuses and analyzing typical 401(k) statements for fees is not for the faint of heart. Establishing a reasonable benchmark – 1% of retirement assets annually – and understanding the right questions to ask a plan provider is a start. Among the materials available at ShareBuilder's new website is a list of [Six Essential Questions to Ask Your 401\(k\) Provider](#) and [Three Principles of Fee Transparency](#). Together, these provide America's small business owners a framework for talking with their plan provider. The goal is to raise awareness of the importance of getting the right information on participant fees. In turn, the small business owner will purchase the best 401(k) plan possible while minimizing the fees their employees pay.

#### **Compare and Get the Right 401(k) Plan**

Another helpful resource ShareBuilder created at the site is a free worksheet to help business owners assess the complete cost of a 401(k) plan and easily compare offerings of other providers. With this sheet and information, ShareBuilder is helping to arm small businesses with easy-to-use tools and information. ShareBuilder's vision is to help the more than 85% of small businesses in America without a retirement plan today to achieve the retirement they envision. With the '1% Goal,' ShareBuilder intends to push the industry to address a real obstacle to that vision.

#### **About ShareBuilder 401(k)**

ShareBuilder 401(k) provides easy, affordable and smart 401(k) retirement plans for small businesses, ranging from the self-employed to those with 25 or even more employees. As part of ShareBuilder Corporation, which operates [ShareBuilder.com](http://ShareBuilder.com), a leading online brokerage, ShareBuilder 401(k) offers a suite of on-demand services that make it simple for employers and employees to open and manage their retirement plans online at [www.sharebuilder401k.com](http://www.sharebuilder401k.com). ShareBuilder 401(k) plans provide market-efficient investments and model portfolios that make it easy for employees to select the smart investments to help them get on track to meet their retirement goals. Customers can also take advantage of ShareBuilder 401(k) Consultants, Customer Success Managers, and Customer Care Agents to receive assistance in choosing and managing their retirement benefits.

ShareBuilder Advisors, LLC, is a registered investment advisor and a subsidiary of ShareBuilder Corporation.

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