

# EDELMAN

## FINANCIAL SERVICES

LLC

February 4, 2008

U.S. Department of Labor  
Employee Benefits Security Administration  
Room N-5655  
200 Constitution Avenue, N.W.  
Washington, DC 20210

ATTN: 408(b)(2) Amendment

To Whom It May Concern:

I am writing with my comments on the proposed regulation regarding 401(k) fee disclosure.

As an award-winning financial advisor, I operate one of the largest financial planning and investment firms in the nation, managing approximately \$4 billion for more than 8,000 clients nationwide. I also host a national radio program that reaches one million people weekly on the ABC Radio Networks, and I speak frequently to tens of thousands of people at seminars and conferences nationwide. I am also a member of the American Savings Education Council and the Jump\$tart Coalition for Personal Financial Literacy, and I am the only financial advisor in the nation who was appointed to serve as a Delegate to all three National Summits on Retirement Savings.

My experience working with individual investors, and in counseling ordinary consumers and workers from coast to coast, has convinced me of the need for improved disclosure of fees in 401(k) plans. Therefore, I applaud the Department's efforts in this area.

The Department's proposals are valuable and should be implemented. However, the proposals do not go far enough. It is not sufficient to require plan administrators and employers to publish costs and expenses in summary plan documents, prospectuses or other publications – because the average worker never reads these documents. It is also insufficient to report fees and expenses as a percentage of plan assets – because a very large portion of workers are unable to translate percentages into dollars and cents for their own accounts.

Therefore, I urge the Department to require 401(k) plans to disclose **all** costs on each worker's monthly, quarterly and annual statement, in dollars and cents. Plans already provide share balances and share prices, demonstrating that they and the investment managers they hire are perfectly able to provide account-specific financial information. There is no reason to withhold this information from workers, for it is they who are paying these charges.

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Failure to disclose all fees and expenses directly on statements is a tremendous disservice to consumers. A 2007 study by AARP found that 85% of workers surveyed believe they pay no expenses for their 401(k) plan, and in October 2007, the GAO reported to Congress that a 1% annual fee reduces a typical worker's 401(k) balance by 17%.

The current proposal will not materially improve this situation. The only action that will achieve meaningful results for workers is to disclose all fees and expenses that are paid by each worker, in dollars and cents, directly on their periodic statements – including all investment charges, not merely those associated with plan administration. I urge the Department to adopt such a policy.

Thank you for this opportunity to comment.

Regards!

A handwritten signature in black ink, appearing to read 'Ric Edelman', with a stylized flourish at the end.

Ric Edelman  
Chairman & CEO

RE/scb