From: Alexander Assaley III [mailto:alexa@afsfinancialgroup.com]
Sent: Wednesday, April 25, 2007 4:37 PM
To: EBSA, E-ORI - EBSA
Subject: Comments on 401(k) fee disclosure

As a financial advisor focusing on corporations, small businesses, and foundations; someone who is servicing their retirement plans and educating participants, I find it imperative to assist plan fiduciaries - the trustees, sponsors, and administrators in fully understanding and acknowledging the costs (fees and expenses) within their corporate retirement plan. I believe it is equally important that employees and participants in these plans are able to easily obtain such information as well. The best way for this to be down is **clear fee disclosure**. In my practice, the goal is for transparency of fees. This is often presented from custom made reports, spreadsheets, and notices from our office - as 401(k) vendors or providers (mutual fund and insurance companies) don't have this info readily available.

Making this change is a sensitive issue. I strongly disagree in the notation that high fees=bad and low fees=good. In cases where fees paid by participants are used to offset advisory services, education, and administration - the fees are justified. Participants and plan sponsors need to see such fees formally and clearly disclosed, and it will help increase awareness that the services rendered and benefits received are commensurate with the costs.

I have been extremely offended by the swarm of media outlets discussing fees in the nature that all 401(k) plans are overpaying for their operation, that high fees are bad, and your company is "stealing your retirement", because this is simply untrue; the discussions that fees are so confusing a math major from MIT can't understand them (recent Washington Post article). The industry needs to do a better job in disclosing fees, but that doesn't mean we should limit the types of investments participants can choose from. The nature behind the 401(k) is to give participants the ability to **save for their retirement** and choose how they save those assets. We should help them fully understand what it costs, but also help them understand the benefit they are being provided, and the fees and expenses that, often times are being waived (sales charges/loads, etc.).

By requiring fee disclosure we must not bring a rise to the cost of managing plans, or a rise in administrative burden. I think it is very important for providers to disclose the total cost to a company, but I don't believe it is necessary to disclose subadvised arrangement, revenue sharing agreements, etc. unless this can be down in a low-cost avenue. We must make this change in a way as not to deter participants from contributing, or put a "black eye" on the 401(k) - it is the primary retirement vehicle for most of us. The change should help companies, their owners, their trustees, and their participants understand what they are paying and the benefit they are receiving- and let the free market play itself out, so that companies and participants will receive the services they want for the proper prices, thereby meeting the needs of their company's participants, our country's workers.

Sincerely,

Alexander G. Assaley III
AFS Financial Group
7610 Old Georgetown Road, Plaza Level
Bethesda, MD 20814
301-961-8401

www.afsfinancialgroup.com
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