

THE  
ROSENBAUM  
LAW FIRM P.C.

## ADVISORS ADVANTAGE

A Publication for Retirement Plan Professionals

### Trying To Understand A Plan Sponsor's Irrational Decisions Isn't Easy.

It's hard to make sense of irrational decisions, but here is a starter.

As retirement plan providers, we know that it's very hard to recruit new plan sponsor clients. Getting the attention of a plan sponsor is hard because many aren't interested in their fiduciary responsibility. Even after getting the attention of a plan sponsor, it's often difficult to get hired even if the current plan providers aren't very good or are just charging too much for too little service. The problem is that as quality plan providers, we only see things from our perspective and quite honestly, it's too blinding. This article is trying to make you see and understand that with a plan sponsor's decision making, there is more to the story on why plan sponsor may act irrationally in the providers they keep.



To read the article, please click [here](#).

### Never leave a bad taste in the mouth of the one who brings you business.

It's not cool.



I was working with an advisor recently, who had issues with one of those third party administrators (TPAs) I warn people about. Yeah, you know the folks who do payroll as are TPAs on the side.

The problem here was that the TPA promised the advisor they could do certain administrative things for the client and they didn't. So the advisor was forced to take the business to

another TPA to fix all the errors made including making improper allocations based on previous years' compensation. The former TPA agreed to pay for the administrative corrections and then it took forever for the new TPA to ever get that payment.

I learned from my good friend and master salesman, Richard Laurita that you never betray or take

advantage of those who bring you business. If you do something that makes the advisor uncomfortable to do business with you, they'll never refer business to you again.

## More news about Vantage Benefits.

**Just some new information as the media ignores this story.**

Since the FBI closed down Vantage Benefits on November 1, we haven't heard much.

Here is an update:

1. MBA Engineering, Inc filed sued against Vantage Benefits, Jeff Richie and his wife, Wendy Richie, for the \$2,269,653.43 that is missing from the MBA Engineering, Inc. Employees 401(k) Plan. The suit alleges that the Defendants falsified pan participant account statements and participant account website information to make it appear that participant account balances were whole and accurate. Unnamed people named DOES 1-10 were sued as well as MBA is trying to identify who is involved in the fraud. From my experience in the Matt Hutcheson disaster (as detailed in my forthcoming book), I expect that further suits will be filed and other plan providers in connection with this matter may be sued as well. Any provider entity that might have accepted an order from Vantage to liquidate and transfer plan assets for corporate and personal use maybe sued as well.
2. Jeff Richie is still not under arrest. I've talked to some of his former employees and even a plan participant in one of the plans where Vantage stole money and everyone is surprised no arrest has been made. A civil lawsuit is easy to file and there might be multiple shots at litigation by multiple plaintiffs. A criminal action allows the prosecutor only one shot at the apple, so expect the Department of Justice and the Department of Labor to act a lot slower than plan sponsors who want to track down plan assets. Again from the Hutcheson case, it took several months for a criminal complaint to be filed and an arrest made. I remember talking to Matt after the media disclosed the allegations against him and civil litigation filed against him. Matt was a little arrogant that he wasn't under arrest and it wasn't soon after, that he was arrested for his theft.
3. A concern for me is that there hasn't been word as to the full amount of the possible fraud committed against Vantage's plan sponsor clients. I'm concerned about the liability exposure for plan sponsors who hired Vantage and plan providers that referred Vantage or worked with Vantage in any connection with a transfer of plan assets to Vantage or the Richies.
4. If this situation is related to the theft of plan assets, I'm interested in whether other Vantage employees were involved in this disaster. If statements and website information were manipulated, assume that other employees might be involved as well. I just remember Bernie Madoff and how it was impossible to keep a Ponzi Scheme running without more help.



**VANTAGE**  
**BENEFITS**

## You only get one shot on the trust issue.

**That's it, nothing else.**

Trust is a very important thing to me. If I can't trust people, I



really don't need them. The reason I can't trust people is that they have given me reason enough not to trust them.

As a retirement plan provider, you really have one bit ate the trust apple. That means that if you do something that betrays the trust of your client, you'll never get that trust back. Whether it's billing issues or not doing something you were entrusted to do or something

else, creating a problem that questions your client's trust in you is eventually going be a major reason why you get fired.

## Introducing the first That 401(k) Conference.

**The 401(k) Fun Event for Financial Advisors, June 7th at Citi Field.**

There are a lot of industry-wide 401(k) conferences that are great in the idea of getting people together, but not so great in helping 401(k) advisors out and by nearly bankrupting those who want to sponsor the event and speak.

That is why this June, That 401(k) Conference will launch with its inaugural regional conference at CitiField in Flushing, New York on Thursday, June 7.



What will make this conference different from all other conferences? The attendees will be 401(k) advisors with books of business, culled from data and from my database of financial advisors.

It will be unique because it won't be just 401(k) plans. We're going to be at CitiField, so there will be a stadium tour and a meet and greet with Mets great Dwight Gooden.

For attendees, \$100 will get them 4 hours of information to help their practices, breakfast, lunch, a stadium tour, and a meet and greet with Doc.

For plan provider sponsors, sponsorships start as low as \$500 and up. For further information on sponsoring, please click [here](#).

This will hopefully be the first of many regional conferences with the goal of a National Conference that won't bankrupt attendees and sponsors.

Further information and signup can be found [here](#).

If interested in sponsoring the inaugural event or being part of the next regional event (Boston, Philly, Chicago, Miami, LA, Tampa, and SF come to mind), please contact me [here](#).

## Second book is here.

The book no one is expecting is here.

# The Greatest 401(k) Book Sequel Ever



**By Ary Rosenbaum**

ERISA Attorney,  
Plan Provider Consultant,  
Blogger, Mets Fan

THE  
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In a shameless act of self promotion, I would like to announce that my new book is available both in Kindle and paperback.

It's a sequel to my first 401(k) book called: How to Succeed in the 401(k) Plan Business: (and 401(k)'d: A Life). The book, released in 2014 was smashing success; about three dozen in the industry bought the book.

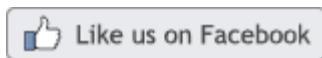
The new book is entitled: "The Greatest 401(k) Book Sequel Ever." Before I get criticized and condemned by people who have written two or more 401(k) books, it's sarcasm.

The book picks up where the last one left off and I offer some fresh, new insights on the 401(k) business. I also succeed in the impossible task on how my terms as a synagogue vice president is a learning experience for those in the retirement

plan business plus I finally mention the whole Matt Hutcheson debacle where the person I succeeded as a plan fiduciary on one multiple employer plan, accused of stealing \$5 million from two other plans.

The book is available [here](#) on Amazon in Kindle and paperback. Please help me out, I have a Bar Mitzvah to pay for.

For those who want to cover the book or offer the book as some sort of promotion for your plan providers, you know where to reach me.



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