

THE
ROSENBAUM
LAW FIRM P.C.

ADVISORS ADVANTAGE

A Publication for Retirement Plan Professionals

The Help Plan Providers Need And What They Don't.

Avoid the people who want to sell you everything.



When you're in business as a retirement plan provider, you will see that there is a surge of humanity that wants to separate you from your money. Whether it's marketing people, website people, printing people, tech people, or search engine optimization people, there are a lot of people in providing services for retirement plan providers. The problem for retirement plan providers is that there isn't one that has an unlimited budget to pay for everything and everybody. As a

retirement plan provider, you have to cherry pick what you can afford and what you need to take a pass on. This article is about the services you need, what type of people to hire, and what you can take a pass on.

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

The Boogeyman of MEPs.

The story of Matt Hutcheson.

When they're always talking about multiple employer plans (MEPs) and the tribulations with that 2012 Department of Labor (DOL) advisory opinion and the latest proposed regulations, talk often surrounds Matt Hutcheson.

Matt Hutcheson was the self-anointed fiduciary expert because of a fawning PBS Frontline episode on 401(k) plans who stole around \$5 millions from several MEPs where he was the plan fiduciary. I had the unfortunate experience of knowing Matt and succeeding him as the fiduciary from the only MEP he didn't embezzle from.

Matt has often become the MEP boogeyman because of his theft and is often uses an excuse for the DOL's



wariness of dealing with Open MEPs. I think his impact is overblown because of his crime wouldn't happen with other MEPs and other fiduciaries getting the wrong idea that they should pocket plan assets for their own use. Matt had delusions of grandeur, the first time I talked to him in 2012, he claimed he was a candidate for Secretary of Labor under a second Obama or Mitt Romney administration. At that point, I should have run away, but I didn't. He also wanted to be a savior in Idaho by buying a bankrupted ski resort, so he used plan assets to achieve that goal. He also used plan assets for his own personal gain including personal purchases. Matt was able to steal so much because the MEPs were invested in assets by him and not by plan participants. He was able to steal so much and get away with it for a time because participants didn't direct their investments into mutual funds. It took the third party administrator (TPA) to wise up about Matt's shenanigans and reported him to the DOL.

Matt's theft is no different than the alleged theft of plan assets by a certain principal of a TPA in Dallas. Jeff Richie from Vantage Benefits is accused of stealing more money than Matt and he allegedly did that as the TPA and the ERISA §3(16) administrator. Does that mean you shouldn't hire a TPA who is also the ERISA §3(16) administrator? I don't think so, thefts by plan fiduciaries can happen at any point at any time. What any good plan sponsor needs to do is to be properly insured and vet any plan provider. Anyone looking at Jeff Richie would find out that he was banned from the securities business by the Securities and Exchange Commission and Matt Hutcheson's resume besides that PBS show was paper-thin.

There are a lot of issues about Open MEPs, but I don't think that what Matt Hutcheson did is a reflection about those plans. A fiduciary with a deviant mind will steal from any plan if they can whether it's a single or multiple employer or multi-employer.

Connecting with plan participants.

Don't forget the need to do that.

You can be a great financial advisor and have a terrific way of communicating with plan sponsor clients, but that doesn't mean you can effectively communicate with plan participants.

Quite honestly, most advisors have a tough time dealing with it and I think the biggest problem is making a connection with them because most advisors don't talk to plan



advisors are doing their job well.

One great way is to liven up the enrollment meetings because most are alike, they're as exciting as my Secured Transactions class in law school. Introduce trivia contests and award prizes to plan participants who engage in the enrollment meeting. Doing something that is unique will be memorable for plan participants and get them more engaged.

That Sal The Stockbroker Event.

Another memorable event.

The idea of That 401(k) Conference is based on creating memorable events and it probably can trace itself to the time I brought Sal The Stockbroker for a comedy show as Vice President of my old synagogue.

My old synagogue was like many synagogues who would always run the same old fundraising events like a journal dinner and a Monte Carlo event. They must have been strong environmentalists because they kept on recycling tired old events that would only be attractive to its members. We also had a fundraising chairman who wouldn't publicize the event until 2 weeks before the event would take place which would depress attendance.

I wanted a fundraising event that would attract non-members because their money is just as good as members' money and since we only had a solid core of 50 people who regularly attended events, I wanted something unique that would have broad appeal to the outside.

Since a fellow member and a good friend worked on the Howard Stern Show, I inquired whether he could get Sal to appear at a comedy show. Sal agreed and I ran the event and allowed minimal involvement from the fundraising chairman to make sure he didn't ruin the event. The only drawbacks that I had to deal with are that I had opposition to a \$50 charge (I agreed to the suggested \$40) and I had to cut in our caterer in for \$12 ahead. The event was a raging success as we packed in around 200 people with most coming from the outside community. A few weeks back, a current synagogue trustee lamented that he wished we'd have fundraisers like the Sal show again. I told him that

participants on a level they can understand. It's a problem because increased participation by plan participants on the salary deferral component of the plan is a great metric to show plan sponsors that

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they still think it's 1978 and run events that cater to a select few.

While That 401(k) Conference is a growing endeavor, what I like about is that it's something unique for plan advisors. You can always offer a rubber chicken from the local Sheraton, but offering a memorable event for either plan sponsors or plan providers goes a long way. Hopefully, you can join me at the next That 401(k) Conference and That 401(k) Plan Sponsor Forum soon.

Be real.

You can't afford to be inauthentic.



When my grandmother was going in for surgery to remove the tumor on her Pancreas, I told my grandmother how much I loved her and I remember her telling me that she knew what I said was real. She told me that while other people profess love, she knew my feelings were genuine. When she died from complications from the surgery a couple of days later, there were a couple of relatives who felt a little uneasy about what my grandmother. Maybe they felt a little insecure in their feelings, maybe they felt guilty.

When it comes to feelings, people will know when you're genuine and when you're not. As a plan provider, you need to care for your clients and your clients know whether those feelings are genuine or not. When things go wrong or there are issues to discuss, they know whether you care for them or not.

Many years ago, I was going to a meeting with a client with that semi-prestigious law firm's managing attorney where the chief operating officer was a former work associate. The chief operating officer was telling the managing attorney all about his kids and how his son was so involved with high school hockey. It was interesting to listen and I certainly had no issues. Afterwards, the managing attorney pulled me aside in her car and told me that she could care less for what the chief operating officer had to say about his kids. In the 20 years, I've been in this business, I have never heard anyone talk about their client that way. Clearly later, the client probably knew about those feelings and a change of law firms was made. You have to care for your clients and you have to be genuine in that care.

Dealing with clients is like any other relationship, they have to be properly managed and every client is different and should be managed accordingly. Clients have different needs and different temperaments. They often joke that 20% of your clients will take up 80% of your time and I've found that's true. There is no one size fits all in dealing with your client, so every relationship has to be treated differently.

You can always try to fake interest or concern for your client, but over time, that lack of genuine feelings will be detected. So be realistic in your feelings and relationships with your client.

Lots of stops for That 401(k) Conference in 2019.

Registration for St. Petersburg is open.

Thanks to the interest of advisors



and plan providers, I have already some dates for That 401(k) Conference in 2019.

First scheduled is That 401(k) Conference from Tropicana Field in St. Petersburg, Florida, on Thursday, March 7, 2019.

Sign up for the event and pay by credit card at this [link](#).

The next day will be the first That 401(k) Plan Sponsor Forum, which is geared towards plan sponsors. Same place, but on Friday, March 8, 2019.



Next will be That 401(k) Conference in Atlanta on Friday, April 12, 2019. At this event at Sun Trust Bank, attendees get a free ticket to that Braves game vs. the Mets.

Last scheduled so far s That

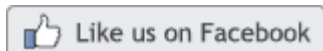


401(k) Conference at Kaufmann Stadium in Kansas City on Friday, May 3, 2019 with a game outing the night before when the Royals take on the Tampa Bay Rays.

For information on the events, as well as sponsorship opportunities, please email [me](#) .

If you can't make these events, there will be other events in 2019. I'm currently working on Los Angeles, Denver, and Cleveland as potential sites.

If you are interested in sponsoring those events or want That 401(k) Conference in your neck of the woods, please email [me](#).



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