

Pearls of "Wisdom" for 401(k) Plan Providers.

Stuff to learn.

I am no genius and I'm sure all of you will agree. I have only been successful as an ERISA attorney because of my ambition and an uncanny ability to connect with my audience even though I'm still that shy kid from Canarsie, Brooklyn. What has made me a success has been that ambition and the ability to let my previous experiences as a lawyer to shape my opinions on this business. This article will just



show some nuggets of advice that you can take with a grain of salt, but has helped me and helped the financial advisors and third party administrators (TPAs) that I work with or have talked to.

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

Bells and whistles not being used is worse than having no bells and whistles.

Use them if you have them.



elliptical machine, which is rarely used as well. The point is that when you go through the trouble of having something that's good for you, it doesn't mean anything if you don't use it.

My wife will admit I am a dutiful husband. For years, I have been forced from sleep to stand online for Black Friday sales. One year, I stood on line at Sports Authority for the 5 am open to buy a treadmill. A treadmill is great exercise equipment as long as it's being used. Thanks to where it was sitting in our den, it was used primarily to hold clothing and everything else, but used for its intended purpose. The treadmill died during Hurricane Sandy. So I ended up buying an

Many plan providers are a little flashy when it comes to the services they offer. They may give you a large binder that details everything the plan sponsor should do as fiduciary. Some may develop investment policy statements (IPS) for their client that reads like a treatise or develop an education policy statement that will lay the plans on how plan participants will be educated for participant direction of plan investments. The problem is that these things are useless if it's not being used. Quite honestly, having these apparatuses and not using them is worse than not having them all.

For an example, an IPS is not legally required even though Department of Labor agents do ask plan sponsors if they have them. What is worse: not having one or having one that's not being used? I would suggest that any bells and whistles that a plan provider offers are far worse than not having those bells and whistles.

So a plan provider that offers something that the competition isn't offering should make sure the plan sponsors are actually using those bells and whistles.

The Fallout from Fee Disclosure continues.

It will continue to shake itself out.



When I was fresh out of school and started my first job working for a third party administration (TPA), the paralegal that I was working with told me her experience with the retirement plan business that was pre-ERISA. Marge told me that every time there is change in the business (she was talking about the Tax Reform of 1986 in particular), there would be a number of plan providers that will just go out of business after struggling with the change.

That is how I felt about fee disclosure. You could look up some of my views on this blog in 2012 and how I predicted how some businesses would thrive and some would die because of fee disclosure. It was just common sense and my knowledge of business history that any seismic change in an industry will be a boon for some and a disaster for others.

For example according to a firm named NEPC, the median recordkeeping fee for a 401(k) participant was \$116 in 2006. In 2013, it was

\$80 per participant. Technology probably has reduced some costs, but not by \$36 a head.

Many big providers sold their business like Hartford, others like Schwab and Great West consolidated their operations. Many small providers merged or sold to competitors. The changes will continue as the fallout from 401(k) fee disclosure will continue.

As a 401(k) financial advisor, Networking takes time.

You don't get immediate results.

Being a retirement plan financial advisor is a never-ending battle to maintain your book of business while trying to grow it.

When it comes to networking and social media, I think the way you meet potential clients and potential sources of referrals is to try it as if you were dating. It takes time to develop relationships because relationships require trust and that requires time.

Did you ever succeed in dating by trying to take things quickly, trying to roll up a month's worth of dates into one? I don't know about you, it never worked for me. When you watch it on film and television, you're kind of amused about the fellow at the bar with the really cheesy pick up

lines and wonder how he ever achieved anything with someone of the opposite sex? But is it that different than the insurance agent I never heard from before who states on a business-networking site: "Lets meet to discuss what we can do together with your clients."? Do I know you? Do you think the advisors who referred me my clients will mind?

The greatest relationships that I ever made in this business whether it's been clients or financial advisors or third party administrators that became great sources of referrals is that it has taken time. It has taken time because both sides need to develop trust and that takes time. In addition, I have never taken a meeting or had a phone call with any advisor or TPA with the idea that I had to sell them on being a client. The reason I have done that is because I'm more interested in developing a long-term relationship instead of a quick score for a legal bill. If you have a good enough message about your practice, you don't need a hard sell, the way you handle your practice will sell itself.

I have talked with hundreds of advisors over the years. A few have become clients; more have been sources of referrals. Most have not, but that's fine because the funny thing about developing relationships is that you may not reap any benefit until several years later when that person you met may recommend you to someone who then recommended you to someone else, who then asked you to help them on a matter that makes them a client. Quite honestly, I have never received a client from someone who stated before I met that they can get me clients. Possibly because they don't have any clients or more likely that they think that can easily get business from me and my spheres of influence by promising me that.

The point is that you shouldn't try too hard. That means when it comes to networking with people either in meeting in-person or online, you should take things slow and not try to make a hard sell because are likely going to scare away someone that can be a valued partner to help build your practice or someone that can act as a referral of business.

You don't need to cut fast to the hoop to score; you just need to get it in the basket.

Please donate to The Berla Memorial Scholarship Fund.

That time of the year to beg for contributions.



Yes, it's that time of the year again where December 31st is around the corner for tax-deductible contributions for 2014.

The two greatest people I ever knew were my maternal grandparents, Emil and Rozalia Berla. They both survived the Holocaust, both surviving their parents and siblings. My grandfather lost his first wife and young daughter; the Americans at Buchenwald liberated him. My grandmother was liberated from the concentration camp by the Soviets and they left her to die because she suffered from typhoid. The Soviet soldiers were surprised to see her still

alive three days later because my grandmother had a will to live like no one else.

They were truly an inspiration to me; they both survived one of the most horrific and barbaric events in human history to live fairly normal lives, full of love and selflessness. As a father, I try to pay that love and selflessness forward.

One of my favorite places on Earth is Stony Brook University or as I still call it, the State

University of New York at Stony Brook where I proudly graduated in 1994. The place sort of reminds me of my grandparents in the sense that the place did a lot for me and taught me lessons that I carry to this day (meeting the right friends there helped as well) and never asked for anything in return. Like my grandparents, Stony Brook never made itself out to be more than what it was, it allowed me the freedom to grow and let my voice to be heard.

So what better way than paying back the debt I owed to my grandparents and Stony Brook (which I never will fully repay) by combining the people I love with the place I love?

So I started The Rozalia and Emil Berla Memorial Scholarship Fund that will benefit a Stony Brook undergraduate who has shown excellence in history, primarily the history about the Holocaust. The first year for the scholarship is fully funded, but I'd like to raise more money so that the fund can grow and continue into the future.

What's the point? I'm not the guy who is going to hit you up for golf outings, charity events, etc. This is the one cause I am going to solicit money for.

So if my articles helped you in anyway or got you a client or my free phone call of advice benefited you or if I made a connection that benefited you or made a speech at your event, I only ask that you consider giving something to this tax-deductible scholarship fund. Not asking for \$1,000 or even a \$100, a \$5, \$10, or \$20 donation would suffice.

There is an online link to contribute [here](#) via credit card

For mailing payments, make checks payable to Stony Brook Foundation. The Berla Scholarship should be noted on the memo line.

Send to Jane McArthur c/o College of Arts & Sciences, E3320 Melville Library, Stony Brook, New York 11794-3391. All gifts will be noted with a tax receipt.

If you make a donation, please let me know because the University won't let me know (their privacy guidelines). I truly appreciate the consideration.

The e-book some people bought is still available.

My Kindle book on how to succeed in the 401(k) plan business still available.

A big part of my business has been helping other retirement plan providers in starting and/or growing their business. Goodwill in this business goes a long way.

So to tell you the journey I went through to get to this point and to give plan providers advice on how to grow their retirement plan book of business, I am proud to announce that my Kindle e-book called How to Succeed in the 401(k) Plan Business: (and 401(k)'d: A Life) is still available for purchase on Amazon.com right [here](#).

If you don't have access to a Kindle or Kindle for your

How to Succeed in the 401(k) Plan Business (and 401(k)'d: A Life)



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