

## The Bad Bet of Offering Self Directed Brokerage Accounts in 401(k) Plans.

It can be a mistake.

I love Las Vegas and I hate to gamble, which explains why I haven't been to Atlantic City since 1995. I love the sights, sounds, the entertainment, the food, and everything but the gambling. I hate gambling because I don't like to lose and no matter what people say, the casinos win in the end. As Sam "Ace" Rothstein played by Robert DeNiro said in the movie Casino, "In the casino, the cardinal rule is to keep them playing and to keep them coming back. The longer they play, the more they lose, and in the end, we get it all."

401(k) plans with self-directed brokerage accounts that allows participants to choose almost any type of investment is another form of gambling and a plan sponsor may unknowingly expose themselves to liability by offering this feature when plan participants "crap out". This article is about the hidden dangers of 401(k) plans in offering self-directed brokerage accounts to plan participants.

For the article, click [here](#).



## An Employer Guide On How To Set Up A Retirement Plan Committee.

The how to and why



Being a retirement plan sponsor can be a bit overwhelming and one of the major reasons that retirement plans are mismanaged because there is a lack of management. Retirement plan committees, regardless of the size of the plan sponsor can be an effective method of managing a retirement plan. Like any tool, a retirement plan committee must be used

correctly or it ends up becoming more of a problem than it's worth. So this article is about how retirement plan sponsors can delegate their retirement plan committee and some of the things they should avoid by setting one up.

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

## **Retirement Plan Features That Are Going Obsolete.**

**Just like the Betamax and the Commodore 64.**

I've only been on this planet for about 40+ years and I'm always amazed at the technological advancements during my lifetime. I've seen especially amazed when talking to my 9-year-old daughter who thinks the iPad has been around forever. I've even seen technological breakthroughs like compact discs and fax machines essentially become obsolete even though I still think the technology behind it is amazing. I've been around the retirement plan business for 17 years and there are



tons of things that have become obsolete or will become obsolete. So this article is about things associated with retirement plans that have or will become obsolete.

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

## **End of Year Tips For Retirement Plan Sponsors.**

**Stuff you should take care of before January 1st.**

With the Holiday season about to start, we know that the end of the year will soon follow. While plan participants maybe more concerned about holiday shopping or the firm's annual holiday party, it's a great and necessary opportunity for plan sponsors like yourself to take a look at your retirement plan before the new calendar plan year begins because there maybe some changes you may want to or need to make before the end of the current plan year. So this article is about end of year tips for retirement plan sponsors.

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

# 2016

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## Avoid Hiring Plan Providers Because They Were "Juiced In".

The trouble of hiring a plan provider that has a connection.

Novant Health, Inc. is a non-profit hospital system based in North Carolina and they agreed to pay \$32 million in a settlement regarding a participant lawsuit against their 401(k) plan. What's so odd about the case is that it was resolved before the case was ever brought to a trial. Why would a 401(k) plan sponsor agree to such a settlement before the case was brought to trial? Maybe it has something to with allegations regarding the selection of the broker of record for the Plan?



It was alleged by the Plaintiffs that the broker of record had extensive business dealings with Novant Health. It was alleged that the broker entered into land development projects and office building leasing arrangements with the Plan Sponsor. The broker was also accused of providing Novant Health a gift in excess of \$5 million by a development company owned by the broker. I don't know if the allegations are true, but what I do know is that the case settled way early in the game.

I have always told plan sponsors to be wary of hiring financial advisors of 401(k) plans because of nepotism, cronyism, or an existing business relationship. Like trying to hire an inexperienced friend as the Synagogue's secretary, anything that looks bad will be treated as being bad. Selection of plan providers should always look as it was done on the up and up.

# My Annual Campaign for The Berla Scholarship Fund.

Yes, my annual begging again.



Yes, it's that time of the year again where December 31st is around the corner for tax-deductible contributions for 2015.

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.

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The Rosenbaum Law Firm P.C.

[ary@therosenbaumlawfirm.com](mailto:ary@therosenbaumlawfirm.com)

[www.TheRosenbaumLawFirm.com](http://www.TheRosenbaumLawFirm.com)

734 Franklin Avenue, Suite 302

Garden City, New York 11530

Phone 516-594-1557

Fax 516-368-3780

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