

**THE
ROSENBAUM
LAW FIRM P.C.**

THE LAW FIRM REVIEW

A Publication for Plan Sponsors and Retirement Plan Professionals

Things in a 401(k) Plan That Don't Look Right.

Appearances mean a lot.

They always say that you should never judge a book by its cover, but people do. People say you shouldn't judge people by their appearance and they do. Just because something doesn't look right, doesn't mean it isn't right. The problem with retirement plan sponsors; is that their fiduciary duty doesn't allow them to have the benefit of the doubt. So if something doesn't look right, someone will assume that it isn't right and that may mean some harm for the plan sponsor because someone will assume that the plan is in some sort of trouble. So this article is about how things don't look right for retirement plans and how plan sponsors should avoid these things.



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

Employer's Excuses About Their Retirement Plan And Why They're Wrong.

They are wrong, no ifs, ands, or buts.



When dealing with my children and many adults, I hear many excuses why things don't get done correctly. No one wants to accept re- sponsibility for their ineptness; they just cling to these excuses. Plan sponsors don't have that luxury of clinging to an excuse because they are on the hook if a plan goes wrong. This article is about plan sponsor's excuses on why their plan is running correctly and why they are absolutely wrong.

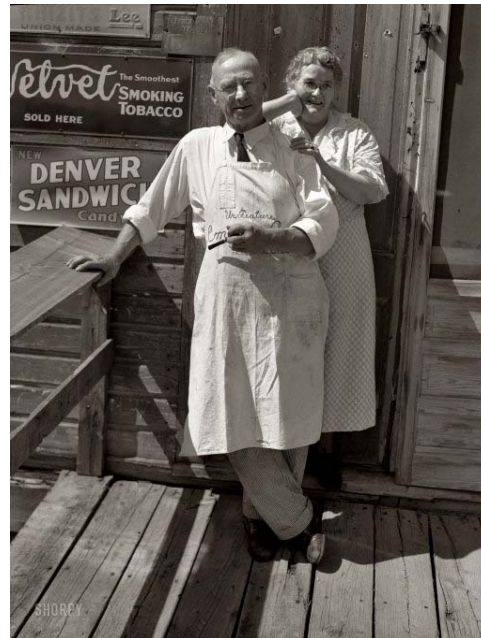
To read the article, please click [here](#).

Small 401(k) Plans Have More Problems Than Larger Ones.

Many reasons why.

Bigger does not mean better, that's what mom and pop stores say all the time. Sometimes they are right, sometimes they are wrong. When it comes to 401(k) plans, most people would assume that larger 401(k) plans would have more problems than smaller plans because of size and complexity. The funny thing is that really isn't the case. For many reasons, smaller 401(k) plans have more problems than larger plans. There are many reasons why as this article will tell you.

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



The One Mutual Fund Family Lineup.

Pick mutual funds from more than one family.



You must know about the shoemakers' children and how they go barefoot and have no shoes. In the retirement plan industry, we have retirement plan providers and their employees' retirement plan.

I know, I have been there. The third party administrator I worked for didn't have a great plan, it was often alleged we switched platforms to salvage our premier pricing with a certain insurance company. Don't know if it was true, but that is what was alleged.

So for me, it's no surprise that mutual fund companies are being sued by former employees over their own 401(k) plan. While I don't know all the facts and it will be decided in the courts, one fact

(if true) fascinates me.

I often waste time analyzing irrational behavior through rational eyes and I always ponder: "what were they thinking?" So when I hear that part of the complaints is that all of the mutual funds in a mutual fund company's plan were funds from that fund family, I ask: "what were they thinking?"

When you have thousands of mutual funds out there and hundreds of mutual fund companies, it's just amazing that any plan sponsor (whether it's a mutual fund company or not) thinks it's prudent that every fund on the plan's lineup is from the same mutual fund company. It doesn't look right and it doesn't look prudent, especially when there is no mutual fund company that has superior success in every sector of the market. In addition, any plan that only has funds from the same mutual fund company are often being administered by bundled providers who are mutual fund companies (i.e., plan being administered by T. Rowe Price with only T. Rowe Price funds). How is a plan sponsor able to offer a rational explanation that it was prudent to select mutual funds from one company? I don't think they can, especially when the mutual fund company is one of the plan providers.

Often in the retirement plan business, if it doesn't look right, there is usually something wrong. Any plan using the mutual funds from only one mutual fund company is a plan with something wrong.

Timing is everything.

Always seize the opportunity.

I was recently elected Vice President of my synagogue, Congregation B'nai Sholom-Beth David in Rockville Centre, Log Island. This isn't a request for donations, yet. I was elected Vice President even though I have only been involved in my synagogue for 2 years. I became the Managing Editor of my college newspaper about six weeks after I joined. I became the top attorney of a third party administration firms 7 weeks after joining.



This doesn't mean I'm special because I'm not. The point here is that I've been very lucky in life in being there at the right time. I have learned that timing is everything and every time you sense opportunity, grab it because very rarely will you get something handed on a platter.

In the three instances I listed above, I knew what I wanted and I wasn't shy to ask for it. Usually, I'm Mr. Passive-Aggressive, but over time, I've been trying to cure that. You have to take the brass ring, people can't read your mind and just hand it to you.

Speaking of that third party administration attorney job, my predecessor was making hundreds of thousands of dollars because he got a percentage of the gross legal fees. The attorney I replaced wasn't all that great and my bosses senses they could bump me up to head attorney and save quite a but of sum of money. When I got word that this change was going to happen and I expressed interest, I expect a huge pay increase for the promotion. When all I was offered was \$5,000, I was in passive-aggressive mode and said nothing. Instead, I boiled over it for the next 4 ? years when I was there and it changed how I felt about the place and it affected every performance review I had because I was always chasing that \$25,000 pay increase I thought I was entitled to. 12 ? years and I still think about it. I had the opportunity and I flubbed it. Again, timing is everything.

So regardless of your role, either as an employer, plan sponsor, plan provider, or shepherd, take opportunity when it knocks and seize the moment because it can be gone the next moment and you wasted it.

2015 Berla Scholarship Fund Awarded.

Thanks to all that supported and continued you to support this Stony Brook scholarship.



I am pleased and honored to announce that Ian Bonnell is the winner of the 2015 Rozalia and Emil Berla Scholarship Fund.

Mr. Bonnell will be a 2017 graduate and a member of the University Scholars program.

I started The Rozalia and Emil Berla Memorial Scholarship Fund at my alma mater, Stony Brook University. This scholarship is named for the two greatest people I ever knew, my maternal grandparents who both survived the Holocaust.

Many of you in the retirement plan industry have contributed

already and you have my thanks. If you can spare just a couple of bucks towards this worthwhile scholarship, I would greatly appreciate it.


\$1,000 isn't much, but for a student attending such a great school, it's a substantial step in paying tuition.

You can donate online through this [link](#). All you need to do to make sure the scholarship gets the money is to type "Berla" in the fund designation.

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