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**From:** Maureen Gitner [mailto:mgitner@sunsetter.com]

**Sent:** Wednesday, April 25, 2007 5:13 PM

**To:** EBSA, E-ORI - EBSA

**Subject:** 401 K Fee Disclosure

I was interested to note in Workforce Magazine that you are seeking comments about fee disclosure for 401(k) plans and other defined-contribution plans. It is because of undisclosed and excessive fees that we are in the final stages of a conversion of our 401K with another vendor.

For the newly-initiated 401K plan, few vendors are interested in your business as you have no assets from which they can earn fees, and as a result the fee structure is higher than usual. We have recently passed this threshold where now other vendors of 401K plans have an interest in pursuing our business, and it has been an educational process for us in terms of fee comparisons, how they are charged and how they are reported to employees.

For example, a director who considers himself a savvy investor commented that he never paid any fees on his transactions and appreciated that the company paid these. On the contrary, he was paying fees constantly and had no knowledge because he was only seeing the "net effect" of each transaction. When a transaction is completed and reported on a quarterly statement, all that shows is the amount in that particular investment. If the actual fees appear anywhere on the statements, they are so obscure that no one notices them. And unlike our personal checking or savings accounts, these plan balances and activity are rarely monitored closely by the participants.

A tremendous amount of education needs to be done with the general public for them to fully realize the pros and cons of a 401K plan. All too often people are in the plan because they need to plan for their financial futures and have no idea what they are doing or investing in. Financial plan managers are taking gross advantage of the ignorance that prevails. That's not to say that we're not all responsible for our decisions, but few plan sponsors really understand the nuts and bolts of what comprises the details of operations involved in a 401K plan, leaving their trust in the hands of the financial professionals.

Aggressive corporate greed has spun the circumstances by which financial institutions can hide their fees from an unsuspecting general public. You can make it stop. Thanks for your consideration.

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