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**From:** Frank Cirullo [mailto:fcirullo@sbcglobal.net]  
**Sent:** Thursday, May 10, 2007 1:35 PM  
**To:** EBSA, E-ORI - EBSA  
**Subject:** What to do about 9lan expenses.and why.

**Problem:**

1. Employers are buying retirement plans that are awful, because they are confused.
2. Employers really believe their plan is either "free" or "low cost" even after it's proved it's not!
3. That's why they ignore all of the warnings.
4. These same problems with 401(k) plans and 403(b) plans have been going on for twenty-five years. Employers won't fix what they don't see, right?
5. Workers put up with their awful 401(k) plan because they can't tell a "good" plan from an "awful" one.

**Solution:**

Don't pass a lot that requires workers to be advised by anybody.

Why?

Salespeople (consultants; investment advisers; recordkeepers; administrators) have an inherent conflict of interest.

It makes no sense to ask a fox guard the chicken coop, right?

Allow our free markets to work their magic to bring down retirement plan costs, but don't pass laws that require the fox (vendors) to educate the farmers (employers) on how to keep their chickens (workers) safe! It's the lousy education that is being provided by vendors that is keeping plan costs high. Look at it this way. Not one vendor will fire his or her company for charging more than the benchmark for a service or investment. Instead, he or she competes against other vendors by distracting uninformed employers with "free" bells and whistles. Obviously, the real problem with high plan costs is poor education.

See?

Supply and demand can only work when the playing field is level. Currently employers and workers are misinformed about their plan's true cost, so they actually believe it is either "free" or "low cost."

Did you get that? Employers and workers don't know what they don't know about their retirement plan so they ignore all of the warnings about high cost.

Again, please allow the free market work its magic to bring down retirement plan costs, but don't pass laws that require the fox (vendors) to educate the farmers (employers) on how to keep their chickens (workers) safe!

Please see the logic in making the playing field level with education (not from vendors) It the only way to allow our free markets to bring down costs, don't pass laws that make the fox educate the farmer on how to keep his chickens safe!

Best wishes!

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