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Submitted Electronically
Office of Regulations and Interpretations
Employee Benefits Security Administration
Room N-5665
U.S. Department of Labor
200 Constitution Avenue, NW.
Washington, DC 20210
Attention: RIN 1210-AB38; Target Date Disclosure.

Dear Department of Labor,

I applaud your proposed disclosures and fully support your efforts. The recommended disclosures will serve to remedy the agency problems that currently plague this good idea. Fiduciaries, not participants, select TDFs, so they are employer-directed rather than participant-directed, requiring a higher fiduciary duty of care. Do not be misled by provider protests about participant misunderstandings. TDFs are chosen by fiduciaries, who have a responsibility to know and understand, and who are presumed to be educated and professional.

The January 31, 2012 issue of ***Advisor Persepectives*** magazine has an article at http://www.advisorperspectives.com/newsletters12/Why_Target-

Date_Funds_Fail.php by the editor, Robert Huebscher, that concurs with the findings of "***A 2010 paper, Agency Problems in Target-Date Funds, by Vallapuzha Sandhya, written as part of her doctoral dissertation at Georgia State University, comprehensively identified the problems. In economics, an "agency problem" is a mismatch of incentives in a transaction between the principal (in this case, the investor) and the agent (in this case, the fund company) – the agent is able to profit at the principal's expense."***

I agree with this explanation and would add the following observations:

1. Until and if TDFs are vetted, agency problems will persist, and participants will be exposed to excessive risk at the target date. Plan sponsors and their advisors are enabling failure. The safe harbor of a QDIA is not enough in this case, nor is safety in numbers (choosing one of the "Big 3").
2. To package product, fund companies are selling "objectives" that are actually hopes – hopes that can be served by any glide path they choose, since any glide path will do. Replacing pay and managing longevity risk are hopes. An objective with a nonsensical course of action is a hope. Saving more is the right course of action. This packaging is plain for all to see in 2 ways: (1) The equity allocations of equity managers is generally higher than those of bond managers, and (2) Prospectuses and factsheets NEVER state objectives that are used in sales. Instead the "official" objectives are the likes of "Earn a return commensurate with the risk."
3. If and when fiduciaries wake up, which could take a lawsuit, they will demand a real objective, like bring the participant safely to the target date with appreciated savings intact – a real "to" fund rather than the phony baloney versions currently being served up.

The proposed disclosures strip away reasonable deniability. Fiduciaries cannot claim that they did not know. Perhaps then they will actually vet their selections and require solution rather than product, solution that has a reasonable objective.