

Metro Detroit

**2007 FIDUCIARY
EDUCATION &
COMPLIANCE
SYMPOSIUM**

The Future of **401(k)** Plan Design, Administration & Service

**NEWS
FOR IMMEDIATE RELEASE**

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21st Century Labor Worries Include 401(k) Fees

August 28, 2007 -Waterford, MI- As the nation prepares to celebrate another in its 100-plus-year-old Labor Day tradition, new issues are emerging about the economic stability of the American worker. Today, nearly 50 million American workers are relying on a 401(k) style plan to provide for their future as traditional retirement plans and Social Security resources continue to dwindle.

One of the emerging issues on the retirement landscape is the common employer practice of offering “bundled” 401(k) plans that originate from, and are administered by, the same investment organization. Unfortunately, some of the companies who administer such plans engage in a practice known as “revenue sharing” that allows them to obtain additional fees directly from the funds in the plan to offset the lower fees they promote to employers for administering that plan.

This practice is at the heart of an increasing number of lawsuits against major employers. In each case, the employees claim that their employers allowed the financial managers of their 401(k) plans to charge excessive fees that were not fully understood by the plan participants thus diverting their retirement dollars to support the administrative costs of the plan rather than growing their investments. In addition to the litigation, the federal government is taking a closer look at the lack of disclosure regarding the full extent of 401(k) plan fees that may cause the employer to violate key provisions of ERISA (Employee Retirement Income Security Act of 1974 - the federal body of law governing 401(k) plans).

In light of these growing issues, Brian S. Lakkides, president of Corporate Plan Administrators, and Thomas H. Bergh, partner with Varnum, Riddering, Schmidt & Howlett LLP are hosting a special Metro Detroit Fiduciary Education and Compliance Symposium at the Novi Sheraton (21111 Haggerty Rd., Novi, MI) from 8:00 a.m. to 1:30 p.m., Thursday, Sept. 20.

“Increasing concerns about administrative costs and the lack of fee transparency for a growing number of 401(k) plans made us realize that many company retirement specialists could benefit from learning more about the emerging issues in retirement plan administration,” said Lakkides.

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Lakkides continued: “We thought that the best way to do that would be to organize an educational forum for the very people charged with fiduciary responsibility for those plans.”

To underscore the importance of these issues, Donald Trone, AIFA® and one of the 50 most influential people in the retirement industry, will be the keynote speaker at the Symposium addressing the issue of “Fiduciary Best Practices: The Key to Improved Quality and Accountability.”

The Symposium, also sponsored by Corp! magazine, will focus on the future of 401(k) plan design, administration and service. Lakkides noted that many companies are simply not aware that, in these days of increasing plan options, employers are still fully liable for many aspects of employee retirement accounts, despite the fact that they have delegated the administration of those plans to outside experts.

“In light of the federal government’s increasing focus on full disclosure and the growing number of employee lawsuits, we thought it best to explore these issues in a special educational forum for CPAs, lawyers and company plan administrators,” said Bergh.

Enrollment for the Symposium is limited and conference attendance will qualify for 3.5 Continuing Education Units (CEUs) for CPAs. Registration is \$99 per person when received by August 30. Enrollment between August 31 and September 14 is \$125 per person. Those who register after September 14, will be charged \$140 per person. Group discounts are available for professional firms. To learn more and register, go to <http://www.fiduciaryconference.com/>

Corporate Plan Administrators, Inc. in Waterford, Mich. specializes in fiduciary consulting and compliance and administration of 401(k) and retirement plans. The firm places special emphasis on providing independent guidance and ongoing retirement plan management to area employers.

Established in 1888, Varnum, Riddering, Schmidt & Howlett LLP is a leading Michigan law firm providing a broad range of legal services to meet the complex needs of its clients. With more than 160 attorneys in six offices, Varnum serves as counsel to growing businesses and institutions throughout Michigan and the Midwest.

The mission of *Corp!* magazine, founded in 1998, is to inform, intrigue and entertain business owners and top level executives by providing business features, news and profiles with a Michigan emphasis.

For more information, call Corporate Plan Administrators at 1-800-754-9933.

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