



NEWS

FOR IMMEDIATE RELEASE

Contact: *Benjamin Lewis*
Perception, Inc.
301-963-7555

NAPFA Challenges The DOL To Adopt Tougher ERISA Disclosures:
Fee-Only financial advisors want greater transparency of fees and expenses in 401(k) plans

Arlington Heights, IL (July 26, 2007) – The Employee Benefits Security Administration of the U.S. Department of Labor is seeking comments from financial organizations on how ERISA rules should be adopted or modified as they pertain to ‘Fee and Expense Disclosures to Participants in Individual Account Plans’ (RIN 1210-AB07). The National Association of Personal Financial Advisors (NAPFA) shared its thoughts on this important matter in an opinion letter dated July 24, 2007.

Since 1983 NAPFA, the leading professional association of Fee-Only financial advisors, has championed the importance of full disclosure of conflicts of interest and consumer education. 401(k) plans are clearly the centerpiece for retirement planning, making it vital for financial organizations, institutions and advisors to fully disclose fees, expenses and conflicts of interest.

“NAPFA believes all providers of financial advice must act in a fiduciary capacity at all times. It doesn’t matter if the ‘client’ is a 401(k) plan or a consumer,” said Dick Bellmer, national chair of NAPFA. “With defined contribution plans becoming such an important piece of the retirement puzzle for millions of Americans, there is no room for the uneducated and misinformed. It all comes down to disclosure.”

The opinion letter sent to the DOL by NAPFA spells out seven specific ERISA additions/modifications the Employee Benefits Security Administration must implement. Each recommendation revolves around disclosure and ensuring 401(k) participants are informed about fees, expenses, and conflicts of interest. The seven NAPFA recommendations include:

- The term “fiduciary adviser,” as defined by the Pension Protection Act of 2006, be limited to those persons and firms who truly receive level compensation;
- Disclosure of fees, costs and conflicts of interest to plan participants be redefined to provide consumers with enough information to make educated investment decisions;
- Conflicts of interest must be discerned, aggregated and affirmatively disclosed by plan sponsors to plan participants;
- Fee/cost and conflict of interest disclosures be included in the Summary Plan Description (SPD);

- The U.S. Department of Labor coordinate enhanced disclosures with similar efforts being undertaken by the U.S. Securities and Exchange Commission;
- A format for summary disclosure of fees and costs to plan participants be adopted; and
- Investment disclosures be developed for investments other than mutual funds.

The NAPFA opinion letter to the DOL is available to interested parties. To obtain a copy of the letter, or for more information on NAPFA, please contact Benjamin Lewis of Perception, Inc. at 301-963-7555 or benjamin.lewis@perceptiononline.com.

ABOUT THE NATIONAL ASSOCIATION OF PERSONAL FINANCIAL ADVISORS (NAPFA)

Since 1983, The National Association of Personal Financial Advisors (NAPFA) has provided Fee-Only financial planners across the country with some of the strictest guidelines possible for professional competency, comprehensive financial planning, and Fee-Only compensation. With more than 1,600 members across the country, NAPFA is the leading professional association in the United States dedicated to the advancement of Fee-Only comprehensive financial planning.

For more information on NAPFA, please visit www.NAPFA.org.

To learn more about NAPFA's Focus on Fiduciary initiative, please visit www.FocusonFiduciary.com.

###