



STONEBRIDGE
FINANCIAL GROUP



Case Study: Law Firm

Managing fee compression and reducing fiduciary liability

The Challenge

The law firm worked with a bundled recordkeeper where the plan expenses increased each year. The investment committee wanted to compress the expenses for the plan participants and the firm. The trustees were also looking to formalize the committee processes and lower their personal fiduciary liability.

The Recommended Solution

New providers would be recommended to combine a national recordkeeper with a local third-party administrator, which would save the firm in plan administrative expenses.

An enhanced investment lineup would lower the investment expenses for participants, and a plan expense account could use revenue collected in the plan to pay for advisory and administrator plan expenses. Our other recommendations included:

- Reposition self-directed brokerage accounts to strategically improve key stakeholder usage while lowering plan investment expenses and eliminate the need for new accounts.
- Create an investment policy statement along with quarterly monitoring reports.

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The Recommended Solution (cont'd)

- Minimize fiduciary liability for plan trustees by implementing processes along with plan benchmarking every three years.
- Meet with plan participants to help them feel comfortable during the plan transition and improve diversification of their accounts.

CLIENT PROFILE:

INDUSTRY TYPE: Professional Law Firm

GEOGRAPHY: Harrisburg

NUMBER OF EMPLOYEES: 50

PLAN TYPE: 401(k) Profit-Sharing Plan

Expected Results

- Plan expenses were lowered.
- The Investment Committee's fiduciary liability was reduced through documented processes.
- An experienced investment advisor and institution as a 3(21) co-fiduciary to the plan were added.
- The brokerage account plan feature was formalized to minimize investment risk exposure.

**Disclaimer: Each individual firm's situation is unique. The case study illustrated is for educational purposes.*

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