

News

Kaleda Featured In PLANADVISER Discussion On Wealth Management and Plan Advisory Services

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Groom principal [David Kaleda](#) was featured in a *PLANADVISER* article, “A Step in a New Direction,” where he discussed the marriage within some advisories of wealth management services and retirement plan guidance. Referencing broader wealth management offerings in the retirement plan advisory space, Kaleda explained, “As the industry has moved toward this more holistic approach, it makes sense that advisers would be in both the space of advising the employer and the plan as a whole on its investments and how to run it, while also having a facet of the practice that works with individuals both inside and outside of the plan.”

When addressing conflicts of interest that could arise under this model, Kaleda noted, “The level of compliance really varies by firm,” adding, “Some are more rigorous than others, while some are just trying to take more of a disclosure-only approach.”

“Those provide a path to compliance, where advisers can manage the conflicts, but you really do have to very consciously manage them,” said Kaleda, referring to SEC and DOL guidance.

On different compliance approaches, including firms creating fully separate wealth management and plan advisory groups, Kaleda expounded, “That’s one way to approach it, but you still have to be aware of compliance [with the DOL and SEC], to make sure you’re not just using this as an opportunity to get a whole bunch of rollover dollars, but that you’re really taking into account the best interest of the participants, both as individual investors and as plan participants.”

Kaleda also noted, as reiterated by *PLANADVISER*, “Another potential area of conflict would be if a firm serves as a wealth manager for a well-to-do business owner who then hires the firm to help with establishing a retirement plan at the business. In its plan adviser capacity, the firm would need to make sure it is choosing investments in the best interest of all plan participants, not just the business-owner client.”

“A big driver in this industry is compensation,” Kaleda concluded. “So if that has incentives that could lead one to not act in the participant’s or individual’s best

interest, you need to think about whether there's a way to eliminate that incentive or manage it in a way that mitigates that conflict.”

To read the *PLANADVISER* article, [click here](#).