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FILED ELECTRONICALLY

May 5, 2010

Office of Regulations and Interpretations
Employee Benefits Security Administration
Room N-5655
U.S. Department of Labor
200 Constitution Ave., NW
Washington, DC 20210

Re: **2010 Investment Advice Proposed Rule**

Ladies and Gentlemen:

Advised Assets Group, LLC (AAG) appreciates this opportunity to comment on the participant and beneficiary investment advice regulation proposed by the U.S. Department of Labor's (DOL) Employee Benefits Security Administration (EBSA) on March 2, 2010. AAG is a federally registered investment advisor providing independent financial advice and managed account services to over 200,000 participants of qualified group and individual retirement plans. AAG administers retirement portfolios with aggregate assets of approximately $4 billion.

AAG is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company (Great-West Retirement Services®), the 4th largest administrative services provider to the nation's group retirement plans, providing investment products and services to over 4 million Americans with aggregated assets of approximately $100 billion.

AAG provides investment advice and managed account services to plan participants utilizing a computer model described in EBSA's SunAmerica Advisory Opinion[1]. Thus, so long as the new laws and regulations do not adversely affect our ability to continue to provide the advice products and services as we have done for years, we have no comment with respect to the "eligible investment advice arrangement" provisions in the proposed regulation.

We do, however, want to take this opportunity to strongly:

1) Advocate for the preservation of the SunAmerica model, and
2) Caution against any attempt in the regulations to dictate what criteria an investment adviser and plan fiduciary can consider in connection with making investment recommendations.

[1] EBSA Advisory Opinion 2001-09 (December 14, 2001).

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1. Preservation of the SunAmerica model. AAG commends EBSA for expressly stating that neither the proposed regulation nor the Pension Protection Act of 2006 ("PPA") exemption relating to investment advice affects the prior guidance issued by EBSA pertaining to the provision of investment advice.

Specifically, the current independent advice programs promote the use of high-quality, unbiased investment advice. Millions of plan participants currently receive independent investment advice and discretionary management under methods that do not raise conflict-of-interest concerns. It is extremely important that these existing permissible investment advice arrangements, which the DOL has previously found not to require exemptive relief, remain available for plan participants.

We strongly believe that the SunAmerica model provides the opportunity for efficient large scale distribution and availability of investment advisory services to retirement plan participants that are completely independent and objective. For example, through distribution partners such as AAG and Great-West Retirement Services, Ibbotson Associates (a recognized industry leader in asset allocation solutions and a subsidiary of Morningstar, Inc.) provides access to the highest quality of applied academic excellence in retirement portfolio construction and management to over 23 million Americans regardless of their age, account balance, or the size of the firm for which they work[2].

While the proposed regulations admirably intend to expand the reach of investment advice to additional American workers, it is critical and imperative that the effectiveness and momentum already in place under current advisory models be preserved in these and any future regulations.

2. Generally accepted investment theory. AAG is concerned about provisions in the proposed regulation that dictate what criteria an investment adviser and plan fiduciary can consider in connection with making investment recommendations. The preamble to the proposed regulation states that:

> "[In] connection with investment advice arrangements that use computer models, that a computer model shall be designed and operated to avoid investment recommendations that inappropriately distinguish among investment options within a single asset class on the basis of a factor that cannot confidently be expected to persist in the future (paragraph (b)(4)(i)(E)(3)). While some differences between investment options within a single asset class, such as differences in fees and expenses or management style, are likely to persist in the future and therefore to constitute appropriate criteria for asset allocation, other differences, such as differences in historical performance, are less likely to persist and therefore less likely to constitute appropriate criteria for asset allocation." (Emphasis added.)

[2] Morningstar, Inc. Investment Advice Comment Letter to EBSA dated May 5, 2010

EBSA also requested public comments on a number of questions regarding investment theory, including which theories are, or are not, generally accepted, whether the regulations should specify certain investment theories and require their application or preclude the application of others, whether the regulations should dictate the bases for model parameters, and whether historical data should be taken into account in determining a model's expectation for future performance of asset classes and specific investment alternatives.

Investment models either developed or certified by independent financial experts should not be constrained in terms of the factors considered relevant by the expert to distinguish between investment options of any given asset class. Such constraints would lead to the favoritism of single factors such as fees to the detriment of overall portfolio construction. Such constraints could also lead to bias toward certain investment strategies (such as passive strategies versus actively managed strategies) again to the detriment of overall portfolio construction.

Furthermore, EBSA should not include parameters or limitations on the definition of generally accepted investment theories. Like any science, the study of investment management is an evolving one, with constant research driving ongoing innovation and improvement. Any limitations or specifications on what is or is not an acceptable investment theory will stifle the innovation necessary to ensure that portfolios continue to be constructed in the most advanced and beneficial manner for participants.

AAG appreciates the opportunity to comment and thanks EBSA for taking time to consider our views. We are available to discuss these issues in greater detail at EBSA's request. Please do not hesitate to contact us at Advised Assets Group, LLC, 8515 E. Orchard Road, 10T2, Attention: David McLeod, Greenwood Village, Colorado 80111.

Respectfully,

David G. McLeod
Vice President and Managing Director,
Advised Assets Group, LLC