

**From:** Brad Bell [mailto:bbell75@tampabay.rr.com]  
**Sent:** Tuesday, July 07, 2015 9:35 PM  
**To:** EBSA, E-ORI - EBSA  
**Subject:** DOL Fiduciary Standard for Retirement Accounts is misguided.....

Dear DOL.

I'm writing today in hopes that you'll seriously reconsider the DOL Fiduciary Standard for retirement accounts proposal. It's riddled with flaws and is bad for retirees and those planning for retirement.

I've a unique vantage point on this issue from the aspect of one who's been saving for retirement for 40 years and is planning to retire in the next few years, coupled with a lifetime of witnessing trusting yet unlearned consumers being taken advantage of, to that of an Information Technology professional who's worked in the brokerage industry (Raymond James Financial) for what will be 25 years come this November.

My parents were far from wealthy. My Dad never made more than \$20,000 a year in his entire life. Upon his death in 1993 however, he left my Mother with retirement savings of \$600,000 which grew to \$1.3 million at her death in 2012.

My father had a fundamental retirement plan which I adopted as a Junior in High School in 1975. Purchase blue chip dividend paying stocks and reinvest those dividends. Upon retirement stop those reinvestment purchases of shares, and instead receive the dividend cash payments as income. This slow but steady accumulation of shares and subsequent cash dividend payments at retirement, provided my Mother adequate income without the need to dip into her principal investments. In fact they continued to grow as the underlying stock values appreciated.

And the government profited as well. The original income was subject to income taxes, as was the dividend income, and her Social Security benefits were reduced based on the level of the dividend income she was receiving in retirement.

The point of all this is to demonstrate how one size does not fit all in regards to retirement accounts. My Mother executed no trades the entire 19 years before her death, with the exception of mandatory Reorganizations/Tenders.

That translated to zero fees/commissions paid as compared to what would have been substantial charges had fees been assessed based on the market value of her holdings.

As a consumer through the years I've seen both my Mom & my wife being taken advantage of because of their lack of knowledge of everything from cars to electronics. And in the case of my Mom, I've seen firsthand how "safety" is routinely used as a scare tactic to sell products to our seniors.

I fully understand that greed drives impropriety. Regardless of whether it's a mechanic selling unneeded services, an individual filing a fraudulent claim or lawsuit, a marketer selling a worthless product, a non-profit or individual misappropriating funds, or a Financial Advisor putting their interests ahead of the clients they serve, bad people do bad things.

But to single out an entire industry as self-serving and untrustworthy, is offensive.

The underlying precept of ensuring that FA's put all client's interests first is absolutely the right thing to do.

The failure arises from entrusting the Department of Labor to perform the supervision that the SEC does quite well. And the means by which the DOL proposes to do so.

As an IT professional supporting the Backoffice processing for Raymond James Financial for nearly 25 years, I'm intimately familiar with the checks and balances that are implemented to ensure that the firm meets regulatory requirements as well as to ensure that Financial Advisors are being properly supervised. This includes monitoring of FA communications and activities.

And as onerous as the increasing regulatory requirements have become, they pale in comparison to the system changes that will become necessary to conform to the new DOL rules.

In addition to the tens of millions of dollars in cost to the firm, many data elements necessary to conform to the rules do not exist. It is fundamentally impossible to satisfy the rules as currently written.

Even more troublesome however is the effect that these rules will have on the overwhelming majority of retirees.

Firms will have to decide whether it makes economic sense to incur the expense of engaging in this business, and then whether they're willing to assume the risk of doing so. The overwhelming majority of Financial Advisors are honorable and trustworthy with their client's best interest at heart. Those FAs would now be personal liable even if unjustly accused of not acting in the client's best interest. Rest assured that if the markets go down the claims of impropriety will skyrocket, just as the lawsuits have with past downturns.

Additionally firms that make that decision to maintain the status quo in regards to their business model will have to resort to some form of "level fee" structure for these accounts.

It should be obvious that this level fee structure will mean an increase in cost to those requiring only minimal servicing, as opposed to a decrease in cost to high maintenance accounts.

Thank you for your time and what I believe is a well-intentioned effort to protect retirees.

Unfortunately I see the DOL rules as causing much more harm than good.

I hope you understand my concerns over the DOL approach and my desire as a consumer to retain the flexibility in how I pay for my financial services, as well as the securities in which I'm able to invest in my retirement.

Sincerely,

Brad Bell

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