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Definition of Term Fiduciary; Conflict of Interest Rule-Retirement Investment

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General Comment

Thank you for re-opening comments on this proposed fiduciary rule.

This rule will increase costs and reduce flexibility for knowledgeable investors - which is contrary to the spirit of the proposed regulation.

Eliminating commission-based accounts and only offering pre-modeled accounts with account fee-based structures will significantly harm knowledgeable investors.

Two examples:

1) A knowledgeable retirement account investor who trades frequently - based on

their own decision processes/skills. There are many consumers in this category that completely understand the risks and costs of trading, but benefit greatly by their investing skill in selecting stocks and funds to buy and sell over time. The proposed rule would eliminate this common investing practice for many investors and place them into pre-modeled, account fee-based offerings that would greatly limit selection, would likely increase overall costs, and eliminate the reward of significant gains.

2) A late state retirement account investor that has positioned their account for income generating purposes. This is a common practice to eliminate risk and generate a moderate/stable annual return as a component of retirement funding. For example, the investor selects individual, highly rated bonds and/or CDs that pay 3-4%/year with very little/no trading (very low cost). Under the proposed rule, this option would not be available and the investor would likely have to select a pre-modeled, low-risk product - generating the same 3-4% return, but having a cost of 1% fee on total assets. This cost would significantly reduce the investors annual returns by 25-33% (1% cost of the 3-4% return). This significantly reduces the consumers retirement income and instead increases revenue to the investing firm. This is very much contrary to the spirit of the proposed regulation.

Thank you.

Jim Merlotti