From: S. McLennan
Sent: Friday, March 10, 2017 4:28 PM
To: EBSA.FiduciaryRuleExamination
Subject: Fiduciary Rule - Investor choice (RIN 1210-AB79)

I've been an informed and involved client of a nationally recognized financial services company since 2009. I'm pleased with the services received but want to register my umbrage with restrictions foisted on me as the company is forced to adjust my investing options to meet pending Department of Labor (DOL) "fiduciary rule".

I sent a letter to my congressman in January 2017 and additional issues have surfaced that compel me to continue to engage the issue. This includes providing feedback to DOL, engaging company leaders above the local level, and sending a second letter to my congressman.

Many pundits focus on the future benefits of fiduciary standards, litigation mitigation, fee transparency, and cost savings. Few mention the current negative impact on <u>investor choices</u> as companies prepare to implement the DOL "rule". I have been handcuffed.

1. I was forced to accept a new investment model; either that, or change companies. I then had to spilt two Roth IRA (R-IRA) accounts into four accounts, the two new accounts being actively managed, as well as transition a Traditional IRA (T-IRA) into an actively managed T-IRA account. I may not make R-IRA contributions in CY 2017 until the DOL rule issue is resolved and investor options are clarified.

2. Anticipated DOL rule impacts have resulted in evolving investment models that limit my options. For example, I recently wanted to roll two retirement accounts (from a former employer) into the new T-IRA. The results however would have "violated" the percentage "allowed" in the technology sector of the new T-IRA. I was encouraged to sell some of a certain stock, to get below the "mandated" percentage ceiling, but declined. Instead, we transferred all of the old T-IRA less that stock into the new T-IRA; rolled the two retirement accounts into the new T-IRA, thus increasing the percentage of technology stock "allowed"; merged the technology stock into the new T-IRA; and closed the old T-IRA. Investors should not be required to perform these kind of Cheetah-flips to manage their portfolios.

3. The company model also mandates my age-derived investment objectives focus on generating *income*. I prefer instead to achieve *growth* given my overall financial situation and acumen.

4. I'm also now forced – there's that word again - to hold a directed amount of cash in my new T-IRA to pay monthly fees. The company has not yet generated a mechanism to collect these fees as is done automatically with other actively managed accounts. Instead of holding cash hostage, and until a mechanism is developed, I strongly recommended the company provide clients the fee amount and let them determine the method of payment. To be blunt; my account belongs to me, not the company, and I want to put cash to work, not have it sitting idle, especially to pay fees.

The DOL rule change essentially treats financial professionals like scoundrels and investors like simpletons. In its lawsuit, SIFMA notes its support for SEC action to establish uniform standards and highlights the rule change will likely restrict investor choices and result in greater costs. As above, SIFMA was prescient.

None of this is my advisors fault. He is a trusted friend and advisor, one who welcomes input and finds solutions. I trust him explicitly. His office has consistently been professional, positive, understanding and responsive as they adjust to changes and manage my portfolio. I told him yesterday that, while I appreciate what he has done to assist me, its time to run these issues “up the flagpole”.

From my foxhole, the rule change was a Nanny State solution in search of a problem. It is <u>my responsibility</u> as an investor to understand the fee and/or commission structure charged by financial professionals. It is <u>my choice</u> to solicit their assistance. I should also have <u>the freedom</u> to select stocks, bonds, and funds in any desired combination that I conclude achieve my retirement objectives. I neither want nor need government involved in this process.

S. McLennan