PUBLIC SUBMISSION

Received: March 10, 2017
Status: Pending_Post
Tracking No. 1k1-8v6m-qior
Comments Due: March 17, 2017
Submission Type: Web

Docket: EBSA-2010-0050
Definition of the Term ''Fiduciary''; Conflict of Interest Rule—Retirement Investment Advice

Comment On: EBSA-2010-0050-3491
Definition of Term Fiduciary; Conflict of Interest Rule-Retirement Investment

Document: EBSA-2010-0050-DRAFT-13989
Comment on FR Doc # 2017-04096

Submitter Information

Name: R. Donahey
Address:

Email:

General Comment

My mother was ripped off by her broker. He sold her funds that paid him a 3% upfront commission. He did not disclose the fact that the funds had such a high fee. He simply told my mother that the funds could provide her income. While they did pay a dividend, the dividend was not as much as the initial fee. Further, the funds consistently under-performed the market. My mother had no idea that there was such a large fee. When I asked the broker why the the amount of money invested in the funds was so much lower than the amount she had to invest, he did not provide a clear answer. I had to independently research what had happened. He refused to answer my questions or explain the cost of the funds he recommended. Had he been a fiduciary, he would have been required to explain the costs to my mother. He would have been required to act in her interests, rather than counter to them.

Elderly people, particularly women, often do not understand investment products, nor question brokers. My parents worked and saved all of their lives so they could maintain a descent standard of living after retiring and not be a financial burden on society or their children. When my mother was widowed, she depended on the advice of her broker; he preyed on her.

Requiring brokers to be forthcoming about fees and risks of the products they sell is necessary so one can trust in the market. Greed is not good. Honest brokers can and do make excellent salaries, without ripping of little old ladies.