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Submitted Electronically- EBSA.FiduciaryRuleExamination@dol.gov

Office of Regulations and Interpretations
Employee Benefits Security Administration
Attention: Fiduciary Rule Examination
Room N-5655
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

Re: RIN 1210-AB79; Proposed Delay and Reconsideration of DOL Regulation Redefining the Term "Fiduciary"

Ladies and Gentlemen:

Thank you for the opportunity to submit these comments on the reconsideration of the Department of Labor (the "Department") regulation under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the Internal Revenue Code of 1986, as amended ("Code"), that redefines the term "fiduciary" under section 3(21)(A)(ii) of ERISA and section 4975(e)(3)(B) of the Code and the accompanying prohibited transaction exemptions (together the "Rule"). We appreciate the Department's efforts to help investors save for retirement and ensure that retirement investors have access to retirement information and financial advice.

However, we believe that, contrary to the Rule's intent, implementation of the Rule will result in harm to retirement investors. We are concerned that retirement investors will lose access (or that such access will be significantly limited) to the holistic financial planning discussions, tools and resources they will need to plan for and achieve a secure retirement. Further, the Rule will inject substantial added cost and confusion to the investment process for retirement investors as well as potentially result in a substantial increase in litigation and associated costs for the financial services industry and, ultimately, increased costs and reduced investment alternatives for retirement investors as well.

For the reasons set forth in this comment letter we believe that the Department should: (1) further delay the applicability date of the Rule and the impartial conduct standards until no earlier than January 1, 2018, to provide sufficient time to consider the Rule in light of additional market and cost data that is being provided to the Department in the comment letter process; and (2) ultimately rescind the Rule to allow the Securities and Exchange Commission (the "SEC") to articulate a standard that should be applicable to all brokerage accounts (including retirement accounts) so that retirement investors can be protected and their choices preserved without impairing their ability to meet their financial goals and without harming the financial markets. In this regard, we agree strongly with the comments submitted by the Securities Industry and

Financial Markets Association ("SIFMA"), the Insured Retirement Institute ("IRI") and the U.S. Chamber of Commerce (the "Chamber").

Background

UBS AG, a subsidiary of UBS Group AG, operates three main lines of businesses in the United States – its Wealth Management Americas business primarily operated through UBS Financial Services Inc. ("UBSFS"), its investment banking business primarily operated through UBS Securities LLC ("UBS Sec LLC"), and its global asset management business primarily operated through UBS Asset Management (Americas) Inc. ("UBS") is used throughout in reference to the UBS business in the United States). UBSFS is dually registered as a broker-dealer and an investment adviser and is one of the largest securities firms in the United States. As of December 31, 2016, Wealth Management Americas (which, as noted, primarily operates through UBSFS) had invested assets totaling over $1 trillion and close to 15,000 employees - including a network of approximately 7,000 financial advisors.

UBS Sec LLC is a registered broker-dealer and a member of the Financial Industry Regulatory Authority ("FINRA"), the New York Stock Exchange, Inc., NASDAQ, and other principal exchanges. In addition, UBS Sec LLC provides a full range of investment banking services and is a registered futures commission merchant, a member of certain major United States and foreign commodity exchanges and is also a primary dealer in United States Government securities.

Retirement assets constitute a significant portion of client assets (over one million retirement accounts) in the UBS Wealth Management Americas business. Additionally, UBS provides services to ERISA plans and individual retirement accounts ("IRAs") directly or through plan asset investment vehicles.

The broker-dealer industry is as comprehensively regulated as any industry in the United States. Indeed, the SEC Study on Investment Advisers and Broker-Dealers (the "SEC Study") required more than 40 pages just to describe the myriad of statutes, rules, judicial decisions and interpretations that regulate almost every aspect of a broker-dealer's conduct, the multitude of remedies available whenever there is a violation and the parallel regulatory regime under state law.[1] We believe that the Department can better and more efficiently reach its goals of stronger protections for retirement investors by leveraging the existing regulatory framework and the decades of experience of the other regulators of the financial services industry (such as the SEC, FINRA and the Commodity Futures Trading Commission), as opposed to a wholesale rewrite of the rules governing the interactions between a retirement investor and his or her chosen financial professional.

Comments

We understand (as the Department notes) that reviewing the Rule in light of the President's memorandum to the Secretary of Labor will take longer than 60 days and we, in fact, support January 1, 2018 as a date by which the Department should be able to perform a fulsome review of the data and comments submitted. That said, we have serious concerns about the

[1] "Study on Investment Advisers and Broker-Dealers," at 46-80, 80-83, and 88-91.

Department's intent to impose the sweeping changes made by the Rule on June 9th, before the Department has performed the review required by the President's memorandum. We strongly believe that the data will fully support that the best way to protect retirement investors is to rescind the Rule and have the SEC articulate the appropriate standard for all brokerage accounts.

The Rule will have the practical effect of harming retirement investors by limiting the types of investment accounts and investment products that will be available to them. In addition, the Rule will increase litigation risks and the costs associated with professional investment advice that will ultimately be borne by those same retirement investors. Moreover, retirement investors will be harmed because the Rule effectively forces firms to limit the manner in which its investment professionals can provide overall investment advice, including, for example, asset allocation advice and distribution guidance, leading to suboptimal holistic reviews and leakage out of retirement accounts. Adding the confusing and unduly burdensome disclosure and contracting requirements under the Best Interest Contract ("BIC") Exemption or other prohibited transaction exemptions will serve to benefit the plaintiff's bar seeking class action opportunities, but will certainly not benefit retirement investors. As noted above, while UBS supports the Department's goal of seeking to help retirement investors save and invest for their retirement, many aspects of the Rule (and in particular the unworkable, costly requirements of the BIC Exemption) will confuse retirement investors, reduce their choices and impair their ability to achieve their financial retirement goals. Finally, many firms will decline to provide services to any entity that does not fall under the independent fiduciary carve out which will reduce access to assistance in evaluating various corporate transactions.

1. The Rule and impartial conduct standards should be delayed through at least January 1, 2018.

It is difficult to understand how the Department could conclude that it needed until January 1, 2018, to conduct a thorough review of the data and comments in response to the Presidential memorandum, but that such time was not necessary before implementing the amended definition of fiduciary and the new "impartial conduct standards".[2] In making this arbitrary decision, the Department proffers that there is fairly widespread agreement about the basic impartial conduct standards. We do not believe this to be true. If it were true, it would be unlikely, as has been the case, that there would be firms that have publicly announced that they would be eliminating investment advice in retirement brokerage accounts.[3] Moreover, the imposition of the impartial conduct standards while the Department undertakes its review will create additional confusion in the marketplace and additional litigation risk. The crux of our concern is that the question whether the impartial conduct standard has been met requires a subjective facts and circumstances analysis that will be hard for financial institutions to administer. We are further concerned that it will be very difficult to document compliance with

[2] We think that the Department's position that the impartial conduct standards are the same standards that have been applicable to ERISA since 1974 is inaccurate and misleading. The Department makes that claim while it elected to retain brand new language providing that these standards should apply: "without regard to the financial or other interests of the adviser, financial institution or any affiliate, related entity, or other party" which, by the very fact that it does alter historical practice, is bound to be the subject of much confusion and resulting litigation in the future.

[3] For a partial list of firms restricting choices, including eliminating advice, *see* Michael Wursthorn. "A Complete List of Brokers and Their Approach to 'The Fiduciary Rule'." *WSJ.* 6 Feb. 2017; https://www.wsj.com/articles/a-complete-list-of-brokers-and-their-approach-to-the-fiduciary-rule-1486413491; Greg Lacurci. "How insurers are losing when it comes to variable annuities." Investmentnews.com. n.d. http://www.investmentnews.com/article/20160830/FREE/160839998/how-insurers-are-losing-when-it-comes-to-variable-annuities

the subjective impartial conduct standards and certainly not without significantly limiting investments options available to investors. Thus, as a general matter, we do not think requiring compliance with the impartial conduct standard while the Department is conducting its Presidentially-mandated study of the Rule is appropriate.

In imposing the impartial conduct standards beginning June 9th, and stating that "a longer delay of the Rule and [i]mpartial [c]onduct [s]tandard cannot be justified based on the public record to date", the Department rejected the more recent economic data provided by public commenters and declined the opportunity to reduce the confusion and chaos that will be caused by the implementation of the Rule before the Department completes its Presidentially-mandated study. The Department instead declared the amended definition of fiduciary and the impartial conduct standards as "among the least controversial aspects of the rulemaking project." The truth of the matter is that these two items represent the most significant changes from the previous ruleset. Indeed, as we discuss below, the amended definition, together with the impartial conduct standards, are the essence of the problems with this Rule.

The Department takes an almost whimsical approach to the costs and other adverse effects for retirement investors and financial institutions of turning on and off various parts of the Rule in concluding that "[l]osses arising from a delay of longer than 60 days would quickly overshadow any additional compliance cost savings." This approach ignores the public record reflecting the disservice to retirement investors the June 9th implementation date will cause including the reduction in the availability of advice, services and investment options. Further, the Department acknowledges that its prediction of cost savings and investor losses associated with not extending the delay is uncertain: "The predicted cost savings and investor losses associated with this extension may increase or decrease depending on the information and data received in response to the comment solicitation contained in the [original proposed delay]." It is unfathomable that knowing that its predictions are uncertain and that its review of the Rule will take at least until January 1, 2018, that the Department nonetheless imposed the June 9th applicability date.

Moreover, it is clear that the Department did not consider the amount of preparation that financial institutions need to comply with these two requirements. The uncertainty to date about when the Rule will actually become applicable has resulted in communications, training, and implementation of policies and procedures being halted as financial institutions hesitated spending the hundreds of millions of dollars that will be needed to complete their compliance activities associated with the Rule and its accompanying exemptions. In an effort not to create uncertainty and confusion among retirement investors, many imminent changes in the products and services available to retirement investors have not yet been communicated and explained to retirement investors. Many of these changes are likely to be necessary if the Rule becomes applicable in part on June 9, and there will need to be a significant expenditure of money in preparation for that date, including in connection with technology changes, training for financial advisors and communications with customers.

While the Department undergoes its Presidentially-mandated review, a further delay is necessary as, in its absence, firms will spend hundreds of millions of dollars implementing the applicable portions of the Rule (and making changes to customer brokerage accounts and related investment options), which could, in light of the mandated review, significantly change. We urge the Department to act responsibly and to delay the Rule and its accompanying exemptions until financial institutions understand any changes in the Rule and its accompanying exemptions, adjust their business models again to reflect those changes, and communicate the changes to their financial advisors and their clients in an orderly fashion. We urge the Department to delay the applicability date of the Rule and its accompanying exemptions until the later of January 1, 2018 or the date that is at least 180 days from publication in the Federal Register of any final revisions in the Rule, or a notice that there will be no such changes. Unless the Department has foreordained the results of the Presidentially-mandated review of the Rule, it is difficult to understand on what basis the Department concluded that it is in anyone's interest to implement a Rule (at least in part) that could be amended or rescinded and that could result in significant confusion and harm to retirement investors in the interim.

In addition, imposition of the impartial conduct standards prior to completion of the study required by the President's memorandum unduly frustrates the intent of the memorandum. The President directed the Secretary of Labor to review the Rule and publish for notice and comment a proposed rule rescinding or revising the Rule if the Secretary makes an affirmative determination as to any of the considerations identified in the memorandum or concludes for any other reason after appropriate review that the Rule is inconsistent with the priority to "empower Americans to make their own financial decisions, to facilitate their ability to save for retirement and build the individual wealth necessary to afford typical lifetime expenses." As noted above, unless the Department has prejudged the results of the Presidentially-mandated study, imposition of the amended definition of fiduciary and the impartial conduct standards makes effective the operative aspects of the Rule without any indication of whether or how the Rule may negatively affect retirement investors. This flies in the face of the President's directive.

2. The Department's Regulatory Impact Analysis is deeply flawed and incorrectly calculates the costs and benefits of a June 9th applicability date by ignoring updated and contrary economic data.

There is more than ample evidence to show that losing access to advice (as has already been demonstrated will happen) will have an adverse effect on retirement investors. For example, unadvised households tend to hold fewer equities than advised households.[4] The likelihood of owning any stocks or stock-based mutual funds increases by 67% with the use of an advisor and the proportion dedicated to stock positions increases by 39%. Academic work clearly shows that asset allocation, not mutual fund selection, explains, on average, 100% of performance.[5] If the Rule results in a reduction of equity allocations by only 15%, we estimate that would result in a performance decline of 50-100bps per year, on average, or between \$95 billion and \$189 billion over the next 10 years and between \$202 billion and \$404 billion over the next 20 years (based on a \$2 trillion asset base consistent with the assumption used in the Department's calculation of investor gains in the mutual fund segment).

[4] Foerster, S.R., Linnainmaa, J., Melzer, B., Previtero, A., (forthcoming), "Retail Financial Advice: Does One Size Fit All?" Journal of Finance.

[5] Ibbotson, Roger G. and Kaplan, Paul D., Does Asset Allocation Policy Explain 40, 90, 100 Percent of Performance? Financial Analysts Journal, Jan/Feb 2000, Vol. 56, No. 1. Available at SSRN: https://ssrn.com/abstract=279096

As discussed in Section 5 below, access to holistic financial planning advice is a critical component to planning for a secure retirement. Yet, under the Rule, retirement investors will lose access to holistic financial planning services at many financial institutions because the Rule limits the ability of financial advisors to recommend reallocations of assets that could result in a change in the compensation the advisor would receive, thus potentially violating the prohibited transaction rules (even though the recommendation is in the client's best interest). . When retirement accounts are treated in isolation instead of holistically, there is an efficiency loss from a tax standpoint. For example, in the absence of the Rule, financial advisors would generally recommend that tax-inefficient assets be held in tax-advantaged retirement accounts, while tax-advantaged assets be held in taxable accounts.[6] Constructing the portfolio in this manner can add up to 75 additional basis points in after-tax return per year.[7] A low estimate of the loss to investors due to not having access to a holistic financial planning strategy is $150 billion over 10 years and $300 billion over 20 years (based on a $2 trillion asset base consistent with the assumption used in the Department's calculation of investor gains in the mutual fund segment), though the actual loss could be much larger depending on the actual amount of retirement and non-retirement assets impacted by the Rule.

Further, the Department's economic analysis significantly overestimates the benefits of the Rule to retirement investors and underestimates the costs. As documented by the Chamber in its comment letter, the Department either overlooked or ignored multiple studies that cast doubt on the validity of its rationale in its original rulemaking as well as in its decision to impose a June 9th applicability date.[8] With appropriate consideration of the empirical data submitted in the Chamber, SIFMA and IRI comment letters and the data referred to above, we believe that the Department should conclude that it can no longer rely on its economic impact analysis to impose a June 9th applicability date and must delay the applicability of the totality of the Rule until its Presidentially-mandated review is complete.

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[6] Blanchett, David and Paul Kaplan, "Alpha Beta and Now... Gamma," Journal of Retirement, Fall 2013, Vol. 1, No. 2, pp 29-45.

[7] Francis M. Kinniry Jr., CFA, Colleen M. Jaconetti, CPA, CFP ®, Michael A. DiJoseph, CFA, Yan Zilbering, and Donald G. Bennyhoff, CFA, "Putting a value on your advice: Quantifying Vanguard Advisor's Alpha" Vanguard research, September 2016.

[8] Jonathan Reuter, "Revisiting the Performance of Broker-Sold Mutual Funds," https://www2.bc.edu/jonathan-reuter/research/brokers_revisited_201511.pdf. **(results suggest that both the benefits and the costs of delaying implementation are overstated).**
Francis M. Kinniry, Jr., Colleen M. Jaconetti, Michael A. DiJoseph, Yan Zilberging and Donald G. Bennyhof, "Putting a value on your advice: Quantifying Vanguard Advisor's Alpha." Vanguard Research, September 2016.
https://static.vgcontent.info/crp/intl/auw/docs/literature/research/quantifying-advisers-alpha.pdf **(finding that the benefits of having an advisor can make up to a 300 basis point difference in annual compound returns).**
Montmarquette, Claude and Nathanlie Viennot-Briot. The Gamma Factor and the Value of Financial Advice.
https://cirano.qc.ca/files/publications/2016s-35.pdf **(discussion of the factors of discipline and increase in savings in connection with the value of advice was not considered by the Department).**
Montmarquette, Claude and Nathalie Viennot-Briot Montmarquette, "Econometric Models on the Value of Advice of a Financial Advisor." http://econpapers.repec.org/paper/circirpro/2012rp-17.htm; or http://econpapers.repec.org/RePEc:cir:cirpro:2012rp-17 **(research showing that losing access to an advisor is associated with a significant loss of asset value).**
Jeffrey Wurgler, "On the Consequences of Index-linked Investing," http://pages.stern.nyu.edu/~jwurgler/papers/indexing13.pdf **(potential adverse impact of passive index fund investing).**
Charles Schwab & Co., "Communicating retirement plan benefits in a world of skeptics." http://www.schwab.com/public/file/P-8557214 **(report showing that a personal advisor (rather than a call center or robot) is important to educating and motivating savings behavior).**

3. The Rule will likely lead to an increase in litigation for financial institutions and limitations in investment account options for retirement investors.

The Department appears to have paid scant attention to the impact that increased litigation (or the threat of increased litigation) can have upon investment performance, despite the fact that the Rule is a thinly veiled invitation to the plaintiff's bar. It will impact investors in two possible ways. First, the increased cost will likely be passed along to clients through increased commissions, service charges and account fees and costs to retirement accounts. Second, advisors and firms may become more risk averse and dramatically reduce investment choice and the segments of clients served to minimize and suppress litigation cost. Some firms have already announced that they will no longer allow their financial advisors to give advice to retirement brokerage accounts (leaving such retirement investors to fend for themselves) as a response to the Rule and the complexities associated with the BIC Exemption. This suggests that the portfolio costs could be material and potentially outweigh the Department's assumed "conflict elimination" benefits.

The Rule will cause retirement investors, in many cases, to lose access to the types of accounts that are available to them today. Retirement investors generally have a choice of whether they wish to do business in a brokerage account or through an advisory relationship. Investors who choose brokerage accounts generally pay transaction-related charges when they choose to transact in their accounts. In advisory accounts, however, investors receive enhanced services and pay an advisory fee based on the overall value of the account assets. While an advisory arrangement is an excellent product for many accounts, many retirement investors choose the brokerage model as better fitting their needs. They may choose the brokerage model over an advisory arrangement for a number of reasons, including costs (as the Department is well aware, brokerage accounts can be less costly for investors who trade infrequently) and the wide range of products available.

Yet, under the Rule and the BIC Exemption, retirement investors, as a practical matter, may no longer be able to choose a transaction-based arrangement at many firms. As the SEC and FINRA have noted, for many accounts, especially smaller and/or less active accounts, transaction-based fees may be less costly than an asset-fee advisory arrangement. Assuming, as it has stated, that the Department did not intend to eliminate the transaction-based fee system, we encourage the Department to rescind the Rule so that the SEC can address the standard applicable to investment accounts in a manner that permits a financial professional to provide appropriate advice while maintaining a variable commission-based fee structure for different products. As SIMFA notes in its comment letter, many brokerage firms have restructured their service offerings for retirement accounts to permit only full advisory or execution-only (no advice) brokerage, thus eliminating a type of account that has long been a popular choice for retirement investors . Implementing the Rule, which is likely to reduce (if not eliminate) much investor choice, including the ability of a retirement investor to choose a brokerage account, is not in the best interest of retirement investors.

4. Retirement Investors will lose access to many types of investments

As SIFMA notes in its comment letter, to the extent financial institutions are prepared to take on the increased liability (including class action liability) associated with the BIC Exemption, they may have no choice but to limit the investments available through their brokerage platforms to address the differences in compensation that financial advisors receive for different investment products. For example, there are over 8,000 mutual funds in the United States[9] and many multiples of variations of share classes, front-end loads and trail payments that firms may receive. To meet the BIC Exemption's requirement of neutral factors related to differential compensation among products, firms would need to limit the mutual funds offered to retirement account investors to a group of mutual funds that pay the same level of compensation to the financial advisor. Many investment products outside of mutual funds have the same issue, within the same product (as in the case of variable annuities) and between products (payments to financial advisors for equity agency trades are different than the payments on alternative investment products, for instance). Importantly, the prudence standard of ERISA applied today relies largely on modern portfolio theory under which no asset class or strategy is per se precluded from an investment account. Depending on variables such as account size, outside investments, and years until retirement, an investor may benefit from investments where the compensation arrangements do not fit neatly into the buckets that the Department suggested could be used in the BIC Exemption. It is hard to see how the structure the Department seeks to establish under the Rule would maintain the brokerage model for retirement accounts, with its full panoply of investment options, which many investors understand and prefer.

5. Retirement investors will lose access to holistic financial planning services.

A comprehensive retirement discussion needs to address both accounts covered by the Rule and accounts that are not. UBS is concerned that the expansive definition of who is considered a fiduciary, along with the narrow and unduly burdensome exemptions, will hinder a financial professional's ability to provide customers effective professional guidance and education, including on an asset-class basis across their various accounts. Instead, because of the different standards that would apply to different types of accounts, the professional would need to have separate conversations and potentially make different recommendations for covered and non-covered accounts. This disjointed approach will confuse retirement investors and lead them to make less than optimal investment choices.

Additionally, it will be unduly difficult for financial professionals to know with certainty when they become fiduciaries under the Rule. Specifically, where the financial professional provides services to both a customers' covered and non-covered accounts, but only provides advice regarding a non-covered account, there is no way to prevent the retirement investor from using the advice for both types of accounts. This unrestricted use of the professional's financial advice could lead to unintended prohibited transactions under the Rule (or at a minimum allegations of prohibited transactions with the attendant risk of litigation) and, at the very least, very regimented and disclaimer-heavy conversations that will confuse retirement investors.[10]

[9] "Trends in Mutual Fund Investing", February 2017 www.iciglobal.org/iciglobal/research/stats/trend/trends-02-17

[10] While under current rules a retirement investor may use advice received in another context in his/her retirement accounts, such unintended use by the investor would not result in a prohibited transaction because, under the current five-part test, there would not have been a mutual understanding that the investor would rely on such information in their retirement account.

Under the Rule, retirement investors will lose access to holistic financial planning services at many financial institutions because the Rule limits the ability of financial advisors to recommend reallocations of assets that could result in a change in the compensation the advisor would receive, thus, potentially violating the prohibited transaction rules (even though the recommendation is in the client's best interest). For example, an advisor would not be able to have a holistic discussion with the client about how execution-only brokerage retirement account assets fit into the retirement investor's overall financial circumstances, including retirement and distribution strategies upon retirement, without potentially triggering a prohibited transaction. Retirement savings are typically spread across a number of different vehicles, including taxable accounts, principal residence, IRAs, insurance products, employer and governmental benefit plans, and Social Security benefits. Thus, the Rule may seriously limit retirement investors' access to holistic planning advice. In effect, a financial professional would not be able to help an individual understand how various retirement savings vehicles can best work together and how a financial plan can be implemented unless all of the services of the financial advisor are performed under a single advisory fee.[11] As noted above, treating retirement accounts in isolation (as the Rule would require) will result in significant losses to retirement investors from a tax efficiency standpoint.

6. Retirement investors will be less likely to keep their retirement savings in retirement plans.

UBS concurs with the comments submitted by SIFMA with respect to the Department's inclusion of rollover and distribution conversations as within the definition of advice covered by the amended definition of "investment advice fiduciary." Specifically, we agree with SIFMA that financial services firms should be able to discuss rollovers as part of the initial offering of products and services without being subject to the fiduciary rules and prohibitions. We are troubled that the Rule does not allow our financial professionals to be able to communicate effectively regarding plan rollovers and distributions with our customers as part of an overall financial plan. For instance, our professionals would not be able to discuss the most advantageous account from which a customer should take annual distributions to meet their annual living expenses, guide them on the implications of the required minimum distribution rules of the Code, or plan for future expenses without the potential of triggering a prohibited transaction. In fact, a financial professional may not even be permitted to suggest that a retirement investor avoid taking a plan distribution to purchase unneeded luxuries because such advice could lead to the professional continuing to receive fees on the account (and could thus be considered a prohibited transaction). As a result, customers will be left to make these decisions on their own, without the support of trained professionals. The retirement savings leakage noted by SIFMA will surely follow. Accordingly, the Department should carve out from the broad definition of fiduciary advice the types of rollover discussions and arrangements noted by SIFMA.

[11] As a result, an advisor in a firm that has made a business decision to offer only execution only retirement brokerage accounts will not be able to include those accounts in holistic planning discussions because any suggestion to reallocate into or out of that account would create a conflict that has no exemption available other than the BIC.

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We support the Department's efforts to protect retirement investors and thank the Department for considering our comments on the Rule. As made clear by the foregoing, UBS believes that the Rule will have harmful and unintended consequences for retirement investors. As such, we believe the Department should rescind the Rule so that the SEC can articulate the appropriate standard applicable to all brokerage accounts, including retirement accounts. We also take this opportunity to further express our support for comments submitted by SIFMA, IRI and the Chamber and trust that the Department will duly consider the issues raised therein.

Very truly yours,

Michael Crowl
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