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General Comment

My name is Richard West, CMFC, and I'm a financial advisor. My business partner and I represent slightly more than 550 clients ranging from young parents to retirees, as well as a very wide range of financial brackets. As part of our services, we provide comprehensive financial planning to our clients -- assisting them in all aspects of their financial decisions. In addition to my business partner and me, we also employ four other people ... one of whom is fully licensed and a second on his way to being licensed. We are fully staffed and cannot afford to hire additional employees.

In thanks to the DOL's new regulation, the paperwork now required to do anything, from the extended note taking required for each and every conversation, to the setup of any new account, is incredibly extensive and time consuming. Combine these new requirements with the decrease in revenue and the increased legal liability that is now imposed on our industry, and we find ourselves as advisors in the unenviable position of not having enough time to properly service our clients in the manner in which they are accustomed and deserve. As a result, we were forced into the position of having to make some very difficult cuts - resulting in the painful decision to decrease our clientele base.

The immediate impact is that we transferred 10% of our lower revenue generating clients to either a new advisor within the industry (as higher producing advisors like ourselves are facing similar issues), or to my broker-dealer's home office (where a client receives no advice). We anticipate a second 10% - 15% round of cuts in our clientele base within the next quarter. Unfortunately, our lower revenue generating clients are the ones being hurt by this new regulation as they no longer have experienced advisors, or any advisor, available to them because they don't generate enough revenue to offset our potential liability or the amount of time & cost now required per client.

These low net-worth clients are precisely the people that required our help the most, and we prided ourselves on being there to assist them in building solid financial foundations. However, given the amount of paperwork that is now required of us to cover ourselves legally, we lose money on every low revenue client and find ourselves in the very difficult position of saying "no" to those people that are in difficult financial situations and seek our advice. It is this classification of people that this DOL regulation was intended protect. But, in time, it is highly probable to be proven that they will suffer the most. Sadly, as a direct result of this new regulation, it just isn't a good business practice to service the low revenue, low net-worth, clientele sector.

I thank you for taking the time to listen to my concerns.

Sincerely,

Richard J. West, CMFC
Financial Advisor