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July 20, 2015

The Honorable Thomas Perez
Secretary
United States Department of Labor
200 Constitution Ave, NW
Washington, DC 20210

RE: DOL Fiduciary Rule Proposal

Dear Secretary Perez:

I am the owner of an independent broker/dealer. I have been serving clients investment needs for 28 years. Our client base is composed of main-street, middle-class Americans. It is my view that the proposal, as it stands, would have significant negative implications for both retirement plan participants and IRA owners. As I read the proposal, the choice of financial products could be limited and remove client options. Client access to financial education or professional advice would certainly be impacted as the proposal reads. Clients currently served would become the underserved or even worse, the unserved. The proposed savings to retirement participants as noted in the DOL studies provided could in fact have the opposite long-term impact by creating additional costs to plan participants and IRA owners.

I am curious if the Department of Labor conducted a feasibility study on the impact to my industry (small independent broker/dealers). These professionals have been the backbone of assisting plan participants and IRA owners over the last 40 years. If approved, I believe the impact of the proposal would be significant on these businesses. In contrast to the implied harm committed to retirement plan participants and IRA owners, it appears to me that these brokers and advisors have been crucial in building the approximately \$7.443 trillion in retirement assets currently held in such accounts. Until such a study is complete, I cannot envision how the DOL could be in favor of destroying relationships forged over years, which have resulted in investment success for millions of middle-class Americans and retirees.

As you may know, independent broker/dealers are highly regulated. Currently, our office is audited by five different independent auditors on a regular basis. As a broker/dealer, the regulators already monitor how client assets are invested. Any inappropriate investments are met with disciplinary actions, fines, or both. Implementation of the proposal as it stands would only add unnecessary duplication of existing regulation.

I respectfully request that your office spend additional time evaluating the unintended consequences of the proposal as it stands and recognize the benefit of advice at a reasonable cost to participants and IRA owners. In the words of Noble Prize-winning economist Robert Shiller, "People make better decisions with financial advisors."

Sincerely,

Miles Hornak
President