

# PUBLIC SUBMISSION

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Definition of the Term “Fiduciary”; Conflict of Interest Rule—Retirement Investment Advice; Notice of proposed rulemaking and withdrawal of previous proposed rule.

**Comment On:** EBSA-2010-0050-0205

Definition of Fiduciary; Conflict of Interest Rule-Retirement Investment Advice and Related Proposed Prohibited Transaction Exemptions; Hearing and Comment Period Extension

**Document:** EBSA-2010-0050-DRAFT-2568

Comment on FR Doc # 2015-14921

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## Submitter Information

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## General Comment

Dear Secretary Perez,

I am writing to you as the President and Chief Executive Officer of Wealthfront, an SEC-registered investment advisor based in Palo Alto, CA. Wealthfront is a relatively new company, having launched its service just over three years ago in December 2011. We were built from the ground up to operate under the full fiduciary standard despite serving small accounts and charging incredibly low fees. Thankfully, our effort to serve the small investor has been rewarded with unprecedented growth, as we now manage over \$2.5 billion in client assets.

At Wealthfront, we're proud of our ability to offer our clients high quality investment management at an incredibly low cost. Our firm does not charge any management fees for accounts under \$10,000 because we do not believe we need to make money on those in the beginning stages of saving and investing. We charge 0.25% for accounts over \$10,000, a fraction of what traditional investment advisors charge. Our portfolios are based on low-cost, third party ETF products, without commissions or conflicts.

Thanks to our investment in modern software technology, all our client accounts receive daily monitoring and management, rather than quarterly or annual reviews typical of traditional advisors. Our combination of low cost and automated service has gained traction and we have clients in all 50 states, Washington D.C. as well as active-duty military families.

Dr. Burton Malkiel, the leader of our investment team and author of *A Random Walk Down Wall Street*, has worked tirelessly throughout his career to spread the benefits of low-cost, passive investing to individual investors. We believe that technology can not only improve the quality of service offered to small investors, but also lower the barriers and costs that have limited their access in the past.

We know there has been significant debate recently about ways to increase the protections and requirements around providing high quality fiduciary service to small investors. We believe technology can dramatically aid in this front. Wealthfront is living proof that not only is it possible to provide fiduciary service at low cost to small investors nationwide, but also that the market greatly rewards those efforts. Charles Schwab, a firm who has hundreds of branches across the U.S. now offers this type of service to small accounts as well, giving tens of thousands access to fiduciary investment advice. We are confident our industry leading automated investment service will grow to serve a very large number of small investors.

Respectfully,

Adam Nash  
President & CEO, Wealthfront Inc.  
[www.wealthfront.com](http://www.wealthfront.com)