

From: Stephen Ringlee [mailto:sringlee@q.com]
Sent: Sunday, September 13, 2015 11:51 AM
To: EBSA, E-ORI - EBSA
Subject: RIN 1210-AB32

RE: Public Comments on Proposed DOL Fiduciary Standards for Brokers and Agents Providing Investment Advice

Dear Friends:

This proposed Rule is long overdue and has my complete support. I learned early in my career that abuses are rife among purported investment advisors and that voluntary industry self-regulation is not a sufficient corrective. I cite some examples:

1. As a young corporate treasurer, I was asked by an older lady in our accounting group to help her reconcile her 401K plan withholdings and investments. After navigating through the deliberately obscure statements, we found that the broker offering the plan not only was charging a seven percent commission on all individual investments but was steering participants exclusively into proprietary products with uniformly higher annual fees. None of this had been disclosed at the time our firm had engaged this broker and we swiftly terminated the relationship. The proposed Rulemaking would have made the disclosures more prominent and limited the ability of the broker to limit participants to solely company-sold investment products. The rulemaking would also have altered the incentives of the broker by adding fiduciary obligations to his job description.
2. As a buyer of a pharmaceuticals firm, I found that the Individual Retirement Account and 401K programs offered by the firm had been heavily influenced by the investment manager such that most of the investments were in proprietary guaranteed investment contract offerings, not in the equity or bond market products also offered. The sales representatives who arranged for employee signups had heavily sold the "guaranteed" concept without disclosing either the high fees associated with them or the their inappropriateness for younger age groups. As it happened, these were very high margin products for the investment managers and their salespeople were compensated on commissions tied to the margins. The proposed Rulemaking would have improved the disclosures and limited the ability of the salespeople to steer plan participants into inappropriate investments with much higher profit margins without regard to any fiduciary obligations owed to the clients.
3. As a member of my community, I am continually encountering salespeople from various insurance firms who assert that they are "investment managers" who "act in the best interests of their customers" while at the same time limiting their offerings to proprietary products that tend to be much costlier and often less appropriate for the customer than broad market products available from many broker-dealers. The proposed Rulemaking would improve disclosures required of these agents and again encourage them to offer a broader range of more appropriate products to their customers based on a standard of fiduciary obligation.

This country is experiencing a retirement crisis with far too few savings to support far too many retirees. The proposed Rulemaking will at the very least begin to reduce the high fees charged to these savings and add a higher behavioral standard of "fiduciary reliance" for those offering retirement savings products. Those who cannot rise to this new, more stringent standard, should not be selling such products in the marketplace. Complaints of "over-regulation" and "higher costs" are vastly

outweighed by the obligations to deal honestly and fairly with customers, obligations which heretofore have been lacking among many in the investment and insurance communities. It is time to change this by adopting these new Rules.

Kind regards,

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