



July 24, 2014

Submitted via e-ORI@dol.gov

Office of Regulations and Interpretations
Employee Benefits Security Administration
Room N-5655
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

Attn: Conflict of Interest Rule Hearing

Dear Mr. Wong:

AARP requests an opportunity to testify at public hearing on the Conflict of Interest Rule. I will be AARP's representative at the hearing and my contact information is below.

AARP submitted separate comment letters, dated July 21, 2015, on the Conflict of Interest Rule and the Best Interest Contract Class Exemption.

AARP will express its support and rationale for the issuance of the proposed regulation and the Class Exemption. In particular, AARP will discuss the need for the proposed rule and the reasons the Class Exemption is both in the interests of participants and beneficiaries and protective of their rights. 29 U.S.C. § 1108(a). See enclosed outline.

AARP looks forward to the opportunity to present its views at the hearing on the Department's proposed regulation and Class Exemption concerning conflicts of interest and investment advice due to its importance to the retirement security of our members.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Certner', is written over a light blue horizontal line.

David Certner
Legislative Counsel and Legislative Policy Director
Government Affairs
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(202) 434-3750

Conflict Of Interest Regulation

AARP will testify in support of the Department's update of the definition of fiduciary as a result of providing investment advice for a fee to retirement investors including but not limited to the following areas:

- Necessity for update to fiduciary definition due to significant changes in benefits industry and costs to participants of conflicted investment advice
- Frequency or regularity of investment advice is immaterial to coverage by ERISA's fiduciary standards.
- Investment adviser's recommendations concerning distributions of any kind should be considered investment advice.
- The appropriate balance of investment education as compared to investment advice.

Best Interest Contract Exemption

AARP will testify in support of the Best Interest Contract Exemption (BICE) concerning the findings that the Department must make in order to grant the exemption including, but not limited to:

- the exemption is in the interests of the plan and its participants and beneficiaries, and
- protective of the rights of participants and beneficiaries of the plan.

In particular, AARP will testify concerning the following areas:

- The written contract requirement benefits both the adviser and the retirement investor by clearly stating the rights and obligations of both parties.
- Court access is imperative to protect the rights of retirement investors.
- Point of sale disclosures should be delivered in advance of the sale, be simple and understandable, and provide the opportunity for additional information.
- A limited range of investment options, such as only proprietary firm assets, is permitted as long as these limitations are prominently disclosed to the retirement investor.
- The Department should clarify that investment advice includes all the three parts of a recommendation to take a distribution--the distribution itself, the roll over and placement of these assets.