

PUBLIC SUBMISSION

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Definition of the Term ‘Fiduciary’; Conflict of Interest Rule—Retirement Investment Advice

Comment On: EBSA-2010-0050-3491

Definition of Term Fiduciary; Conflict of Interest Rule-Retirement Investment

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Submitter Information

Name: Concerned Investor

General Comment

From A Concerned Investor (anonymous)

1. 60-Day Delay

A 60-day delay is not sufficient for the DOL to undertake an assessment of its fiduciary rule, and if deemed appropriate to revise (or rescind) its rulemaking in accordance with President Trump's Executive Order. I don't believe the DOL would be able to take this responsibility seriously in such a short time. Furthermore, the industry cannot react responsibly with the looming uncertainty of whether or how the rule will eventually come to rest. I recommend 180-day delay.

2. Impact of the Fiduciary Rule on Investors

I am not a Financial Advisor, nor affiliated with a Broker/Dealer or a Registered Investment Advisor. However, based on my work history, I have been involved in the financial services industry for many years. As such, I have in-depth knowledge of the industry issues. I have no motivation from an employment perspective as to the

outcome of this rule. My interest is purely from how this rule will affect my own investment portfolio.

It is the popular belief that the conflict-free fee-only advisor is always working in the best interest of the client. It is true that a fee-only advisor is a fiduciary as defined by law, prior to any proposed DOL rule.

The conflicted commission advisor has been demonized by the press and even in one of Obama's speeches.

The argument provided for the commissioned rep is that for the small investor on Main Street USA, that commissions can be cheaper and in the best interest of the client.

My own portfolio would be defined to be more than a small amount. While I am not ultra-rich, I do have a sizeable portfolio. With my industry savvy, I have determined that a commission basis is in my best interest. Since I am a buy and hold investor commissions on just the new investments I make each year is less expensive than if I were to pay a flat fee on my whole portfolio. I have found a commissioned advisor that I trust and has my best interest at heart.

As a buy and hold investor, I do not need the value-added services of quarterly reviews and reallocations. An annual review when I make a new deposit into my account and determine where to allocate the new funds is sufficient for me.

The proposed DOL rule has already limited investor choice, and if/when implemented will limit choice even further. It would likely force me to be served by my advisor in a different manner that will cost me more money. It will dwindle my retirement portfolio.

Why should government regulations dictate and limit my choices? There are other investors out there that also want to have free choice when it comes to saving for their retirement.

While I may speak on behalf of minority voices, I urge the DOL not to take away our choices.

Why are so many fee-only advisors so vocal about their ethics, when the advisors make more money off of fee-based portfolios than from commissions?

I do not see the FINRA "suitability standard" as being a low threshold. While there is

not the legal fiduciary halo, FINRA has detailed rules and aggressive oversight of the brokerage industry and their Reps. Brokers and the Reps are examined on a routine basis, unlike the RIA counterparts who may be examined by state or federal regulators with low budgets.

Yes, it would be very nice for the SEC to step up to the plate and adopt a uniform fiduciary standard for all financial services professionals that will apply to all types of accounts for personal or retirement purposes. A bifurcated system of what applies to an ERISA account (or even a non-ERISA IRA account) and an account held in the personal name is a broken system.

I ask the DOL to rescind the Fiduciary Rule and I recommend that the SEC start its Fiduciary rulemaking process.