

March 13, 2017

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

To Whom it May Concern:

On April 8, 2016, the Department of Labor ("Department") published its final "Conflict of Interest" rule. The new rule vastly expands the definition of "fiduciary" under the Employee Retirement Income Security Act ("ERISA") requiring both investment advisers and broker-dealers providing advice to accounts subject to ERISA to act in a fiduciary capacity.

I strongly believe that the rule, as published, will adversely affect the ability of many of our clients to retire. Our client base spans the wealth spectrum from beginner investors to high net worth clients who have been investing for decades. One of our strongest attributes in servicing our clients is our ability to provide access to a wide variety of retirement products and services to any client regardless of their investing experience or their available assets to invest. We believe the new rule infringes upon our ability to service our entire client base, and our ability to provide the products and services that our clients both want and need to achieve their retirement goals.

I firmly believe that the short implementation period provided by the rule will adversely affect our clients due to several factors:


- I have been in this business for more than 40 years and being forced to switch investment programs to comply with clients is not fair, when I have spent a lot of time and research to make sure that these programs are in the best interest of my clients.
- Have market developments and preparation efforts since the final rule and PTEs were published in April 2016 illuminated particular provisions that could be amended to reduce compliance burdens and minimize undue disruptions while still accomplishing the regulatory objective of establishing an enforceable best interest conduct standard for retirement investment advice and empowering Americans to make their own financial decisions, save for retirement and build individual wealth?
- This business is so highly regulated now that many investment advisers are selling their practices or are getting out of the business. The DOL has made an arbitrary decision that does not apply in every situation. I have confidence in the programs I recommend and added regulations make it difficult to do my duty in a fiduciary capacity. IAR's have spent a lot of time and money to obtain this designation, and that alone makes me feel even more confident in choosing the best program for my clients.

- The outcome of these adjustments will predominantly impact, and potentially exclude entirely, our clients with a smaller amount of investable assets.

On a broader scale, we believe that many of the requirements of the rule are impractical in application and will cause confusion with the retirement investors today. An unintentional consequence of the rule, and the resulting increase in expenses, will be to force many smaller firms serving retirement investors today to simply close their doors or be acquired. The consolidation of the industry, specifically in the independent channel, will create an environment where clients have a limited choice of advisors, investments, and investment education and advice. Again, this consequence more heavily impacts the smaller investor but also has an overarching impact on all retirement investors.

It is my strong belief that the "Conflict of Interest" rule, as published, needs to be repealed and replaced with a rule that provides a uniform fiduciary standard of care applicable to all professionals providing personalized investment advice to retail clients. We believe the current proposed 60-day delay is an important first step in moving toward the ultimate goal of repealing and replacing the rule.

Sincerely,

  
Charles S. Pickard, CLU-LUTCF, IAR