

Michael J. Ward, ChFC, AIF®
President

Wednesday, March 01, 2017

Edward Hugler
Acting Secretary
US Department of Labor
200 Constitution Ave. NW
Washington, DC 20210

RE: Support the DOL in delaying and repealing the DOL Fiduciary Rule

Dear Acting Secretary Edward Hugler:

As an independent financial advisor, I am writing to express my concerns to the Department of Labor's (DOL) Fiduciary Rule (Rule). I ask you to support delay of the implementation of the Rule. Please note that I do support many aspects of the rule, however, many components need to be re-examined.

The Rule should be re-examined and at a minimum, be delayed for the following reasons:

- The implementation date of 4/10 is right in the final days for IRA deposit deadlines. We have done our best to reach out to affected clients, but fear someone will come into our office on 4/15 to make an IRA deposit into an existing commission based IRA. Setting up a new fee based account at this time would not be possible and our ability to assist this client will be unfairly removed. From the beginning I could not understand why April 10th? IRA and SEP IRA deadlines are April 15th for most investors. Why not April 30th from the beginning is odd. Just let us get through the IRA season. The situation for SIMPLE IRAs is even worse as they can only be amended once per year on Jan. 1st. They also require a 60 day prior notice to employees. Therefore, a change of structure for SIMPLE IRAs had to be made prior to Nov. 1st, 2016. With all the uncertainty of what would happen to the DOL Rule, it was very difficult to make a decision before 11/1/16. More recently the court cases, appeals, and communication from the Trump administration has made it very difficult on how to communicate with clients regarding this Rule. Clearly given the above, implementation needs to be delayed at a minimum.
- As stated above, I do agree with several aspects of the rule; however, believe access to professional advice will be reduced for lower account balance investors. You can just look at national statistics showing the current retirement savings rate for Americans in general. For instance, the average 55 year old has less than \$100,000 as a retirement nest egg. Studies also indicate investors who work with a professional advisor show retirement nest eggs are significantly higher. To somehow promote that the professional advisors are taking advantage of the American Saver is greatly misleading.

Foster Plaza, Building 11, 790 Holiday Drive, Pittsburgh, PA 15220
Tel (412) 539-0015 | Fax (412) 539-0017 | www.mywealthmanagement.com | mward@mywealthmanagement.com

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- We often get a call from a long time client asking if we would set up a small Roth IRA for their grandchild. As much as I will want to help this young investor get started, it will be difficult to accept a Fiduciary relationship where it will likely be difficult to meet the regulatory standards required for a Fiduciary standard.
- Clearly there are areas that need to be addressed. Items such as extensive use of proprietary products by certain firms, hidden revenue sharing agreements within products such as variable annuities, certain brokerage platforms, and lack of disclosure to the overall costs in some financial products. Unfortunately, the DOL Rule goes too far and has many unintended negative consequences.

While I agree that financial advisors and financial services firms should be required to ensure that the interests of their retirement clients come first, public policy must also encourage individuals to take the steps necessary to plan for a dignified retirement. Therefore, I ask you to please support the delay, provide more time for a comment period and eventual significant revision of the Rule that is not overreaching, but focus on specific areas that need either regulatory change or increased disclosure.

Sincerely,



Michael Ward
President
Wealth Management Partners, LLC
790 Holiday Drive
Pittsburgh, PA 15220