

From: Kathy S
Sent: Friday, April 14, 2017 9:17 PM
To: FiduciaryRuleExamination - EBSA
Subject: DOL Fiduciary Rule

To Whom It May concern:

I recently received a letter from the DOL thanking me for my letter and notifying me of the new comment period ending April 17th. I am not sure for which of my letters, calls and emails I was being thanked.

Although my concerns a year ago about plaintiff attorneys suing advisors in market downturns may have been alleviated by a best interests contract which can specify arbitration, I remain concerned about the increased cost to consumers with fee based products being touted by many prominent financial services companies and the increased time burden on advisors with the ever growing amount of required documentation and paperwork. I will not be able to serve as many clients, especially clients with financial assets of less than \$50,000.

In anticipation of the implementation of the DOL rule, in the past several months I have refused all but one referral for a new client. The only new client I have agreed to serve has several hundred thousand dollars of assets to invest and was referred by several of my most important clients. I feel very badly that I had to turn away the other referrals, especially those that need assistance the most, but I have to be sure I can service my existing clients first under the increased liability and time burden of the DOL Fiduciary Rule.

Robo advice is not a good answer for those unserved referrals. My 27 year old daughter works for a large U.S. employer. Her 401(k) plan has a robo advisor that sends her an email about once a quarter, suggesting she alter her allocation. I have educated her about investing and she shared several of those emails with me because the advice did not seem appropriate. She was correct. If she had followed the robo advice, she would have made significantly less return to date (and probably for her entire working life). She is appropriately invested for her age, risk tolerance and time horizon because she has benefited from an good education and her mother's good advice.

Clients who do not have access to professional advice are more likely to make expensive mistakes that will far exceed the cost of the approximately 0.65% annual fund expenses and the up front sales charges they experience with me. Most of my client assets are invested in American Funds mutual funds, which regularly beat the low cost index funds due to their good research and active management (especially during market downturns). If I were to move these clients to fee based accounts, it would add an extra layer of cost. I would have to charge them at least 1.0% just to maintain my income, and even more to compensate for the additional liability and time burden.

This is crazy. Why can't the government put more effort into enforcing the existing laws and regulations against the minority of advisors who are the problem? We don't need new regulations which just add burden and cost, and don't solve the legitimate targeted concern that Americans won't have sufficient income to support themselves in their old age.

Most sincerely,

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