

April 19, 2017

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

RE: DOL Fiduciary Rule

Dear Acting Secretary Hugler:

I am writing to express my strong opinion that the United States Department of Labor's April 6, 2016 expanded definition of "investment advice fiduciary," (otherwise known as the Fiduciary Rule) be either **significantly revised or completely repealed.**

I am a financial advisor in a small, rural village in Northwest Ohio. My practice has been a staple of the community for over 30 years. I am the firm's third owner. I work with many families with 3 and even 4 generations of clients. I count many of my 1,000 clients as neighbors and friends.

I was originally in favor (at least conceptually) of the Fiduciary Rule. I have always considered myself an investment fiduciary, so I did not foresee many changes to my business practices. Likewise, I was in favor of a more "level" commission or fee structure. There are some investment products that use excessive commissions as a lure to attract unscrupulous representatives. Over the last 13 years I have worked with a number of individuals to help them recover from the products other individuals improperly sold.

However, after learning the requirements that my broker-dealer will be forced to impose if the Fiduciary Rule is implemented I have changed my mind. *In its current form the Fiduciary Rule will force me to significantly increase the costs and fees that my clients pay.* In fact, after discussing the rule with a number of clients and showing them the additional fees they would incur I have started referring to the regulation as the "anti-fiduciary rule."

My concerns center on two different classes of investors: current clients/investors and small investors. The Fiduciary Rule may be workable for new, larger, higher net worth investors. In fact, the regulation might open competition and drive down costs for larger investors. Unfortunately, most of my clients are older, middle and lower income individuals. Many are in the distribution phase, so they are withdrawing funds from accounts to cover retirement expenses.

In my opinion the Fiduciary Rule unfairly discriminates against existing investors. It potentially restricts them from continuing to invest in their current investments. It may restrict them from no-cost exchanges into different investments in the future. It may require them to transfer their assets into higher cost asset management structures such as brokerage accounts, different mutual fund share classes such as T-shares, or transition to fee based accounts.

It is not in any way in the client's best interest to move assets from current, low cost investments simply to comply with the covenants of the Fiduciary Rule. I will have a difficult time sitting down with an 80 year old client and explaining that I am now required to charge him 400% more for the same services he has been receiving for the past 30 years. The only practical solution is to **completely exempt existing clients from coverage under the Fiduciary Rule**. Let them purchase whatever investments they want and hold those assets on whatever platform they find appropriate. The Fiduciary Rule effectively eliminates many choices that have been available in the past to these individuals. It is irrational to restrict current clients/investors in any manner from utilizing choices they have been using for years (or even decades).

Many of my clients are small investors. I have established countless accounts starting with as little as \$250. I have always thought this was a great method to help build generations of future investors as well as helping the community and its citizens. Because of the overwhelming expense of compliance with the Fiduciary Rule, I will no longer be able to work with smaller accounts nor younger individuals.

Existing small accounts will likely need to be abandoned. I will no longer be able to work with individuals until they have amassed considerable net worth. Many individuals and families will never achieve financial independence without professional guidance. **The Fiduciary Rule effectively eliminates the opportunity for many young, middle income families to save for retirement and send their children to college.** How is prohibiting an advisor from working with those who need the most help in any way acting as a fiduciary?

The current "anti-fiduciary rule" will have devastating impacts on existing investors – especially middle and lower income elderly people already taking income from their accounts. The rule may prevent an entire generation of young savers from investing in their future. This regulation is a classic example of one which started with good intentions but could create enormous, devastating consequences for the people it was intended to help. Frankly, I believe this regulation was written either using misguided or misinformed assumptions. Fortunately, there is still time to prevent this rule from costing investors enormous sums.

I urge you to carefully consider dramatically revising or completely repealing this burdensome regulation. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chris Johnson', with a long horizontal flourish extending to the right.

Christopher R. Johnson
5151 Kramer Road
Edgerton, OH 43517