

ROBERT E. LATTA
5th DISTRICT, OHIO

DEPUTY WHIP

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Congress of the United States
House of Representatives
Washington, DC 20515-3505

June 6, 2017

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The Honorable Alexander Acosta
Secretary
Department of Labor
200 Constitution Ave. NW
Washington, D.C. 20210

Dear Secretary Acosta:

I am writing to voice my deep concerns with the decision to allow for the implementation of the U.S. Department of Labor's final rule entitled, "Definition of the term 'Fiduciary'; Conflict of Interest Rule-Retirement Investment Advice, 81 Fed. Reg. 20946 (April 8, 2016)" to move forward. This rule will prevent millions of hardworking men and women from having access to financial products that will allow them to prepare for retirement. It will also place a heavy burden on those advisors that are already working in the best interests of their clients, which will result in many of them losing their businesses.

On February 3, 2017, President Trump issued a memorandum directing the Department of Labor to examine the Fiduciary rule to determine whether it may adversely affect the ability of Americans to gain access to retirement and financial advice. The review is ongoing and will continue after the June 9th implementation date for the rule. This will result in the retirement planning industry being faced with confusion and uncertainty over how to conduct its business. Given the President's concerns with the regulation, I urge you to delay implementation until the Department of Labor completes its review.

I have enclosed two pieces of correspondence from two of my constituents who operate an independent investment and advice practice in Toledo, Ohio. I hope that you will take the time to read their stories so that you may gain a better understanding of how destructive this regulation will be should it go into effect. I remain committed to ensuring those most in need of retirement advice continue to have access to it. I appreciate your consideration of my concerns on this matter.

Sincerely,



Robert E. Latta
Member of Congress

REL/mjd
Enclosures

Dear Representative Latta:

Thank you for hearing our concerns and passing them along to Labor Secretary Acosta regarding the harmful effects of the DOL's Fiduciary Rule.

My business partners and I left Morgan Stanley/Citigroup in 2009 to do RIGHT by our clients. We started an independent investment and advice practice with the help of Raymond James. We've operated our business lives every day with that same, simple principle: always, always do right by the client.

So, it is understandable that the basic tenets of the Fiduciary Rule fit well into our mode of operation. Yet, we can tell you first hand that this rule is a BUSINESS KILLER. We can also tell you first hand that American savers are being severely harmed.

At this time, we have been put on the clock by a large 401k client. Mind you, we have always acted under the Prudent Man Rule with this client and have provided 14 years of custom service to the 1,700 employees in this retirement plan. But, due to the *ambiguity* of the regulation and the *misconceptions* that our client's ERISA attorneys have, we have been given a June 9 deadline after which we are not to help or advise any of the 1,700 savers in the plan.

Joe's question about increasing his contribution will go unanswered. Maria's inquiry regarding a hardship and her daughter's disability will be returned with "crickets." Paul's request to compare Roth 401k contributions to traditional will receive no return call.

Prior to this deadline, the attorneys have instructed our client to demand a "best interest contract" that does not exist, nor that is required under the regulations. This ambiguity and misconception will harm savers. The attorneys will win out. Our assistance to savers will cease. Hard-working, American saving in their 401k plans will be harmed. Our modest investment advice practice will lose its biggest client. Our ability to help small, middle-American savers (northwest Ohio and elsewhere) will be destroyed.

I understand that the Department of Labor is still in a "listening phase" with regard to the possible effects of this Rule. Listen loud and clear: It is punitive to small savers and independent investment advisors. And it rewards the large corporations. It rewards America's past "bad actors."

Raymond James did not accept TARP money in the rubble of the Great Recession. Shortly thereafter we chose Raymond James, partly for that reason. Yet we lay in ruins among small savers who are looking for guidance. Who will they turn to for advice? Morgan Stanley? Merrill Lynch? These past bad actors are not in the business of providing advice to small savers.

We are asking for a delay, if not a total repeal of this regulation. It is apparent that even the experts (ERISA attorneys) do not fully comprehend the DOL Fiduciary Rule. If the Rule moves forward plan to live with the fact that savers here in modest America, along with their trusted advisors LOSE.

Warmest regards,

David J. Sattler

Managing Director, NWQ
Financial Advisor, Raymond James Financial Services, Inc.
NWQ Wealth Partners, LLC, an Independent Firm
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I contacted your office early this morning with the Department of Labor legislation deadline of June 9th looming. I explained that this legislation has the potential to shut down my business permanently. You know Congressman Latta was gracious enough to stop at our business back in 2010 when the Affordable Health care Act went was approved. At that time I was paying around \$ 170 a month for insurance and a deductible of \$ 1000. Today it is \$ 680 a month and a \$ 6500 deductible. Now the govt. has new legislation that I need to be a fiduciary and or sign a contract to provide investment advice to retirement account owners and 401 k participants. A couple of years ago you had us removed from the 403 b business and my wife's teachers retirement account has increased in costs and the performance has declined. I cannot even oversee my own wife's account as I once did because only select few can manage these accounts.

When President Trump was elected I thought as many others did that this legislation was to be stopped and overturned. Now I have clients calling asking where is the best interest contract (BIC) because their erisa attorney is demanding it. Case in point a \$ 120 million dollar account is apprehensive about us providing education to their 1800 employees because we do not have a document that says we are a fiduciary. We have worked with this client for over 12 years and their employees. As you can see myself and my partners could lose this and other business. We currently have over a quarter of a billion in assets under management and the loss of this and other accounts could hurt us substantially. These losses could cost me and others our business. Where do I go if I lose my business? What about my family? You know as an independent business owner we cannot collect unemployment. We are still responsible for our long term leases and debts.

All I can say as an ex soldier, businessman, husband I cannot believe where this country has gone . My business is doing good because I have always done the right thing for clients over the last 20 plus years. However, with the recent laws in the last 8 years I could lose everything not because of my decisions but because my government has destroyed me.

Thomas G. Briggs

Branch Manager
NWQ Wealth Partners
An Independent Firm
Financial Advisor