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From: Eric Edwards [<mailto:sovereignassetmgmt@icloud.com>]

Sent: Saturday, May 20, 2017 1:45 PM

To: Talk to DOL

Subject: Why the DOL rule is harmful

To Whom It May Concern,

This rule doesn't make us as financial advisors act in the interest of our clients.

We already have to do that. This rule simply hurts our practices by limiting pay, increasing our cost, and opening us up to frivolous lawsuits.

It also causes us to have to find ways to make more money. That might mean increasing our fees or only focusing on clients with bigger accounts.

It hurts middle America.

It's anti jobs as well. As an advisor I employ staff members who help my clients with service and this allows me to do a better job for my clients. If this rule goes into effect advisors like me will have to fire staff members in order to survive the changes.

I also hire advertising agencies and provide free educational workshops to clients. I may not be able to afford these workshops if this rule isn't delayed or stopped completely.

It's really a bad rule because it tells American companies what they can pay someone. That's not American.

In regards to annuity compensation, we make less money over the long term to sell annuities already. If I make 6% up front but nothing for the next 10 years, the RIA who charges 2% per year made 20% over 10 years and I make 6%. The stock broker who sold in and out of several positions makes more as well. While a 6 or 7% comp may sound high it's not. I will service the account for the next 10 years and never make another dime from it. That's 70 basis points annually over 10 years. If annuity comp were 11-15% that would be more in line with what an RIA makes over 10 years. That would be too much comp but it's an accurate statement. It's also not a good idea to make me not take the compensation up front.

Once the client is in the annuity I really can't sell out without harming them. In order to continue to service current clients I need enough annual capital to free my time up.

If instead I have to spend all my time finding new clients to survive then service to my current clients will suffer.

In addition it costs a lot of money to obtain new clients. In many cases I'm breaking even already. Many advisors are losing money.

Yes, some advisors make a lot of money but that's a good thing not a bad thing. Those same advisors are spending that money in the economy and hiring other Americans.

This rule would limit access to good financial advice. It puts a wall of division between clients and advisors.

This is a business built on trust. We trust our clients to disclose everything we need to us and they trust us to make proper suggestions for their assets. Most people are happy with their advisors or they would leave them. This rule is a nightmare for the American worker which includes financial professionals. It's a nightmare for clients who need access to their advisors. This is a customer service business and this rule would force advisors to abandon many customers or focus almost all of their efforts on client acquisition not client service.

It will hurt our American insurance companies and cause them to lay off workers as well. This hurts American families in a real way. Please stop it.

It's a bad idea with good intentions.

Thank You,

Eric

Sent from my iPhone