From: Marcia Huntington-sell
To: FiduciaryRuleExamination - EBSA
Subject: DOL Comment Letter
Date: Tuesday, July 18, 2017 10:41:53 AM

Thank you for giving me the opportunity to comment on the DOL rule. I would like to respectfully submit my comments to you.

For a number of reasons, I don't think the DOL rule is the best way for the US government to address problems perceived in the retirement advising industry. First, the approach by the DOL has been to accuse advisers who work for a commission of cheating their clients. The advising relationship is one that is built on trust. You want to address commissions-based advising as a prohibited transaction, and then expect representatives who never provided conflicted advice to approach their clients with this material (PTE 84-24 and BICE)? The US government is not usually in the business of humiliating its citizens, but this is what's happening, whether intended or not.

How do I know that our Registered Representatives haven't been giving conflicted advice? Because they only sell mutual funds, insurance policies, indexed annuities and some alternative investments (which require a certain level of income and existing personal wealth). The commissions in each category are relatively level and each category is seen as a further diversification of the clients portfolio. I, in my role as our firm's compliance officer, have to read hundreds of emails a week to ensure that our reps are following our firm's policies and procedures, which are based on FINRA's rules and regulations. In these emails, I see that they are consistently assisting clients in setting up well-diversified portfolios, encouraging them to stay on track and helping them to make wise decisions with the wealth that they build.

Further, FINRA comes to our office and reviews our firm's operations and physically looks into our sales to see if they are suitable for our clients. Has FINRA not been doing their job regulating and protecting investors all this time?

How unfair to throw registered representatives who work on a commission under the bus (along with FINRA, who we pay for their services to regulate us),

instead of the fund companies who set the commissions levels which are set as an incentive for individuals to sell their products! To add insult to injury, suddenly the thousands of individuals who are selling financial products on a commission are no longer protected by the laws of our nation. They are no longer safe to start a business without being exposed to a host of predators who wish to do them harm by suing them when it pleases them. They longer have the right to establish a business and do an honest job, without a grey cloud placed over their heads, a grey cloud that introduces the question of integrity, which the whole advising relationship is based on.

Building a book of business is very challenging and takes a lot of hard work. I would estimate that it takes about 5 years for a financial adviser to build a book of business large enough to allow them to make financial planning a full-time career. By forcing firms to switch to a fee-based business model, you are cutting their access to individuals who are willing to work hard to build a book of business and contribute to the overhead of the company. As a fee-based advisory firm, the firm has to float the advisor (meaning pay them a salary) until he or she has enough clients to work without the salary. Multiply that by 30 – 40 advisers (and then factor in those who aren't able to do the job). The only firms that will survive this will be those that can afford to pay their advisers. Firms that would have otherwise entered the market will understand the risk and high cost of starting an advisory business and will be discouraged.

Ultimately, you go from an army of (well trained and regulated) individuals looking to engage with the investing public to a relatively small number and both groups lose.

Thank you for taking the time to read my comments.