July 21, 2017

Office of Exemption Determinations
Employee Benefits Security Administration
Attention: D-11933
U.S. Department of Labor
200 Constitution Avenue N.W., Suite 400
Washington, DC 20210

RE: RIN 1210-AB82

Ladies and Gentlemen:

Lord, Abbett & Co. LLC ("Lord Abbett") is an investment adviser registered with the U.S. Securities and Exchange Commission (the "SEC") and an independent, privately held firm with a singular focus on the management of money. As one of the oldest money management firms in the United States, Lord Abbett has been driven to provide generations of clients and their financial advisors with a quality investment experience since 1929. Lord Abbett manages approximately $149 billion in assets (as of March 31, 2017) across a full range of mutual funds, institutional and separately managed accounts,\(^1\) including the Lord Abbett Family of Mutual Funds, which are registered with the SEC as investment companies under the Securities Act of 1933, as amended, and the Investment Company Act of 1940, as amended. Lord Abbett is submitting this comment letter in response to the request for information ("RFI")\(^2\) published by the Department of Labor (the "Department") to urge the Department to delay the January 1, 2018 applicability date associated with its fiduciary rulemaking.\(^3\) As outlined below, we believe a delay in the applicability date of the Fiduciary Duty Rule is necessary to permit the Department to complete its review and analysis of the Rule and to permit adequate coordination with the SEC.

As noted in the RFI, the "Department is in the process of reviewing and analyzing comments received in response to its March 2, 2017 request for comments on issues raised in the Presidential Memorandum."\(^4\) The Presidential Memorandum on the Fiduciary Duty Rule, issued on February 3, 2017, directed the Department to complete an updated economic and legal analysis and to determine whether it should revise or rescind the rulemaking. The Department should delay the January 1, 2018 applicability date and complete its review of the Fiduciary Duty Rule before proposing changes to the rulemaking. We are certain that this analysis will lead the Department to conclude that a more targeted and harmonized best interest standard will better protect investors while ensuring the continuation of affordable access to financial guidance to help individuals prepare for their financial needs. Moving forward with additional

\(^{1}\) Including $1.7 billion for which Lord Abbett provides investment models to managed account sponsors.


\(^{3}\) The Department issued a final regulation defining who is a fiduciary of an employee benefit plan under the Employee Retirement Income Security Act of 1974 ("ERISA") or an individual retirement account ("IRA") under section 4975 of the Internal Revenue Code ("Code"), as a result of giving investment advice to a plan or its participants or beneficiaries, or an IRA or IRA owner. 81 Fed. Reg. 20946 (April 8, 2016) (the "Fiduciary Duty Rule").

conditions prematurely and without the benefit of a new impact analysis will only exacerbate the harm that the rulemaking is having and will continue to have, especially on certain segments of retirement investors.

A delay of the January 1, 2018 applicability date is also necessary to permit adequate coordination with the SEC. We applaud Secretary Acosta’s and Chairman Clayton’s efforts to coordinate the fiduciary rulemaking. A coordinated SEC and DOL approach would be more consistent with other Administrative directives \(^6\) and would reflect the reality that individuals who seek financial guidance often have both retirement accounts and retail accounts. It would permit these individuals to receive guidance that reflects consistent and compatible regulatory requirements.

Finally, the benefits of a delay far outweigh any costs of delay, particularly in light of the fact that the Department is likely to make changes to the Fiduciary Duty Rule and related prohibited transaction exemptions. Given that the Rule and the impartial conduct standards are already applicable, a delay poses very little, if any, risk of harm to investors. In fact, the Department has already effectively concluded that delaying the January 1, 2018 applicability date will not negatively affect investors. On the other hand, mutual funds and intermediaries will incur significant, unnecessary implementation costs if the Department does not delay the January 1, 2018 compliance date and later makes changes.

We strongly support a delay in the January 1, 2018 applicability date. The interests of retirement savers will not be served if the remaining conditions of the Best Interest Contract Exemption (the "BIC Exemption") and Principal Transactions Exemption go into effect before the Department has decided which remaining conditions of those exemptions will ultimately be required, and what other changes to the Fiduciary Duty Rule and exemptions may be made.

We urge you to immediately grant a delay of at least one year. Such a delay should apply to all parts of the BIC Exemption and Principal Transactions Exemption that are not yet applicable.

Very truly yours,

Lord, Abbett & Co., LLC

By:

\[\text{Lawrence B. Stoller}

\text{Partner, Senior Deputy General Counsel}\]

\(^6\) See Presidential Executive Order on Enforcing the Regulatory Reform Agenda, issued on February 24, 2017 (stating that "[i]t is the policy of the United States to alleviate unnecessary regulatory burdens placed on the American people" and encourages Agencies to eliminate regulations that "create a serious inconsistency or otherwise interfere with regulatory reform initiatives and policies"), available at https://www.whitehouse.gov/the-press-office/2017/02/24/presidential-executive-order-enforcing-regulatory-reform-agenda; and Presidential Executive Order on Reducing Regulation and Controlling Regulatory Costs, issued on January 30, 2017 (directing agencies to identify at least two existing regulations to be repealed for every new regulation proposed), available at https://www.whitehouse.gov/the-press-office/2017/01/30/presidential-executive-order-reducing-regulation-and-controlling.