



## Bay Point Financial, LLC

### John P. Strasburger

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July 19, 2017

Office of Exemption Determinations  
Employee Benefits Security  
ATTN: D-11933  
U.S. Department of Labor  
200 Constitution Avenue NW, Ste 400  
Washington, D.C. 20210

RE: RIN 1210-AB82

To Whom It May Concern,

I am writing today to express my support for a delay in the January 1 applicability date of the Fiduciary Rule in order to allow the Department of Labor to conduct a detailed review of the rule, its negative impact on investors' access to retirement planning services and new innovations and approaches that may alleviate many of these concerns.

I have been a financial representative for 43 years. I have also been an OSJ for 18 years. I have been with our Broker Dealer, Triad Advisors for 7 years. As a small business owner who boasts a client list dating back over 35 years I take pride in placing my clients best interest first. I believe that investors are well protected by existing regulatory structures.

The sale of retirement savings products is already heavily regulated. Bay Point Financial and our associated financial advisors are subject to comprehensive regulation and legal obligations under federal and state securities laws, rules, and regulations.

The SEC regulates our firm through its antifraud authority in the Securities Act of 1933 (Securities Act) and the Securities Exchange Act of 1934 (Exchange Act), and certain Exchange Act rules.<sup>1</sup> It similarly regulates investment advisers through the Investment Advisers Act of 1940 and related regulations.<sup>2</sup>

Our company, Bay Point Financial and financial advisors are also subject to FINRA rules, oversight, and frequent examinations.<sup>3</sup> Our firm may transact business only after it satisfies the membership requirements of FINRA for registered broker-dealers interacting with the public.<sup>4</sup>

FINRA rules require that Bay Point Financial commit to observe just and equitable principles of trade and high standards of commercial honor.<sup>5</sup> In addition, we are obligated to disclose certain material conflicts of interest to

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<sup>1</sup> U.S. SECURITIES AND EXCHANGE COMMISSION, STUDY ON INVESTMENT ADVISERS AND BROKER-DEALERS at iii (Jan. 2011), available at <https://www.sec.gov/news/studies/2011/913studyfinal.pdf>.

<sup>2</sup> *Id.*

<sup>3</sup> See U.S. SECURITIES AND EXCHANGE COMMISSION, GUIDE TO BROKER-DEALER REGISTRATION (Apr. 2008) <http://www.sec.gov/divisions/marketreg/bdguide.htm>; U.S. Securities and Exchange Commission, Study on Investment Advisers and Broker-Dealers (Jan. 2011), available at <https://www.sec.gov/news/studies/2011/913studyfinal.pdf>.

<sup>4</sup> U.S. SECURITIES AND EXCHANGE COMMISSION, STUDY ON INVESTMENT ADVISERS AND BROKER-DEALERS 14 (Jan. 2011), available at <https://www.sec.gov/news/studies/2011/913studyfinal.pdf>.

your customers, and federal securities laws and FINRA rules strictly prohibit our firm from participating in certain transactions that may present acute potential conflicts of interest.<sup>6</sup>

Bay Point Financial has and enforces written supervisory procedures reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA rules as required by FINRA Rule 3110.<sup>7</sup>

Triad and Bay Point Financial also has a system of supervisory control policies and procedures that test and verify that our supervisory procedures are reasonably designed and effective. We test our policies and procedures and verify that they work or make necessary changes if they do not.<sup>8</sup>

Our firm is further held accountable by an active plaintiff's bar. These regulatory structures and access to the courts serve as an important and effective mechanism to protect our clients planning for retirement and will remain operative should the DOL choose to further delay the January 1, 2018 compliance deadline.

As a small business owner, I would be remiss not to convey that the changes that have been implemented as a result of the Fiduciary ruling have indeed impacted my relationship with clients and has also impeded work flow in our offices needlessly. The reasons cited above together with my years of experience deem me qualified to request that a delay occur. Thank you for your time and consideration.

Sincerely,

John Strasburger  
Bay Point Financial

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<sup>5</sup> See U.S. SECURITIES AND EXCHANGE COMMISSION, STUDY ON INVESTMENT ADVISERS AND BROKER-DEALERS at iii (Jan. 2011), available at <https://www.sec.gov/news/studies/2011/913studyfinal.pdf>.

<sup>6</sup> See, e.g. FINRA Rule 5121(a), (f)(5).

<sup>7</sup> See FINRA Rule 3110 available at [http://finra.complinet.com/en/display/display\\_main.html?rbid=2403&element\\_id=11345](http://finra.complinet.com/en/display/display_main.html?rbid=2403&element_id=11345).

<sup>8</sup> See FINRA Rule 3120 available at [http://finra.complinet.com/en/display/display.html?rbid=2403&record\\_id=15447&element\\_id=11346&highlight=supervisory+control#r15447](http://finra.complinet.com/en/display/display.html?rbid=2403&record_id=15447&element_id=11346&highlight=supervisory+control#r15447).