PUBLIC SUBMISSION

Docket: EBSA-2014-0016
Fiduciary - Conflict of Interest Exemptions

Comment On: EBSA-2014-0016-0003
Best Interest Contract Exemptions

Document: EBSA-2014-0016-DRAFT-0008
Comment on FR Doc # 2015-08832

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General Comment

On pages 8, 84 and elsewhere of the proposed rule, it appears that EBSA has determined that "broker sold" funds underperform by 200 bps/year? Does "broker sold funds" mean "A share loaded funds"? If so, what are these funds underperforming? Indices? Index Funds?

On page 16, it is stated that existing rules permit advisors to "give imprudent advice". Is no consideration being given to the fact that life insurance agents and registered representatives are subject to a SUITABILITY rule that prohibits the recommendation of products that are UNSUITABLE?

On page 41, it is stated that the Department does not believe that it would be appropriate "to carve out a special rule for IRAs, or for brokers or others who make specific recommendations to IRA owners". This, combined with the Department's conclusion that "broker sold" funds under-perform (query: under-perform WHAT?), suggests that advisors to IRA owners must not sell "loaded" funds. If not, how will such advisors who are not RIAs or IARs be compensated?

On page 53, it is stated that "disclosing conflicts alone would fail to adequately mitigate the conflicts or remedy the harm" and, on 54, that "Recent research suggests that even if disclosure

about conflicts could be made simple and clear, it would be ineffective - or EVEN HARMFUL [emphasis mine]"! Just how might disclosure of an advisor's compensation be HARMFUL to a consumer?