

PUBLIC SUBMISSION

As of: 6/8/15 1:50 PM
Received: June 04, 2015
Status: Pending_Post
Tracking No. 1jz-8j8e-9sk1
Comments Due: July 06, 2015
Submission Type: Web

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

Comment On: EBSA-2014-0016-0006
Prohibited Transaction Exemptions; Proposed Amendments and Proposed Partial Revocations:
Securities Transactions Involving Employee Benefit Plans and Broker-Dealers; Prohibitions
Respecting Certain Classes of Transactions Involving Employee Benefits Plans and Certain
Broker-Dealers, Reporting Dealers and Banks

Document: EBSA-2014-0016-DRAFT-0027
Comment on FR Doc # 2015-08838

Submitter Information

Name: Frank Prazma
Address:
45 Bradford Heights Way
Mills River, NC, 28759
Email: fprazma@verizon.net
Phone: 828-891-7983

General Comment

I do believe that the SEC has been dilatory in promulgating rules in conjunction with FINRA, state Insurance Commissioners, and DOL that ensure transparency and fair dealing in all securities and insurance transactions, not just for qualified plans and IRAS.

The scope of these rules should emphasize the duty of all financial professionals to provide competent service for the benefit of clients and customers, irrespective of the type of compensation earned. Clients and customers are NOT stupid OR confused. They like the freedom to choose whichever type of financial professional they want to work with, and they always have the right to switch to a different financial professional if they're not satisfied with the performance of the curent person or company they're working with. It's called competition. I don't see one mention of the word "competition" in any of the many pages of the proposed DOL Fiduciary Rules.

The DOL proposed rules will create additional distinctions, sanctions, exemptions, prohibitions, and real confusion for customers and financial practitioners, not to mention increased costs for

record keeping, compartmentalization of businesses, and more expensive E & O insurance. Low and moderate income clients with small accounts will be left out by both fee-based and commission-based financial professionals due to a combination of low fee income from working with these accounts, DOL enforcement risk, and litigation fears. How will these clients benefit if professional financial services are no longer obtainable to them?

Patchwork exemptions in the DOL rules are certainly not the answer to the need for big picture oversight that is flexible. Leadership from the SEC should produce a clear standard of transparent dealing for all investment and insurance companies, financial products, and delivery by financial producers. Business models do not need to be discontinued, but instead flexibility should be promoted. Transparency and open dealing is the way to improve the industry and the satisfaction of clients and customers. One overall clear but simple paradigm needs to fit all, but not constrain anyone who offers professional financial services that will benefit the investing public. Why, for instance, if there is full disclosure of fees or commissions, would helping a client, who is retiring and worried about risky mutual funds in their 401(k), to do a rollover in to a safe fixed index annuity IRA that guarantees principal, that grows but can't lose, that has a death benefit, which can be switched over to guaranteed lifetime income, which itself can grow if the underlying index goes up, possibly be determined by DOL to be a "Prohibited Transaction"? It's all upside down--what's wrong with the client now being able to sleep at night?