

From: Judving@Comcast.net
Sent: Friday, September 04, 2015 10:12 AM
To: e-OED
Subject: Labor Dept., New IRA Options Rule – NO!

Mr. William Judd
8203 B Guadalupe Trail NW
Los Ranchos, NM 87114-1145

9/4/2015

Dear Labor:

As proposed, the new rule is overly restrictive in defining "advice."

Please have the proposed rule revised to avoid imposing a severe limitation on my ability to trade options and access options-related education in an IRA.

My broker says that if the Labor Department is successful in reclassifying options, the broker will significantly reduce the options support they provide to avoid being classified a broker-advised IRA or charge me more to use options by converting my IRA to a fee-based investment advisory account.

Neither of those alternatives benefits me, a retired, self-directed investor.

Who is going to benefit from the Labor Department's proposed rule change for options in retirement accounts?

- > Not the majority of voters. We have no pension and are dependent on investments.
- > Not individual, self-directed investors who use options to manage risk and improve return on capital.
- > Mutual Funds will benefit.
- > High Frequency Traders will benefit.

The era of central bank interest rates near zero means that traditional, conservative investments such as interest on savings and certificates of deposits earn near zero interest.

We are driven to participate in the stock market to seek a meaningful return on capital.

Taking investment tools away from individual investors does not help us.

Flash Crashes (6-May-10, 23-Apr-13) and Black Mondays (12-Oct-87, 24-Aug-15) are examples of when retirement accounts of individual investors that do not use options to manage risk took significant losses. Stock prices gapped past stop loss orders and were filled at much lower prices for much greater losses than the individual investor intended to risk.

Recovering from significant losses is difficult. For example, if a person lost half their capital, they would need to double their remaining capital to return to even. Self-directed investors need options to manage risk.

Self-directed investors need options to improve return capital and probability of success. Without the use of options, self-directed investors are dependent on the buy-and-hold strategy, hoping their investments have appreciated

sufficiently, by the time they need to use their retirement account. With options, self-directed investors can benefit if the underlying equity moves up, down or sideways.

Please do not take investment tools away from individual investors. It does not help us.

Sincerely,

Mr. William Judd