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Definition of the Term Fiduciary; Conflict of Interest Rule- Retirement Investment Advice

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General Comment

The Department of Labor has proposed a new rule that would change how brokers and financial firms deal with IRAs and other retirement plans.

The rule is supposed to reduce fees and conflicts of interest between brokers and investors. That's a good thing. But the rule as written has a fatal flaw.

If passed, this rule will restrict the trading of options in IRA accounts.

Many of us sell covered calls in IRA accounts for income and capital gains. Some have even used it as a way to create portfolio protection. If this rule passes, that will end immediately.

Under the new rule, a typical brokerage wouldn't be allowed to let us trade options or even provide options education on its website. This is absurd -- it treat all IRA investors as boobs, failing to acknowledge the many IRA investors who produce good income within their IRA by selling covered calls. Instituting this rule would have the effect of immediately decreasing the retirement income of these many investors. That's patently unfair. We deserve every retirement savings tool at your disposal.

Many of us have taken the time to learn proper options trading. It has grown my retirement account. This is the proper use of options -- to actually decrease portfolio risk while increasing income.

Do not institute this rule -- it would have seriously negative impacts on many IRA investors incomes.