

PUBLIC SUBMISSION

As of: September 28, 2015
Received: September 24, 2015
Status: Pending_Post
Tracking No. 1jz-8lb5-1gve
Comments Due: September 24, 2015
Submission Type: Web

Docket: EBSA-2010-0050

Definition of the Term ‘Fiduciary’; Conflict of Interest Rule—Retirement Investment Advice; Notice of proposed rulemaking and withdrawal of previous proposed rule.

Comment On: EBSA-2010-0050-0204

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

Document: EBSA-2010-0050-DRAFT-7788

Comment on FR Doc # 2015-08831

Submitter Information

Name: William McConnell

General Comment

I am a retired investor. I use options in my self directed IRAs to generate income and reduce market risk. I have taken the time to learn to use these strategies successfully, and generate significant income using them. Recently, I became aware of a proposed rule that would undermine my ability to continue this practice and I want to share my concerns with you.

My understanding is that the Department of Labor's (DOL's) proposed retirement rule would limit my ability to trade listed options in my IRA. It's a limitation that, to me, makes no sense. Today, I am free to choose how I use financial services and the level of help or support I need. I can completely manage some investments on my own, using the tools and education provided by my broker as I see fit; or I can ask for fee-based advice and discretionary account management. In addition, I can use many of the same investment strategies and products in my IRA that I do in my non-retirement accounts. This gives me the flexibility to choose exactly what I need to meet my goals at a competitive price that I'm willing and able to pay.

As a self-directed investor, I should retain the freedom to make those decisions - regardless of the type of brokerage account (retirement or non-retirement) that I hold. I trade options in my IRA, and I had to qualify for this privilege. Education and support from my brokerage firm are available to me 24-7 to answer questions or help validate my ideas. I can join online communities, take courses, watch instructional videos, test strategies, or speak to a representative any time I want. And, while I know options are not suitable for all investors, I have determined that they are suitable for me and use them successfully in my IRAs.

This proposed rule would change all of that by making my brokerage firm a fiduciary for my IRA - responsible for looking out for my best interests - if it provides any research, tools or educational resources that the rule views as "advice." My account in its current state would likely be considered an "advised IRA," and as I understand the rule, options trading would be prohibited in it. In order for me to continue to trade options in my IRA (which is what I want to do in pursuit of my investment goals), my brokerage firm would likely be required to remove most research, tools and educational resources so

my account would not be considered an "advised IRA." Or, my firm could convert my account to a more expensive investment advisory one. Neither choice appeals to me.

With this rule, it seems the government has determined that I am not smart enough to make my own informed investment decisions. I do not agree. The rule would seriously limit my ability to generate income and protect my IRA assets from market fluctuation. It would require me to begin withdrawing assets from my IRA in order to support my my retirement, and increase the risk of running my assets to zero prior to my death. I'm sure that's not the DOL's intent, but it's a very real possibility.

Managing investments in retirement is difficult enough. With nearly a decade of historically-low interest rates to challenge American investors, why add more obstacles and complexity? I urge you to preserve the freedoms investors currently enjoy to choose how we invest in our retirement accounts and plan for a better financial tomorrow.