

VIA ELECTRONIC MAIL (EBSA.FiduciaryRuleExamination@dol.gov)

September 11, 2017

To: Employee Benefits Security Administration
Office of Exemption Determinations
U.S. Department of Labor
200 Constitution Avenue, NW
Suite 400
Washington, DC 20210

RE: RIN 1210-AB82: Extension of Transition Period and Delay of Applicability Dates

On August 31, 2017, the Department of Labor (“Department”) published a notice of proposed amendments to PTE 2016-01, PTE 2016-02, and PTE 84-24 (“Notice”). The Notice seeks requests comments regarding the duration and structure of the extension of the transition period, and the extension of the temporary enforcement policy for the duration of the delay. KMS Financial Services, Inc. (“KMS”) appreciates the opportunity to comment.

About KMS

KMS Financial Services, Inc. (KMS) is an SEC registered securities broker-dealer and SEC registered investment advisor with over 325 representatives. Based in Seattle, KMS is a wholly owned subsidiary of Ladenburg Thalmann Financial Services Inc., a publicly-traded diversified financial services company based in Miami, Florida. KMS’ affiliates include industry-leading independent broker-dealer firms Securities America, Inc., Triad Advisors, Inc., Securities Service Network, Inc., and Investacorp, Inc. as well as Premier Trust, Inc., Ladenburg Thalmann Asset Management Inc., Highland Capital Brokerage, Inc., a leading independent life insurance brokerage company, and Ladenburg Thalmann & Co. Inc., an investment bank which has been a member of the New York Stock Exchange for over 135 years.

Support for extension of the transition period

KMS supports the Department’s proposed 18-month delay in the January 1, 2018 applicability date in order to allow the Department to complete the reexamination of the Fiduciary Rule, propose new and more streamlined class exemptions, and coordinate with the SEC in the development of proposals or changes.

Support for extension of temporary enforcement policy

During the transition period, financial institutions and financial advisors relying on the Best Interest Contract Exemption (“BICE”) must adhere to the Fiduciary Rule’s Impartial Conduct Standards. In order to meet these standards, firms are “working diligently and in good faith to

comply with the fiduciary duty rule and exemptions” by changing compensation structures, placing restrictions on the availability of certain investment products, improving due diligence review of products and service providers, and enhancing efforts to monitor the sales practices of affiliated financial advisors. Thus, investors are already benefitting from stronger protections since the Fiduciary Rule became partly applicable on June 9, 2017. Therefore, KMS supports an extension of the temporary enforcement policy for the same period covered by the proposed extension of the transition period.

Thank you for considering KMS’s comments. Should you have any questions, please contact me at (206) 441-2885, ext. 290.

Respectfully,

A handwritten signature in black ink, appearing to read 'Eric S. Westberg', with a stylized flourish at the end.

Eric S. Westberg
CEO