

September 15, 2017

Brian L. Shiker
Employee Benefits Law Specialist
Office of Exemptions Determinations
Department of Labor
200 Constitution Ave, NW RM N-5700
Washington D.C. 20210

RE: Department of Labor's Request for Comments on the Fiduciary Rule Extension

SENT VIA ELECTRONIC MAIL

Dear Mr. Brian Shiker,

Gradient Insurance Brokerage, Inc. ("GIB") appreciates the opportunity to comment on the Department of Labor's ("DOL") proposed extension of the Fiduciary Rule transition period ("29 CFR 2550"). After a thorough review, it would like to submit the following comments for consideration.

Question – Should the DOL set a delay using a fixed time period for final implementation of the Fiduciary Rule?

GIB believes that the DOL should avoid any actual or potential vagueness in terms of the final implementation date of the Fiduciary Rule. GIB notes that the industry needs clear direction from the DOL as to the details of enforcement of the Fiduciary Rule. GIB understands that the DOL is working hard to achieve completion of the directives that were outlined in the Presidential Memorandum which was issued in February of 2017. GIB understands that the outcome of the DOL's work associated with the Presidential Memorandum may influence the final outcome of the Fiduciary Rule. With that said, GIB does not believe it is commercially practical to lack a fixed date for final implementation of the rule. As Black's Law Dictionary states, a "time period" has "*an established date of beginning and end*". The establishment of a fixed time period for the end of the transitional period for the Fiduciary Rule seems both legally and commercially appropriate.

Question – Should the DOL set the transitional period for final implementation of the Fiduciary Rule from June 9, 2017 to July 1, 2019?

GIB has invested a substantial amount of resources, time and money to prepare for the arrival of the DOL Fiduciary Rule on June 9, 2017. GIB has spent even more resources to date, and is planning on spending more, to prepare for the full implementation of the BICE exemption. GIB indicated in its comment letter from July 2017 to the DOL that it was requesting a *one year delay until January 1, 2019*. GIB

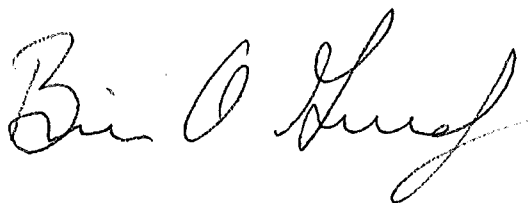
indicated that it, and likely the rest of the industry, would be well served to have more time to train employees and quality check new processes that have just recently been implemented. The department decided to go beyond the recommendations of GIB and propose an 18-month delay. GIB does not object to this delay and feels that more time will allow for appropriate conversations between the SEC and the DOL on final enforcement of the Fiduciary Rule.

Question – What would the additional delay provide the DOL with?

GIB believes that there is too much confusion as it relates to the implementation and enforcement of the Fiduciary Rule. The DOL, in good faith and with the intent to assist the industry, has been forced to issue two “field assistance bulletins” (2017-03 and 2017-02). The DOL has also issued two FAQs (May 2017 and August 2017). GIB thinks that the DOL has done a commendable job in clarifying a difficult regulation. But GIB believes that a significant amendment to the actual Fiduciary Rule is necessary prior to implementation. This written communication should completely clarify what the BICE is and what will be included in the PTE 84/24 exemption. GIB assumes that the DOL will want to provide this communication in a thoughtful rule making procedure to allow for public comment and allow the DOL to respond to the comments in kind. This process will take time. For that reason, GIB believes the delay of the final implementation of the Fiduciary Rule is a benefit to the DOL, the industry as a whole, and the American public.

Based on the communication from the DOL significant changes to the Fiduciary Rule maybe possible based on the directives from the Presidential Memorandum issued in February of this year. GIB expects a healthy debate (and possible legal action) on the future of the Fiduciary Rule in the next year. GIB believes the DOL will benefit from a longer delay to assure that it makes appropriate and well thought out adjustments to reform the financial services industry.

Sincerely,

A handwritten signature in cursive script, appearing to read "Brian A. Gravely".

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