CNL®

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Submitted electronically to
EBSA.FiduciaryRuleExamination@dol.gov

September 19, 2017

Office of Regulations and Interpretations
Office of Exemption Determinations
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Ave., NW
Washington, DC 20210

Re: Extension of Transition Period and Delay of Applicability Dates (Application Number D–11712; D–11713; D–11850); Best Interest Contract Exemption (ZRIN 1210–ZA27) (the "Proposal")

Dear Sir or Madam:

CNL Financial Group, Inc. ("CNL") appreciates the opportunity to comment on the recent Proposal from the Department of Labor (the "Department") related to extending the special transition period and applicability date of certain provisions of the Department's Fiduciary Rule, and in particular, certain provisions of the Best Interest Contract Exemption. We note that the present transition period currently ends on January 1, 2018 and CNL supports extending the new transition period to July 1, 2019. More specifically, CNL believes that an extension to the transition period is important to ensure that regulated parties under the rules do not incur undue expense to comply with conditions or requirements that the DOL ultimately determines to revise or repeal, and believes that additional time is needed to ensure that a thorough re-assessment of the Fiduciary Rule and exemptions (the "Rules") can be conducted with appropriate coordination with other regulators.

Headquartered in Orlando, Florida, CNL is a private alternative investment management firm currently advising several non-traded real estate investment trusts, non-traded business development companies and private investment funds. Since its inception in 1973, CNL and/or its affiliates have formed or acquired companies with more than $34 billion in assets. CNL has invested through various market cycles in a broad range of industries, asset classes and geographies, including investing in and lending to companies operating in the retail, restaurant, health care, hotel, leisure, recreation, financial services and insurance industries. CNL has received more than $18 billion dollars in investments from approximately 560,000 investors, of which approximately 50% have constituted retirement accounts.

In addition to our specific comments below, we also want to associate ourselves with, and formally endorse, the positions of the U.S. Chamber of Commerce, Investment Program Association and Alternative & Direct Investment Securities Association. We feel that they raise very important points and provide important research regarding the information requested by the Department.

CNL supports a delay in the new transition period to July 1, 2019. While many financial services providers have already made significant investments and taken substantial steps in order to comply with the Rules, as the applicability of the rules and exemptions are evaluated by the Department, we believe extension of the transition time will avoid numerous financial services providers from incurring significant costs to comply with conditions, which may be revised, repealed or replaced. We also note that many new investment product classes and features have been, and continue to be, introduced into the marketplace in response to the Department's fiduciary rule making. We believe that the extension of the transition time will serve to assist product sponsors and financial services providers with additional time for product adaptation and innovation. As changes to financial products continue to evolve and unfold, we believe additional transition time for the above referenced rules will assist in the prevention of potential investor confusion, should future changes to the Rules be made and as new product features and classes are introduced.

As a sponsor of a variety of alternative investments subject to regulatory oversight at multiple levels, CNL respectively notes that the Securities and Exchange Commission ("SEC"), the Financial Industry Regulatory Authority (FINRA), and the regulatory entities under state securities laws provide an existing and robust regulatory framework for providing protection to retirement investors. We continue to believe that harmonization of the Rules with the current regulatory establishment of the SEC and FINRA, as well as any future fiduciary rule making from these entities, is essential. We believe that an extension of the transition time will allow more opportunity for the Department to work with other regulatory entities.

Finally, we respectfully submit that to the extent the transition period in the Proposal is extended, the Department should also extend the temporary enforcement policy. We believe that that this will reduce potential uncertainty during the transition period, without significantly undermining investor protections since financial institutions and financial advisors relying on the Best Interest Contract Exemption must still adhere to the Fiduciary Rule's Impartial Conduct Standards.

We would like to extend our appreciation for the opportunity to comment on the Rules and the Proposed Amendments. Thank you for your consideration of these very important concerns.

Signed,

Kirk A. Montgomery
Head of Regulatory Affairs
CNL Financial Group, Inc.

CC: Holly J. Greer, *Chief Operating Officer & Enterprise Chief Legal Officer*