

ABSTRACT

In April 2015, the U.S. Department of Labor (DOL) published a Conflict of Interest Proposed Rule.¹ The DOL received numerous comments. This document reviews six studies that were submitted among the comments by NERA Economic Consulting, Oliver Wyman, the Investment Company Institute, Compass Lexecon, Robert Litan and Hal Singer of Economists Inc., and Quantria Strategies.

We first discuss a number of common themes that were raised in the studies and then separately address each of the six studies with a summary of our opinions, a synopsis of the study, and a discussion of the pertinent arguments. We generally find the studies lacking in rigor, failing to recognize emerging alternatives to traditional offerings of investment advice, incorrectly equating the benefits of conflicted advice to those of non-conflicted advice, or suffering from logical fallacies. None of the studies offer compelling arguments against implementation of the DOL's Conflict of Interest Proposed Rule.

¹ See Federal Register, Volume 80, p. 21928, available at <http://webapps.dol.gov/FederalRegister/PdfDisplay.aspx?DocId=28201>.