

PUBLIC SUBMISSION

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Definition of an Investment Advice Fiduciary

Comment On: EBSA-2023-0014-0001
Retirement Security Rule: Definition of an Investment Advice Fiduciary

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Submitter Information

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General Comment

I have spent 16 years of my life in various channels of the financial profession. For 2 years I was hired as and FRA (Financial Relationship Manager) at Wells Fargo Advisors. The FRA was Wells Fargos response to trying to manage the DOL Fiduciary Rule. Here is the gist of what I have seen since this rule was dreamed up to reform Wall Street. Note: I am writing this as a Fee Only RIA that only opporates as a Fiduciary to my clients. What I have seen is that the lower segment of Clients (those under 300k in assets) will be harmed by this rule, those between 300-1MM will benefit slightly... and for those over 1MM it will make no difference. Thus, it's the lower segment of client that will be harmed the most. How will they be harmed? many have alre dy been transfered to call centers and no longer have a local advisor. Many will be told they do not qualifiy for financial advice yet... however, the largetst segment will be those that don't know what they don't know and will never be approached to make a plan, invest, and take action toward a more abundant future. The largest firms want their advisors to focus on the 20% of clients that make up 80% of revenue, which is why they want this rule to be put in place. Also, like a lot of regulation, it harms the smallest and local firms, and creates additional costs and friction for such firms. Please add the cost of inaction to the cost of such legislation.

You can reach me at (541) 389-7777 to discuss further.

I'm writing to express my concerns with the Department of Labor's (DOL) Retirement Security rule proposal. I believe this proposal will harm millions of low- and middle-income households by limiting access to personalized financial guidance and advice.

As a financial professional, I'm already required to act in the best interests of my clients under the SEC's Regulation Best Interest (Reg BI) and, when considering annuities, applicable state laws that impose similar requirements. Together, these regulations ensure that my clients and I can focus on working together to build responsible savings and investments habits.

This proposal has the potential to upend our existing, comprehensive structure by limiting our ability to help our clients safeguard their savings in a manner of their choosing. In particular, the previous iteration of a substantially similar DOL rule resulted in a meaningful reduction in services offered to millions of low- and middle-income households. I am concerned that the resurrection of this rule is expected to exacerbate the racial wealth gap by roughly 20% due to a disproportionate impact on Black and Hispanic communities.

I hope the DOL will consider the harm the previous fiduciary rule had on communities, as well as the changes in securities regulations that came with the adoption of Reg BI and state insurance suitability rules and withdraw the Retirement Security rule proposal.