



July 20, 2015

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

Re: Definition of the Term “Fiduciary”; Conflict of Interest Rule—Retirement Investment Advice (RIN 1210-AB32)

Ladies and Gentlemen:

Thank you for the opportunity to provide comments regarding the Department of Labor’s (“Department”) Proposed Conflict of Interest Rule (“Proposed Rule”) and Best Interest Contract Exemption (“BIC Exemption”) under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). I am concerned that the Proposed Rule and BIC Exemption will unnecessarily increase barriers for Middle-Income Americans to the valuable retirement savings education and assistance that I and many thousands of other registered representatives provide. It is my hope that my comments are helpful to the Department.

I have been a registered representative with PFS Investments Inc. since 1999. My office is in Rosedale, New York. My clients come from the community in which I live and work. They are hard-working, very busy people, and, quite typically, before they meet me, no one has ever taken the time to sit down with them to assess their financial picture and discuss basic financial concepts with them, such as the power of saving for retirement through systematic investing and what investment options are available to them. They, like so many people in Middle America, do what they do daily very well, but the reality of life is that there is no time left in the day after their work day and evening family commitments end for them to proactively seek out education and advice on saving and investing. What some view as basic saving and investing concepts that everyone already knows, is typically not information they know. They are starting from a different baseline, and it takes a substantial time commitment to understand these concepts well enough to make actual investment decisions independently.

While it may appear that they *have access* to this information if they have computers or other mobile devices from which they can search the internet, they do not, in my experience, *access* this information on their own. It is time-consuming and overwhelming. They are much more comfortable working with a live person, and more successful when they do so, both of which studies have demonstrated.¹ And with retirement savings and retirement plan participation at such low levels, it is imperative that we help Middle Americans in every way possible get on track

¹ Oliver Wyman: The role of financial advisors in the US retirement market (July 6, 2015). Oliver Wyman states that it “. . . was engaged to perform a rigorous investigation of the role of financial advisors in the US retirement market, and quantify differences in investing behavior and outcomes between advised and non-advised individuals.”

toward ensuring better futures for themselves and their families. This is particularly true in the African-American community, of which my clients and I are a part. African Americans lag behind the general population in saving for retirement,² and I spend a significant amount of time educating my clients about the importance of saving for retirement and the ways they can do so.

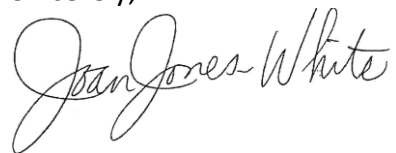
Working with Middle-Income Americans to achieve their financial goals is what I have done my entire career in the financial services industry. A story about a particular client of mine comes to mind.

Thirteen years ago I met a 26 year-old Registered Nurse. She was saving money in a bank account instead of an IRA because she was a little leery about investing in the stock market. She had accumulated several thousand dollars in the bank account. I worked with her one-on-one to educate her about basic investing concepts. For example, I explained how mutual funds operate, the importance of diversifying investments, and the benefits of tax-advantaged savings. The education provided her the understanding and confidence to open an IRA with the money she had saved in the bank account. She also chose to make monthly contributions of \$100 per month. Today she is comfortable and satisfied with the decisions she made back then. She has even increased her retirement savings contributions to the maximum allowed. I communicate with her periodically to ensure her needs are met.

It is my belief that the Proposed Rule and the BIC Exemption as drafted will eliminate or substantially reduce people like this Registered Nurse's access to education and advice, at the exact time and for the exact purpose they need it most – saving for retirement. I fear that the translation of education into advice, the imposition of the new BIC contract, the uncertainties created by the Impartial Conduct Standards which substantially increase liability costs and effectively disqualify the commission model, and the costs of complying with all of the many disclosure requirements will cause firms such as PFS Investments Inc. to conclude that it simply is not feasible to open smaller accounts. If a decision like this is made, my clients will lose access to the education and advice they so badly need, and their futures will be severely negatively impacted as a result.

It is my hope that the Department will take this into consideration and withdraw the Proposed Rule. Thank you again for the opportunity to comment.

Sincerely,

A handwritten signature in cursive script that reads "Joan Jones-White". The signature is written in black ink and is positioned above the typed name.

Joan Jones-White
Rosedale, New York

² The African American Financial Experience, Prudential Research, 2013-14; The Hispanic American Financial Experience, 2014 Prudential Research; Rhee, Nari, Ph.D., National Institute on Retirement Security, "Race and Retirement Insecurity in the United States," (December 2013).