Office of Regulationas and Interpretatations
Employee Benefits Security Administration
ATTN: Conflict of Interest
Room N05655
US Dept of Labor
200 Constitution Avenue NW
Washington, DC 20210

Dear Members;

The new fiduciary rules will have a severe unintended consequence that is bad for middle class America. First of all I am 68 years old and nearing retirement so these new laws would not effect me personally anyway. By the time they are implemented I will be gone from the business except for a few favored clients who have become friends. I can however tell you unequivocally these changes would hurt the small investor.

You must understand, the little guy isn't comparing various stock market investments and methodologies with each other, he is comparing them to the ease of doing nothing and the false emotionally secure feeling of investing in fixed interest accounts.

I specialized in these folks because no one else wanted to take the person with $13,000 to invest. My typical client had around $50,000 and was in a fixed interest account somewhere. I was able to educate them, teach them that losing a net of 1% a year to inflation was a real loss and the fact that their account statement said they now had $50,100 was not a true reading of what had taken place over the last 12 months and what their nest egg could now do.

These proposed new rules would make this sort of person frankly unprofitable to keep as a client. It would require more time and money than they would be worth. Advisors will absolutely start abandoning smaller clients....which some people mistakenly think would be great. These clients would now be stuck with a couple of bad options. One, remain in a self made rut doing what the fellow I met last week was doing with his $17,000......paying a 401k administrator 1.2% expense fees while earning .30% in a money market fund for a real loss of - .90%. That doesn't even include the 2.1% inflation we had last year.

Option 2 would be go to the media and discover some one-size-fits-all media guru who by not addressing specific recommendations can make money by urging people to call a 800# and be back door compensated merely by the number of phone calls he generates.

For these folks there isn't an option #3. The person I served over the years would no more go to a Robo-advisor than walk across a busy freeway blindfolded and in fact would have the same basic emotional response to either option.

Pure and simple these changes will drive advisors to take on only clients with lots of wealth and leave the middle class totally underserved.

Remember, DALBAR studies have shown over and over investors with an advisor outperform those without one. That is because we keep people in the market during rough waters. Robo-Advisor, Mr. TV Stock Expert and the bureacrat enforcing these laws do NOT!.

Not everyone is interested in the very best deal......the majority are more concerned with a reasonable deal backed by an educated opinion. Don't run off those with the educated opinions and leave the clients to have their raw emotions make their investment decisions for them.

Thank You

Arthur Rossetti
Licensed since 1976