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Sent: Saturday, August 29, 2015 4:55 PM
To: EBSA, E-ORI - EBSA
Subject: RIN1210 - AB2

Dear Sirs,

This letter is as a comment to the proposed rule which would have the effect of eliminating the use of Options in IRA's. I am in disagreement with the rule, and the premise that it would somehow limit risk in accounts.

I have been using options as a tool for over 10 years to increase returns and limit risk in my IRA. I have generated income through the use of selling Covered Calls and Cash Secured Puts, increasing my returns. At the same time, I have used the mechanism of the costless collar (buying put and selling a call on the same stock position) to limit the exposure during market stress.

These mechanisms have allowed me to generate superior returns over the years (according to Vanguard, where I hold my IRA, my 10 year annualized return is 13.6%, despite holding 30-40% of my portfolio in Money Market instruments). My biggest drawdown was during the late summer and fall of 2008, which was about 10 %. These returns and lower volatility would have been impossible to achieve without the use of options to generate income and mitigate risk.

All of the strategies I employ,(and are employed by countless others) have a proven track record of success and are based on statistics and probabilities. These tools may not be for everyone, but helping people avoid costly errors can be dealt with education requirements, by requiring people to show literacy in options before being allowed to trade them. Options are not so esoteric as is often portrayed, I have no formal education in finance, and learned by doing.

A far larger problem is posed by completely passive investing in my view. Completely passive investing fosters a lack of awareness by investors, both of what they own and general conditions. Such investors are left to the mercy of the market, and it is no wonder they feel the need to sell out when the market becomes stressed. It is after all, their life savings they are dealing with.

All markets have been made more vulnerable by a lack of liquidity, and as we saw this past week, that translates to a greater degree of volatility. Removing a tool that investors have to limit risk and generate income will have the opposite effect of what is intended.

Thank you for the opportunity to comment.

Francis J. Katulak