

From: Jeffrey Milne [mailto:jjmilne9@gmail.com]
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To: EBSA, E-ORI - EBSA
Subject: RIN 1210-AB32

Hello,

Barron's has recently reported that the Department of Labor is considering a new proposal that prohibits investors from using options in individual retirement accounts.

I would like to state my objections to this proposal.

I am a retired investor who has a self-directed portfolio designed to produce an income stream from interest, dividends and premiums from writing covered calls. Although the stocks used for writing calls are approximately 20% of the portfolio, the premiums generated monthly usually exceeds the revenues generated by the remaining 80%.

The ability to write covered calls in my IRA is important for three reasons.

1. It is an income stream that generates valuable revenue at a time when monetary policy has minimized income that can be generated from bank deposits and traditional bonds.
2. It provides safety for my portfolio by allowing me to diversify my equity investments. Good paying dividend stocks are generally limited to utilities, REIT's and a few other sectors. All of these stocks will be under price pressure as the Federal Reserve raises interest rates. The ability to write covered calls allow me to diversify by purchasing growth stocks which are not equally exposed to the rising interest rates. Typically growth stocks pay minimal or no dividends. It's only the ability to generate premiums that allows me to include them in my income portfolio.
3. The premiums generated by the covered calls also provides my portfolio with some protection to swings in the stock market.

Writing covered calls is a conservative strategy that provides my portfolio both safety and a higher yield. I am hoping that the Department of Labor rejects this proposal.

Thank you.

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