

October 11, 2022

*Submitted Electronically*

The Honorable Lisa M. Gomez  
Assistant Secretary of Labor  
Employee Benefits Security Administration  
U.S. Department of Labor  
200 Constitution Avenue, NW  
Washington, DC 20210

**Re: Request to Testify – Proposed Amendment to Prohibited Transaction Class Exemption 84-14 (QPAM Exemption) (RIN 1210-ZA07)**

Dear Assistant Secretary Gomez:

I write on behalf of the Committee on Investment of Employee Benefit Assets (CIEBA) to request to testify at the upcoming hearing regarding the above-referenced rulemaking. Below, I have provided the requested information.

**1. Name, title, organization, address, email address, and telephone number of the individuals who would testify**

Dennis Simmons  
Executive Director  
CIEBA  
1701 Pennsylvania Ave, NW  
Suite 1200  
Washington, DC 20006

**2. Name of the organization(s) whose views would be represented**

Committee on Investment of Employee Benefit Assets (CIEBA)

**3. Date of the requestor's written comment on the Rule (if applicable)**

October 11, 2022

**4. Concise summary of the testimony that would be presented.**

We intend to testify to the following:

- The investment fiduciary community has been extremely well served for decades by the protections and relief afforded by the QPAM Exemption as currently written. Consequently, the Department's proposed amendment to Prohibited Transaction Class Exemption 84-14 (the "Proposed Amendment") is inconsistent with its stated intent of providing "protections for plans and individual retirement account owners."

- Asset managers may be disincentivized to serve as QPAMs due to the indemnification portion of the Proposed Amendment, and those that serve are likely to pass the costs associated with the indemnification provision on to plans.
- The Proposed Amendment's restrictions on the wind-down period are unworkable for plan sponsors.
- Statements in the Proposed Amendment that the terms, commitments, investments, and associated negotiations of a transaction on behalf of client plans are the "sole responsibility" of the QPAM, when combined with the preamble's statements that this requirement would not be met where a transaction has been "planned, negotiated, or initiated" by a party in interest and presented to a QPAM for approval, essentially undoes the ERISA Section 406(a) relief provided by the current QPAM Exemption.
- Instead of rewriting the QPAM Exemption, the Department should consider clarifying that United States asset managers are not expected to be able to control their foreign affiliates and narrow its current interpretation of the QPAM Exemption's foreign conviction ineligibility provision.

We appreciate your consideration of this request. Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Simmons", with a long horizontal flourish extending to the right.

Dennis Simmons  
Executive Director