

PUBLIC SUBMISSION

Received: July 02, 2020
Tracking No. 1k4-9hl4-x520
Comments Due: August 06, 2020
Submission Type: Web

Docket: EBSA-2020-0003
Improving Investment Advice for Workers & Retirees

Comment On: EBSA-2020-0003-0001
Improving Investment Advice for Workers and Retirees

Document: EBSA-2020-0003-DRAFT-0003
Comment 0002 Carlson 07022020

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General Comment

I am a 401(k) plan administrator horrified by the proposal to allow mutual funds to financially compensate plan advisors for their affirmative recommendations. The moment such an incentive is created, the fiduciary's integrity is compromised, regardless of the supposed safeguards built into this proposal. Those safeguards would be theoretically effective only insofar as the SEC had capacity for widespread audits and investigations, which it lacks. Is there really an expectation that the SEC could or would monitor most fiduciaries? If not, this proposal implicitly relies on an honor system among fiduciaries, which would not only contradict the very purpose of the SEC's existence, but also make it impossible for the SEC to satisfactorily fulfill the first two components of its mission: "Protect investors" and "Maintain fair, orderly, and efficient markets". That would be unacceptable.

Fiduciaries are already compensated adequately - some might say handsomely - for their services. There is no compelling public interest to justify a change to the existing rules that would benefit only a small class of people on whom millions of citizens rely for proper investment guidance.