

PUBLIC SUBMISSION

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Definition of an Investment Advice Fiduciary

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Retirement Security Rule: Definition of an Investment Advice Fiduciary

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Submitter Information

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General Comment

I am an independent financial advisor dedicated to assisting Main Street Americans in crafting a secure financial future through comprehensive financial planning and related services. As a member of the Financial Services Institute, I am expressing my reservations about the Department of Labor's (DOL) recently proposed Retirement Security Rule. If implemented, this rule could adversely affect the very retirement savers it aims to assist by restricting their access to affordable financial advice, products, and services essential for ensuring a dignified retirement.

Establishing a relationship with a trusted financial advisor is pivotal in encouraging individuals to save more for retirement. Through my role, I provide clients with holistic financial advice, and as an independent financial advisor, I can recommend products that align with their best interests. Currently, my clients have the flexibility to choose how they compensate for financial advice. Contrary to being labeled as a "junk fee," commissions play a crucial role in enabling advisors to serve individuals with fewer investable assets who might otherwise struggle to afford professional guidance. If the proposed rule is enacted, I will be unable to assist smaller accounts and support retirement planning for lower and middle-income savers, particularly impacting those earning below \$100,000 annually.

It is worth noting that a similar rule was proposed by the DOL in 2016, resulting in over 10 million smaller retirement account owners losing access to their financial advisors due to increased costs. Not only was the 2016 Rule invalidated by a Federal Court, but the Securities Exchange Commission (SEC) and state regulators also implemented their own best interest standards. Considering the SEC's Regulation Best Interest, the widespread adoption of the NAIC model regulation by over forty states, and DOL's PTE 2020-02 mandating compliance with established conduct standards, the proposed Retirement Security Rule appears redundant.

I strongly urge the DOL to reconsider this rulemaking and prioritize the support of Main Street investors, small business owners, and our communities' access to essential financial advice.