

From: Megan Rouse [mailto:megan@meganrousefinancialplanning.com]
Sent: Tuesday, July 21, 2015 4:34 PM
To: EBSA, E-ORI - EBSA
Subject: RIN 1210-AB32

July 21, 2015

Office of Regulations and Interpretations
Employee Benefits Security Administration
Attn: Conflict of Interest Rule, Room N-5655
U.S. Department of Labor
200 Constitution Avenue NW.
Washington, DC 20210

RE: RIN 1210-AB32

Dear Ladies and Gentlemen:

I am a registered investment advisor and a consumer advocate. I fully support a uniform fiduciary standard. I do not support the DOL proposal in its current form. It simultaneously goes too far and doesn't go far enough -- creating a layer of red tape bureaucracy for financial planners and investment advisers, while not providing American consumers the comprehensive best-interest advice they should be entitled to.

I support a uniform fiduciary standard. I already have a fiduciary relationship with each and every client, by law and by choice. I am a registered investment advisor, and thus am a fiduciary to my client every time I provide investment (or any) advice. I am registered with the state of California and file annual amendments through FINRA, adhere to the SEC laws covering investment advisors which demand always giving objective advice in the client's best interest and disclosing anything and everything that could be perceived to suggest otherwise. I charge only an hourly rate or a project rate and my fees never depend on investment decisions or client actions. Additionally, I am a CERTIFIED FINANCIAL PLANNER™ practitioner and as such have voluntarily committed to uphold the fiduciary standard and always act in the best interest of my clients.

The suitability standard is inadequate: it does not protect the American consumer from advice that is not in their best interest. In the vast world of financial professionals, there are many instances where clients do not necessarily receive advice that is in their best interest -- costing them both money and peace of mind. I am pleased that we are looking to address this; however I support a uniform fiduciary standard rather than the current DOL proposal.

Having a fiduciary standard that only covers retirement accounts is a clear under-reach and will not adequately serve consumers. It is like remodeling your home and allowing your licensed contractor to follow municipal building codes on the first floor but not the upstairs. Or, using healthcare as an example, what if consumers had health coverage for their bodies expect their right arm and left foot. How would you address a circulatory problem, since it goes through the entire body? The same is true for financial planning. A comprehensive financial plan looks at all aspects of one's financial position.

Additionally, the DOL proposal creates a sense of security and trust that may be a disadvantage at some point to the consumer. Let's say a couple is saving for retirement and working with a financial adviser (*not* an investment adviser) who prior to the rule would have been subject to the suitability standard. Under the new rule, the advice given to the couple for their retirement accounts will be subject to the fiduciary standard, and I would imagine there is a discussion between the adviser and the clients about the fiduciary standard, and that the adviser is regulated under the Department of Labor rule. I would image this creates a sense of trust, of endorsement in some sense, that the government is ensuring their adviser is truly working for them. However, in this case there is no fiduciary rule for the 529

plans they end up talking about, or the home loan, or the life insurance, or the non-retirement brokerage account. Is it realistic to expect the client to switch gears quickly and understand the difference between the interests, that some of the advice is in their best interest while some may not be? Now fast-forward to post retirement, the assets come out of the retirement accounts through distributions, and are no longer covered by the DOL rule. Is it realistic to think that most clients will wholly understand that the 30+ year relationship that was regulated by the DOL is now different based on the location of their assets, and no longer subject to the fiduciary standard?

The DOL proposal overreaches by creating a complex structure of additional regulation that is imposed on financial professionals who are already acting in the best interest of clients at all times. It is not clear to me how I will ensure compliance with the many new rules and regulations that do not change my behavior (remember, I am already a fiduciary to all my clients at all times for all of their investment advice and planning). As a fiduciary under ERISA do I have additional disclosure obligations relative to the retirement plan or fund lineup? What are they? Do I need an additional contract to provide investment advice to a client I already have a contract with? Do we need an additional contract with the custodian? Who will answer these questions, and others? In my view, it is unreasonable and impractical for a sole proprietor who is already a fiduciary to obtain legal counsel to be certain I am in compliance. Why should I be regulated under an additional layer of rules and requirements, to continue to be a fiduciary? How does that serve consumers?

How to amend the rule to address the undue burden on existing fiduciaries: I strongly encourage you to provide an immediate and clear exemption from any DOL proposed rule for anyone who is already a fiduciary for the duration of their fiduciary relationship. If at any time in the future they ceased to be the fiduciary, then one would immediately be subject to the DOL rule and have 30 days to get into full compliance with the rule, and disclose to their clients such.

In conclusion, I support the effort to ensure all Americans receive objective advice in their best interest. I urge you to amend the DOL proposal. At a minimum, please amend this rule so it does not place undue burden on and interfere with the ability of advisers who are already acting as fiduciaries and providing advice in the best interest of their clients. And I strongly urge you to consider a comprehensive approach that enforces a uniform fiduciary standard across all adviser-client relationships, in all accounts, at all times.

Thank you for your time and consideration.

Kind regards,
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