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Definition of the Term “Fiduciary”; Conflict of Interest Rule—Retirement Investment Advice

Comment On: EBSA-2010-0050-3491

Definition of Term Fiduciary; Conflict of Interest Rule-Retirement Investment

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General Comment

As a 35 year veteran of the financial services industry involved in the sales and service of clients for both insurance and securities products, I can state for the record, that the average net-worth of my clientele is between \$50,000 - \$300,000. Sure I have clients with a higher net-worth, but the overwhelming majority fall between the numbers above. Your rule will eliminate these people from realizing any financial representation due to the fact that the Broker Dealer community will not be able to offer any products with any countable degree of field compensation that has enabled me to survive and prosper in this business for the last 35 years. We are now forbidden to sell mutual funds direct to the funds so a \$100 monthly investor is already priced out of the market, replaced with a clearing house or money management platform with fees that total over 9% for each \$100 investment if invested into an A share mutual fund. Next, unless there is a substantial opening value, one can't even open up an

account, cutting off millions of people from "starting with zero" as I personally have done with many hundreds of clients over the years. I myself started my investing life with a \$25 per month systematic investment program. Your new rule is supposed to help and protect "the people", yet for my type of people it will eliminate any and all possibilities to start small, on the road to financial independence. A commission arrangement is the only way that clients can be prospected and serviced as well as compensating a financial adviser to serve them. Please study this rule again to allow people like me to continue the service of providing investment advice to the millions of smaller investors who need the wisdom and advice of trained and seasoned professionals to serve them. Please consider this fact: 52% of Americans do not pay taxes. Could this be based on the fact that they either have no portfolio or the required income to create one? These are the people that need help, advice and guidance and the same people you are cutting off from receiving it. Of the 48% who do pay tax for 100% of the country's needs, how many of them have a portfolio exceeding \$1,000,000 and with it, the ability to obtain fee based financial advice? I propose to you that the percentage is excessively small when compared to the millions of people and families that are in the 52% category. This rule requires a postponement and a revamping to cater to both ends of the wealth spectrum and certainly the people in between. This rule, as I understand it today, is detrimental to both the people of the vast middle class as well as to the advisers that serve them. Please postpone, re-examine and with the resources of the DOL, FINRA and the SEC, put forth a fair and balanced rule that places the clients best interests foremost, but enables the people that serve them a way to pay there mortgage, overhead and stay in business as well. Thank you for your considerations,