

To: EBSA.FiduciaryRuleExamination
Subject: RIN 1210-AB79

The Office of Regulations and Interpretations
Employee Benefit Security Administration
Attn: RIN 1210-AB79 Proposed Definition of Fiduciary Regulation
Room N-5655

U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210
Re: RIN 1210-AB79 – Proposed Delay in the Applicability Dates of the Definition of Fiduciary Regulation

Ladies and Gentlemen:

I am writing regarding the proposed delay of the Department of Labor fiduciary rule that is scheduled to become effective April 10. I am in favor of a delay. I hope my comments add perspective on the impact this regulation has had and would have on the individuals and families I serve in investing for their future.

As a financial advisor, I have always acted in the best interest of my clients. I would never recommend an investment or service that I thought was not in the best interest of my client, regardless of the compensation. As we know, there are bad actors in every profession and industry, and I agree with the intent of the fiduciary rule to hold advisors to a best interest standard of client care. I've been reading about the rule, working with my broker-dealer, attending conference calls and webcasts for the past year, and I still find the rule confusing and difficult to explain to my clients.

Nearly a year after publication of the final rule by the DOL, the industry is still struggling with far-reaching ramifications of changing decades of investment product practices and compensation structures. As I have reviewed information on the changes investment product companies and broker-dealers will have to make to comply with the fiduciary rule as written, it has become clear to me that the rule will have several unintended consequences that are detrimental to the very investors the rule is meant to protect.

- The level compensation requirement by product type will severely limit product choice for investors, in some cases requiring me to offer an investment that will be more costly to my client. Product sponsors tell us they are working on modifying existing products or developing new products that meet the requirements and serve investor needs, however, these products won't be available by the April 10 implementation deadline. A delay would allow product sponsors to finalize these products and advisors to transition investors to these products without limiting client investment choices and causing unnecessary confusion for investors.
- I understand that broker-dealers and custodians are paid by mutual fund companies for the services and distribution access they provide. With the elimination of that revenue, broker-dealers will likely pass some of those costs to the advisor to continue to provide services. I already face growing expenses from hiring and training professional staff,

technology, cybersecurity and complying with FINRA and SEC regulations. To stay in business and continue providing the investment advice my clients need, I in turn will need to raise the fees I charge to clients for these services. Pushing clients to the lowest-cost robo advisor that has no human to navigate retirement and all the many other money matters that face them each day – like dealing with a special needs child, the death of a spouse or any other situation that requires expert advice and emotional support – is not a good option for most investors.

- Many broker-dealers have announced that they will no longer allow commissionable products in retirement accounts, forcing investors to pay a fee instead so the broker-dealers can comply with the level compensation requirement of the DOL rule. For many small investors, particularly those who do not engage in active trading or 529 plan customers, a fee-based account may not be in the client's best interest. Clients should be able to decide how they want to do business with their financial advisor. Forced to choose between additional legal exposures on the commission side with regulation by class action lawyers and an advisory account that may not be in the client's best interest, many advisors will choose to stop working with smaller investors – the very people who most need advice on investing for their future.

Important strides can be made in protecting investors and putting in place meaningful regulation that advisors can implement. The industry needs more time to ensure that the solutions proposed to meet the DOL requirements will not have unforeseen consequences that hurt investors. Going ahead with the April 10 applicability date and then retroactively addressing these potential negative consequences will create confusion for investors and erode confidence in the wisdom of investing for their future financial needs.

Therefore, I urge you to support a delay in the applicability date of the DOL rule and explore revisions that truly serve investors' best interest by protecting their choice to receive professional investment counsel and how they compensate that professional.

Sincerely,