From: adam.griffin@nm.com
Sent: Friday, June 30, 2017 10:51 AM
To: FiduciaryRuleExamination - EBSA
Subject: Fiduciary rule comments

To whom it may concern:

First, I appreciate the DOL allowing this comment period from those who the rule actually effects. Feedback from the public regarding any level of regulation is necessary and I am glad that it has been granted in this case.

As a Certified Financial Planner, and Investment Advisor Representative I am held to a fiduciary standard a large amount of the time during my normal course of business. I have always felt this to be a good thing. Acting in my clients best interest has always been a core part of my value system. I never felt that there needed to be additional regulation to begin with, however I recognize that not every financial professional practices this standard of care.

The biggest issue with this regulation as I see it is I can no longer work with clients who have modest sums of money (under $150,000). I have made the choice because of this regulation to exit the brokerage space altogether and work only in an advisory capacity. I had to act as a fiduciary already in that capacity, and to me it simply isn't worth it to take on smaller accounts and potentially run afoul of the new rule even though I didn't intend to. My interpretation of this rule is that it is very difficult to justify recommending a mutual fund with a front end sales load at all. There will always be a no load alternative out there with less cost and comparable performance history. Because of this, even if someone with modest assets desires professional guidance and more comprehensive financial planning planning I have to turn them away. It simply isn't worth the risk.

What I feel is not being given enough credence is the fact that investor behavior is what truly determines long term rate of return, and thus an individual's ability to accumulate enough capital to retire. It doesn't matter if a fund has a front end sales load or no load if the client panics and sells everything after the market drops significantly. If I am an individual investor with no advisor and I have a portfolio comprised of all index funds and ETF's in attempt to save some money on fees and the market drops 30% and I panic and sell out of everything, I have made a massive mistake because I didn't have an advisor telling me not to panic. If I am an investor with an advisor and I have purchased front loaded mutual funds, and my advisor calls me when the market drops 30% and reassures me that this has happened many times throughout history and tells me not to panic, provided I take his advice I am in a far better position than the other investor no matter what the sales load was! A 5% sales load is an afterthought if 50% of a client's account is wiped out because he or she panicked and sold everything at the wrong time.

The unfortunate part of this rule, and I think an unintended consequence, is there will now be far more of the former example than the latter. I have to be compensated for the work that I do, yet the rule is written in such a way that my compensation is deemed "not in the clients best interest" because less expensive yet comparable options that do not compensate me exist. Without high quality, unemotional professional guidance many people are left to wander the desert of the investing world on their own. Some may be just fine, but most simply can't separate their emotions from their own dollars and end up making rash decisions that hurt them. The true value of an advisor lies in the ability to be a good behavioral coach. Because of this rule, good advice is now being denied to the people who need it

most. The middle class investor who has worked hard to save and doesn't want to work for the rest of their lives no longer has access to a good advisor. I don't think anyone with an ounce of sense would want that to happen.

Sincerely,

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