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Docket: EBSA-2010-0050
Definition of the Term ''Fiduciary''; Conflict of Interest Rule—Retirement Investment Advice; Notice of proposed rulemaking and withdrawal of previous proposed rule.

Comment On: EBSA-2010-0050-0204
Definition of the Term Fiduciary; Conflict of Interest Rule- Retirement Investment Advice

Document: EBSA-2010-0050-DRAFT-7798
Comment on FR Doc # 2015-08831

Submitter Information

Name: Anonymous Anonymous

General Comment

Dear sir or maam:

I have significant philosophic and practical concerns about DoL proposed rule RIN 1210-AB32. From a strictly philosophical perspective, I believe that this new effectively relieves the individual of the need for due diligence in charting his or her future. If the individual should be expected to play an active role in planning his or her own financial future, is it proper to regulate to whom he or she should speak? Since Social Security is run by the institution to provide income for retirees, shouldn't retirement accounts preserve some degree of autonomy from the government to further safeguard income in the retirement years? If diversification is vital to long-term gains, isn't diversification between public and private fiduciaries paramount? The proposed rule seeks to limit such diversification by imposing the DoL as intermediary in the latter.

The practical ramifications of such a role appear evident to this long-time investor. Specifically, while increased paperwork requirements and excise taxes may suggest the need for fiduciaries to tow the line with their clients, the sad reality is that the increased burden of paperwork and punitive taxes will simply be included as expenses on the fiduciaries' bottom lines and passed to those whom the rule is designed to protect: the investors. Moreover, in the case of self-directed IRAs, the proposed rule suggests that certain investments will be precluded as viable options, and even if implicitly allowed by the rule, they will likely be deemed as regulatory risks by fiduciaries.

As a serious lifelong investor who has seen the fruits of his efforts in his own accounts and is capable of managing his own financials, his own risks, and his own investment choices, I view the proposed rule as a threat to my long-term returns. It threatens my returns with increased fees and increases my risk by limiting my investment options. I currently invest in stocks, bonds, and derivatives through a broker-sponsored platform; I do not seek advice from the broker, nor do I require more than a platform for buying and selling.

At the very least, should the rule move forward, it would be worthwhile to consider allowing those who wish to maintain flexibility through a self-directed IRA or through a brokerage platform like mine the opportunity to "opt out" of the more stringent regulations. Such an "opt out" could be accomplished through an addendum to the normal IRA documentation. While this would not shelter investors like me from likely higher fees, it would preserve a wider range of investment choices.