

PUBLIC SUBMISSION

Received: March 02, 2017 Status: Pending_Post Tracking No. 1k1-8v15-1om0 Comments Due: March 17, 2017 Submission Type: API

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-2010-0050-3491

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

Document: EBSA-2010-0050-DRAFT-8525

Comment on FR Doc # 2017-04096

Submitter Information

Name: Anonymous Anonymous

General Comment

As a financial advisor, I am concerned about the way the industry is interpreting a conflict of interest when it comes to compensation. The industry is encouraging advisors to put most clients in wrap accounts, or flat percentage fee accounts, instead of commissions or other types of compensation. This is much more expensive for small investors. Buy and hold is still a viable alternative. Of course wrap accounts are more lucrative than commissions/loads for advisors, but the interpretation is that this avoids variable compensation. This is the real world. A lot of my smaller investors are quite happy with paying commissions/loads and just holding the investment. An annual or semi-annual review is sufficient for most. I think the rule does more harm than good for investors with less than \$100,000, but who want to work with an advisor.