

Sent: Friday, March 03, 2017 3:50 PM
To: EBSA.FiduciaryRuleExamination
Subject: RIN 1210-AB79

Ladies and Gentlemen:

We appreciate your taking the step back and paying closer attention to “the fiduciary” rule. We sincerely hope your examination will result in revoking the Fiduciary Rule altogether.

God has blessed me with one of the most successful track records at _____ in my region – _____. I strongly believe one of the main contributing factors to that track record is my group’s Client First and Faith Based Honesty mentality. I can’t tell you the number of times in my _____ career I have counseled clients on vital issues like marriage, divorce, kids’ education, workplace conflicts, retirement, inheritance, primary home purchase, etc. etc. without charging a dime, Sunday through Friday, at very early, or late hours of the day. And I am confident most of my more successful colleagues are doing exactly the same.

We do not need any special rule to suddenly awaken us to the concept of client-centric and honest financial advice. And we certainly do not need yet another Obama-era regulation to continue to choke us with layers of box-checking, exam-taking, and note-logging. As it is, they take a substantial portion of our and our assistants’ days.

Here is a concrete client-disrupting example this rule is going to trigger: a 70 employee not-for-profit client has been trying to terminate their Defined Benefit Pension Plan. Normally, part of that process would entail purchasing annuities from quality insurance companies – think Pacific Life, MetLife, etc. – to replicate the pension income stream an employee otherwise would receive from the pension plan. Well, as a result of the subject DOL ruling, my employer, _____, will be forced to shut down their defined benefit terminal funding department. If the department is shut down, my client – the defined benefit plan and their employees – will be left with an incomplete pension termination. They will be forced to either restart the process or perhaps look at other – more costly and onerous solutions for their employees. Clearly, bad for employers, bad for employees!

Another example: _____ is likely to be forced by the rule to discontinue offering investment-based Health Savings Accounts. This very popular, tax-deductible vehicle would no longer be offered for our clients to invest in. Only cash-based, _____ option will remain, thus robbing our clients of long term compounding in these accounts and forcing upon them the inconvenience to re-settle on the _____ side, use a separate website, etc. Opportunities wasted, time wasted!

Yet a 3rd example: for many clients, it is entirely appropriate to have commission based accounts. For large, long-held, concentrated stock positions, for long term bond positions, for large mutual fund positions, it is often a lot more economical to hold them in commission-based accounts, rather than in fee-based accounts. The upfront fee is amortized over many years and makes the average holding cost a lot less for a client.

And on, and on, and on.

You will do investing public and their dedicated and honest advisors a tremendous favor by revoking “the Fiduciary Rule”.

Thank you very much!