



March 3, 2017

Office of Regulations and Interpretations
Employee Benefits Security Administration
Attn: Fiduciary Rule Examination
Room N-5655
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

Re: RIN 1210-AB79

VIA E-MAIL: EBSA.FiduciaryRuleExamination@dol.gov

Ladies and Gentlemen:

PlanMember Financial Corporation (“PlanMember Financial”) and its affiliates welcome the opportunity to comment on rulemaking proposals RIN 1210-AB79, which proposed an extension of the applicability date of the final fiduciary rule (the “Proposed Extension”). PlanMember Securities Corporation (“PlanMember”), a subsidiary of PlanMember Financial, is a broker-dealer and investment adviser registered with the U.S. Securities and Exchange Commission. PlanMember offers programs primarily intended to assist citizens, particularly employees of school systems and non-profit organizations, in investing their retirement savings. We offer our programs through a nationwide network of nearly 500 independent financial advisors; we have over 190,000 customer accounts, who have invested over \$9 billion through PlanMember.

PlanMember is a member of both the Financial Services Institute, Inc., and the National Tax-deferred Savings Association, which in turn is part of the

American Retirement Association. PlanMember concurs with the comments filed or to be filed by both of those organizations.

PlanMember has spent the last year preparing for the implementation of new programs and processes to comply with the fiduciary rule. This has involved the development of a new product platform specifically developed for IRAs and other accounts covered by the fiduciary rule, the development of supervisory procedures and technological systems intended to ensure that PlanMember and its representatives are in compliance with the fiduciary rule, and to educate and prepare its representatives to engage with their clients in concurrence with these new facilities.

Unfortunately, this entire process has taken a substantial amount of time and effort in excess of that we had foreseen. Conservatively, we believe that our senior executive staff (consisting of 8 key people) spent approximately 3,000 hours in this development and compliance effort, excluding any costs of systems and software development and purchases. However, even with this substantial expenditure of time (averaging approximately 20-25% of each executive's productive time), we find ourselves on the cusp of implementing a "transition" program—consisting of a reduced menu of products—in order to be able to have products available to meet the April 10, 2017, implementation date.

Furthermore, we are still working on an educational program for our representatives, with respect to both the new product platform and the sales processes necessary to comply with the fiduciary rule. In the event that the April 10, 2017, implementation date remains effective, it is likely that we will have to perform a two-step educational process: first, to educate representatives with respect to the "transition" product selection (as well as

the new sales processes), and, second, to educate them later with respect to a more sophisticated, long-term product lineup. This will be necessary in order to continue offering a compliant investment product for many of our investment clients. Of course, any clients who invest during the period that the “transition” program is in effect may need to adjust their retirement portfolios later as our long-term program becomes available.

Finally, there are multiple areas in which we have found the fiduciary rule (and, in particular, the Best Interest Contract Exemption) to be relatively inexact in setting compliance standards. This has not only caused us substantial uncertainty in structuring our programs, but it has delayed the development of financial products that we anticipate incorporating into our long-term program. From our conversations with other medium and smaller investment firms—who do not have relatively large staffs to develop and implement programs in response to the fiduciary rule—we do not believe that we are alone in our struggle to meet an April 10, 2017, implementation date.

For these reasons, any delay in the implementation date of the fiduciary rule—even a delay as relatively brief as 60 days, but ideally to January 1, 2018—will be helpful in enabling us to more completely meet our obligations to our clients under the fiduciary rule. We are strongly of the opinion that a delay for the purposes of reviewing the fiduciary rule as described in the President’s memorandum would result in better products for our retirement clients and better understanding of the necessary sales processes both by our representatives and by our clients.

For these reasons, we strongly support the Proposed Delay.

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In closing, we again would like to express our appreciation for the opportunity to comment upon the Proposed Delay.

Respectfully submitted,
PLANMEMBER FINANCIAL CORPORATION



Byron F. Bowman
General Counsel