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General Comment

As a member of the financial industry for nearly 25 years most of the people I know always put their client's interests first, they earn a respectable income, their clients are happy and they have zero compliance issues. There are plenty of regulations now to protect clients without adding this monstrosity of confusing rules.

From what I can gather about the motivation for this rule are the high commission/fees to sell certain products which may lead to a conflict of interest. That makes sense, so why not impose a cap on the amount of commissions/fees for all investment products say 4% upfront and 2% per year thereafter. This would eliminate the conflict for selling high commission/fee products for the wrong reason and it would also allow companies or professionals to charge less to be competitive.

An additional benefit to a trail type of commission/fee structure is it empowers the clients to demand good service for the life of the account because they know they know the person servicing their account is getting paid every year and they can change who services their account at any time.