March 13, 2017

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

RE: Fiduciary Rule Examination-- RIN 1210-AB79

Dear Ms. Grillo-Chope,

The Equity Dealers of America (EDA) is pleased to file this comment letter with the Department of Labor (DOL) on behalf of its membership in support of the proposal to delay the applicability date of the final conflict of interest rule and Prohibited Transaction Exemptions (PTEs) for 60 days (collectively, the "Fiduciary Rule"). We believe a delay in the Fiduciary Rule is the only way to reduce client uncertainty and to prevent a disruption in the financial markets.

The EDA also believes that the Fiduciary Rule should be rescinded in its entirety and that a further delay to the applicability date by the DOL will be necessary to achieve that end. We strongly support this course of action.

The EDA is a Washington D.C. based trade association that exclusively represents the interests of middle market financial services firms who provide "Main Street" businesses with access to capital and advise hardworking Americans how to create and preserve wealth. The EDA has a geographically diverse membership base that spans the Heartland, Southwest, Southeast, Atlantic, and Pacific Northwest regions.

We believed prior to the passage of the passage of this rule, and have subsequently learned through the experience of the implementation process that this rule is (i) reducing access to financial advice for low and middle income Americans; (ii) increasing costs for retirees by pushing them into inappropriate and expensive fee-based financial solutions; and (iii) interfering with the individual freedom of personal choice that every American should have when deciding how best to save and invest for retirement.

The DOL Fiduciary Rule did not identify a problem in the industry that was not already addressed by existing law (i.e. churning, front-running, misappropriating funds, and unsuitable investments, among others are all violations of existing law). We strongly believe that rules which do not address market failures or that duplicate existing laws should ***not*** be adopted.

U.S. Securities Exchange Commission Acting Chair Michael Piwowar recently stated when responding to a question about the Fiduciary Rule, "that rule was never about investor protection.

… it was about enabling trial lawyers to increase profits."[1] We are concerned that confidence in the agency could begin to erode if the Fiduciary Rule policy serves to benefit a politically connected special interest group at the expense of American savers and retirees. We do not believe that a Fiduciary Rule in *any* form should be enforceable by an agency-manufactured private right of action. If an agency adopts a rule, then it should have the statutory authority to enforce that rule.

If the DOL does not rescind the Fiduciary Rule in its entirety, then we request that it thoroughly address the following concerns as it undertakes on a new rulemaking:

A. Private Right of Action. We believe that the DOL failed to take into consideration the cost impact that creating a private right of action would have on the broker-dealer industry. We believe that any legally sound cost-benefit analysis must consider the impact that trial lawyers initiating multiple lawsuits against broker-dealers (whether frivolous or not) would have on (1) the compliance and legal costs of small and medium sized firms, (2) the ability of small and medium firms to continue as a going concern given the cost increase, and (3) the economic impact of small and medium size firms ceasing operations on their communities. Please conduct such an analysis.

B. Yearly Cost to Retirement Savings. We request that the DOL specifically address the cost to Americans, who are saving for their retirement, of imposing an annual fee on securities they previously purchased. Specifically, DOL must address the cost savers will incur if they are forced to migrate commission-based account holdings, where they only pay for transactions, to fee-based accounts, where they pay an annual fee for advice based on the percentage of the assets in the account. The Fiduciary Rule requires firms to move clients buy-and-hold securities from commission-based accounts to fee-based accounts even if such a move is not "suitable" for their clients. By forcing broker-dealers to eliminate low dollar traditional IRA brokerage accounts and move clients into fee-based IRA accounts, the Fiduciary Rule imposes a recurring fee on the retirement assets of clients. This is a cost to the client, his/her family, and the broader economy. The DOL must undertake an economic impact analysis to understand the ongoing cost to retirement savings that the average investor will incur to continue to hold securities in a Fiduciary fee-based account against the fact that such a fee was not previously imposed on the average investor in his non-fiduciary account. The DOL must also legally justify why mandating an "anti-churning" practice serves the best interests of clients when FINRA determined that it was necessary to fine firms that charged their clients an annual fee for assets on which they would otherwise have paid nothing beyond initial trade costs.[2]

We look forward to engaging with the DOL as the agency moves to put an end to the special interest driven policy underlying the Fiduciary Rule. Please contact me if you have any questions.

[1] http://www.financial-planning.com/news/sec-chair-rips-into-dol-fiduciary-rule?feed=00000152-a2fb-d118-ab57-b3ff6e310000
[2] http://acorn-financial.com/wp-content/uploads/2016/04/Financial-Advisor-IQ-Does-the-DOL-Want-What-Finra%E2%80%99s-Already-Banned.pdf

Sincerely,

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