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To: EBSA.FiduciaryRuleExamination
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I work for a reputable firm. I wish to share this info with you and ask, why are the DOL fiduciary rule changes are good for the client?
Here is the math on "level fee accounts"

Most retirement savers look to their dividends and income from fixed income investments as their primary source for retirement income, or supplemental income.

I work with clients in a "traditional manner" : commissions, mutual fund fees, etc. (In the best interest of the client.)

If \$100k is invested in a level fee account with a 1.5% annual fee (the level fee account), and average income from the 100k is \$3,000, at least HALF of the client's income now goes to the firm offering the level fee service.

If \$100k is invested in a traditional manner, commissions/fees etc., and the transactions cost even as much as 4% to put all \$100k to work then the clients income on 96,000 of remaining principal would be \$2,880! Not \$1,500 per year. Why and how is this good for the Client?

As the account grows and dividends grow the traditionally priced account is not charged more. In fact, unless there is a required trade to rebalance a portion of the account the only fees to the firm are, on average about .25% from mutual fund assets or annuity assets.

The DOL rule replaces laws and regulations currently in place, but apparently not enforced, with a requirement that firms must charge a client an annual fee that is 400 to 800% more than what they currently pay - every year for advice. This may be the only option for clients if the DOL rules are put in place.

Historically a well balanced account with few changes annually would cost a client no more than .38% per year. "Leveling the playing field" moves costs up to 1.5% or more per year.

Why is this good for the client? What am I missing? Please cancel the new rules. Or, give clients a choice. Increasing costs on all to protect the few is not a good solution. 'Leveling the playing field' is neither fair or productive. It hurts clients instead of helping or protecting.

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