



Jackson T. Stephens, 1923-2005  
Chairman Emeritus in Perpetuity

March 15, 2017

**Via Email: [EBSA.FiduciaryRuleExamination@dol.gov](mailto:EBSA.FiduciaryRuleExamination@dol.gov)**

The Office of Regulations and Interpretations  
Employee Benefits Security Administration  
Attn: Proposed Definition of Fiduciary Regulation  
Room N-5655  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

**Re: RIN 1210-AB79**

Ladies and Gentlemen:

Stephens Inc. (“Stephens”) is pleased to provide comments regarding the Department of Labor’s (“DOL”) proposed delay in the applicability date of the final rule (the “Rule”) under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) that redefines the term “fiduciary” under section 3(21) of ERISA and section 4975(e) of the Internal Revenue Code of 1986, as amended (the “Code”) and in the applicability dates of the exemptions granted with the Rule. We strongly support the DOL’s proposed delay and hope that our comments are helpful in pointing out why a delay is in the interest of participants and beneficiaries and other retirement investors.

A. Delay is necessary to avoid customer confusion. Our clients need more time to understand, process, and make decisions regarding their accounts and services and the expenses associated with changes. Stephens has spent a significant amount of time, effort and money preparing to implement the policies and procedures necessary to make the enormous shift required by the new rules. However, there is a great deal of work left to be done, such as developing supervisory tools and refinements in order to implement these significant new rules in a proper and responsible manner without causing further confusion and disruption to retirement investors. The changes required by the rule affect every aspect of our business.

If the applicability date is not delayed, there will be confusion for retirement investors as we try to communicate with our clients to describe options that may go into effect in April, but then may change if parts of the rule or the exemptions are reconsidered after the DOL’s report to the President. We think that a delay is far preferable than the potential for massive confusion for investors.

B. Delay is necessary to address questions raised in the President's Memorandum. The President has asked the DOL to review several factual questions relating to experience preparing for the Rule and the exemptions since they were published last April. We think it would be a mistake to allow the Rule to become applicable before the study requested by the President is completed. We note that comments on the President's questions are due on April 17 and, if the extensive number of comment letters received during the Rule's previous comment periods is any indication, we would expect them to be voluminous. It seems unlikely that conclusions can be reached by June 9 and digested by the new Secretary and Assistant Secretary, as well as the White House, in that time-frame.

As stated above, we strongly support the delay in the applicability date for 60 days. We further think it would be more realistic and less disruptive to our clients to provide a delay of both the applicability date and extension of the transition period. We also strongly support a longer delay of 180 days during which time the DOL will receive additional comments and data. A 180-day delay is more realistic in light of the scope of the work to be accomplished.

C. Delay is necessary because current data relied upon by the DOL is flawed. Further, the current cost analysis the DOL is relying upon is significantly flawed and based on incorrect assumptions. We will work with SIFMA to provide data to the DOL that corrects the record, and updates the DOL's understanding of the changing products and services in this market.

D. Delay must become effective on date published. It is critical that the delay from the DOL become effective on the date it is published in the Federal Register, and not be delayed beyond that time. We are very concerned about the impact on retirement investors should the delay not be effective in a timely manner. The DOL has adequate authority under the Congressional Review Act to waive any waiting period required under that law and we strongly urge the DOL to do so. We urge the DOL to make it clear that the delay is effective on the date that the final rule is published in the Federal Register.

We strongly urge the DOL to delay the applicability date and extend the transition period of the definition of fiduciary package immediately.

Sincerely,

Stephens Inc.



By: Kevin Burns  
Senior Vice President and  
Associate General Counsel