BENJAMIN F. EDWARDS & CO.
INVESTMENTS *for* GENERATIONS

One North Brentwood Boulevard
Suite 850
Saint Louis, Missouri 63105
Telephone 314-726-1600
Facsimile 314-726-1601
benjaminfedwards.com
Member of SIPC Member of FINRA

March 17, 2017

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

Re: RIN 1210-AB79

Ladies and Gentlemen:

We write regarding the Department of Labor's ("Department") proposed delay in the applicability date of the regulation 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 final rule. We hope that our comments are helpful in pointing out why a delay is in the interest of retirement investors.

We are a full-service wealth management firm based in St. Louis, MO. We employ close to 500 people and have 61 offices in 26 states. My family has been involved in the investment industry for over 130 years and I started this company in 2008. Our first branch office opened in 2009, so we are growing firm and proud of the fact that we started with no clients eight years ago and now have close to 100,000 accounts, of which about 50,000 are retirement accounts.

We offer our clients the opportunity to work with their advisor in either a commission-based brokerage or fee-based advisory relationship, depending on what the client believes is most appropriate, given their individual circumstances and desires. We want to ensure that our clients are able to continue to work with us in the way that is best for them. In order to have that flexibility under the Department's redefined fiduciary rule, we will have to incur substantial additional costs and employee hours to build an infrastructure that allows us to continue to offer our existing brokerage and advisory offerings. We have been investing the time and money to have this flexibility because of our commitment to doing what is best for our clients. However, as a small business, the substantial cost associated with doing so has a greater effect on us than many of our larger competitors. We do not believe the burdensome impact of the rule is unique to us.

Since last April, when the new rule was announced, our employees have spent more than 4,000 hours trying to ensure the firm is able to conduct its business in compliance with the complex and detailed requirements of the rule. These hours represent a cost of approximately $400,000. We have also had to engage the services of outside ERISA counsel multiple times and have also had to hire an outside project manager to ensure that the many and varied components of the rule are addressed. Even in light of our investment, there is significant work and

additional costs ahead of us as we move towards the full compliance date of January 1, 2018. Since the rule was announced, many of our employees - across all areas of the firm - have effectively been taken out of service, while they might otherwise have been working to provide valuable services to clients, or devoting their time to ensuring compliance with the numerous other broad-ranging federal, state and local regulatory demands on our business.

The most significant expenditure for legal, technology, and human resources are yet to come as we develop detailed new contracts and disclosures; create a website with all of the required elements, together with a process to continually update that website; and implement the many new policies and procedures that will be necessary on an ongoing basis to ensure adherence to the new requirements governing sales practices; operations; internal and client facing accounting; recruiting and employment; records creation and retention; supervision and surveillance; and many other aspects of the rule. We conservatively estimate these implementation costs to be $950,000 through the end of this year, however as with any large scale project, these costs are likely to be even more substantial than anticipated as we work our way out of design and into development and implementation.

Our analysis indicates additional annual costs to ensure compliance with the rule such as developing and acquiring information technology infrastructure and maintenance capabilities, hiring additional employees for compliance and branch supervision, incurring additional costs to facilitate level compensation of our advisors, and engagement of additional outside legal counsel and anticipated litigation costs. We estimate that these costs will be greater than $1 million annually - a substantial new ongoing cost for a firm of our size - as we continue to act in good faith to comply with the new rule.

All of this to merely continue offering the same types of products and services that we do today.

We respectfully request - and urgently need - a delay of the currently scheduled implementation date of the new rule to ensure our clients understand and are prepared for the changes the rule will cause, and to ensure that we are able to successfully implement its required elements. We have spent significant time revising how our business runs, changing our policies and procedures necessary to make the enormous shift required by the new rule, drafting client correspondence to explain the new rule, and creating compliance and surveillance programs, amongst a host of other requirements necessary to comply. Because of the current uncertainty regarding this rule, and the President's Memorandum, we have not yet communicated to clients the ways in which the rule will affect the products and services available to them. We strongly believe that clients will be bewildered, confused and uncertain about their retirement accounts and their relationship with their advisors if changes are announced that then need to be revisited in light of the President's Memorandum.

If the status of a delay to the current implementation date is not resolved soon, the compressed timeline will force us to send our clients multiple letters, incurring an additional estimated $150,000, as we attempt to update clients on the changing regulatory landscape. We urge you not to disrupt the retirement market and our clients in this manner. The rule's applicability date and implementation date should be delayed until the questions raised by the President are addressed and the new Secretary of Labor determines whether rescission or revisions are required or appropriate.

We strongly believe that the current cost analysis the Department is relying upon is significantly flawed, outdated, and based on incorrect and inaccurate assumptions that are inconsistent with the practices that will be permitted by the rule and the exemptions. We will work to provide data to the Department responsive to the President's concerns, and update the Department's understanding of the changing products and services in this market.

Further, we note that the Department issued FAQs providing additional explanation as recently as seven weeks ago which still need to be digested, as many more questions have resulted from the guidance that still go

unanswered today. Rather than being helpful, we believe the FAQs have, in many ways, had the effect of creating further confusion in the industry.

To reiterate, we strongly support a delay in the applicability date of the DOL's redefined fiduciary rule. No retirement investor's interest will be served if the fiduciary rule goes into effect before clients have certainty on the products and services that can be provided under the final rule.

We urge you to grant a delay of at least 60 days as soon as possible, and we request that it apply to all parts of the rule and exemptions.

Benjamin F. (Tad) Edwards IV
One North Brentwood Boulevard
Suite 850
St. Louis, MO 63105
Office: 314-726-1600
tad.edwards@benjaminfedwards.com