PACIFIC GLOBAL

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VIA EMAIL: EBSA.FiduciaryRuleExamination@dol.gov

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

Attn: Fiduciary Rule Examination

Re: Proposed 60-day Delay of Conflict of Interest Rule (RIN 1210-AB79)

Ladies and Gentleman:

Pacific Global Investment Management Company ("Pacific Global"), an investment advisor founded in 1991, provides management services for the Pacific Advisors Funds ("PAF Funds") and separately managed accounts (SMAs) for individuals, retirement plans, foundations and corporations. Pacific Global appreciates the opportunity to comment in support of the Department of Labor's proposal to extend for 60 days the regulation under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") that defines the term "fiduciary" under section 3(21) of ERISA and section 4975(e) of the Internal Revenue Code of 1986, as amended, and in the applicability dates of the prohibited transaction exemptions granted with the rule (collectively, the "Rule") to address questions of policy and law.

Pacific Global supports the concept of a uniform standard but we believe that the effect of the Rule, which applies different standards of care to different account types, will create unnecessary complexity and confusion for financial intermediaries (both brokers and advisors) and their clients.

We believe that many buy-and-hold mutual fund shareholders have benefitted, and would continue to benefit, from maintaining accounts that charge commissions as opposed to asset-based fee schedules which are favored by the Best Interest Contract Exemption ("BIC exemption"). In preparation for the Rule's implementation, we are hearing that many financial intermediaries are adopting a precautionary posture in seeking to avoid allegations or claims of unreasonable compensation by eliminating access by their brokers or advisors to Class A shares; perhaps not surprisingly, these firms are unwilling to confront the ambiguous concept of "neutral factors" provided by the BIC exemption even to the detriment of their clients.

The Rule has created products and compensation structures, including "T shares," that have been designed to comply with the anti-conflict aspects of the Rule; and yet, these products would not provide a lower-cost alternative for those buy-and-hold shareholders who benefit from breakpoints, rights of accumulation and exchange privileges.

Further, the level fee alternative to the BIC exemption, while seemingly straight-forward, is overly restrictive. Consider, for example, our practice of utilizing unaffiliated solicitors to refer, and provide on-going support to, clients to Pacific Global's SMAs. The solicitors receive a flat fee based on the assets under management with one notable exception. That is, in managing various strategies, we often diversify equity accounts by adding small holdings of our PAF Funds; to avoid a conflict of interest on the use of the PAF Funds, we exclude the PAF Fund holding when calculating the SMA fee. The removal of this holding (and, by result, the removal of a conflict of interest) disqualifies the account as a level-fee account. This structural issue should be reconsidered.

These structural issues should be reevaluated, especially in light of the confusion and disruption caused by the Rule and the questions posed by President Trump's executive order and industry comments.

We strongly support a delay and urge the DOL to act promptly to delay the Rule's applicability date, and the full implementation date.

We appreciate the opportunity to comment on the DOL's delay proposal.

Sincerely,

Barbara A Kelley

Barbara A. Kelley
Chief Compliance Officer
Pacific Global Investment Management Company