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

March 8th, 2017

I am writing to voice my support of scrapping the proposed "fiduciary rule" and that you consider a new rule to prohibit the use of annuities to actively fund 401k, 403b, SIMLE IRA, SEPS, deferred compensation, IRA, Roth IRAs, etc...

For nearly 24 years I've been helping middle class consumers invest for retirement and I can honestly say I've never once opened a contributory retirement account using an annuity. In my opinion the use of annuities for contributory retirement accounts is currently the biggest scam in our industry. Matter of fact, it's nearly impossible to imagine any ethical person doing this, yet it's done every day. Huge tax sheltered 401k, 403b plans, etc... are being funded with annuities which are also tax sheltered.

It's unbelievable that insurance companies continue to get away with this. How did your predecessors rationalize prohibiting commission mutual funds for retirement accounts while giving the green light to annuities? The commissions on mutual funds are pretty much the same now, their costs are disclosed on the statements and break points significantly reduce what the consumer pays while annuities hide what they charge and without breakpoints overcharge the consumer by billions not including the huge costs associated with the unneeded double tax shelter.

All things being equal, it's clear that low cost, no-load mutual funds, index funds and ETFs outperform commission mutual funds day in and day out, but things are NOT equal and study after study by companies like DALBAR and my years of observation indicate that the average investor doesn't see these returns due to bad timing of the market, not getting an early start or just making basic mistakes.

Like most attempts to regulate morality the "fiduciary rule" will certainly fail. Good advisers don't their clients because of rules and regulations prevent them. They do what's right because they are honest. Nothing will prevent unscrupulous insurance agents and advisers from finding loop holes to make higher profits at the expense of the uneducated consumer.

Instead of prohibiting commissioned mutual funds it would be in the best interests of consumers if the DOL stepped up and prohibited the abusive practice of selling annuities to fund contributory retirement accounts.

Sincerely,

DCBeem

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