

From: Lee Kazma
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To: FiduciaryRuleExamination - EBSA
Subject: RIN 1210-AB79

Department of Labor:

I work in a bank setting in the Des Moines, Iowa metropolitan area. My customers are generally lower income to middle income folks with household incomes from \$40,000 to \$60,000. Their retirement assets generally are around \$25,000 to \$100,000 by their mid-50's plus. The issue with the Fiduciary Standard for these type clients is they seem to be uneducated on financial matters and definitely need someone to help them navigate the issues with retirement planning. Therefore, utilizing a robo advisor or a low cost provider such as Vanguard is very difficult for them. Many of them without any help from an advisor will only invest in CD/IRA's at very low rates which have no real return on their retirement. Others will invest in the markets (stocks and bonds) through mutual funds in a diversified or balanced approach and have strong success, if they have the opportunity to utilize an advisor.

The challenge with the DOL fiduciary is it forces advisors like me to use advisory accounts for these customers which have all in annual fees of 2% to 2.5%. An old fashion mutual fund at its highest expense, before breakpoints lower the upfront fee, is generally 5.75% with annual management fees of 0.62%. These are the fees from American Funds. Over time this is substantially lower cost for the customer and me like the other folks I know in the industry continue to meet with the client year after year to review their accounts without additional charges. Advisors also provide large amounts of advice on other financial matters for no charge.

The DOL standard will have a BICE exemption to continue to do mutual funds but that would subject me to frivolous class action law suits whereby I could not afford the ability to defend myself. I have never had a formal complaint filed against me.

If the rule goes through unchanged I will either have to charge larger fees via advisory accounts to my customers who cannot afford those extra fees or leave the industry. If I did leave the industry these folks in this category would have a very hard time finding representation and thus would not invest properly and show no growth in their retirement. The purpose of this rule is correct but the structure would have serious consequences for folks in the middle incomes.

Respectfully submitted,

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