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Definition of Term Fiduciary; Conflict of Interest Rule-Retirement Investment

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General Comment

I oppose any deferral of implementation of the fiduciary rule. The merits of the rule far outweigh any weaknesses. An imperfect fiduciary rule is better than no rule. Investment advice is rife with conflicts of interest. Those who sell investment products under the guise of providing investment advice are often incited to sell high-cost and inappropriate vehicles if their compensation is based on commissions and kickbacks from the provider of such products. Such activity acts to reduce the returns available to savers by increasing upfront costs and the creation of ongoing frictional costs imbedded in the product or service (trading commissions and early withdrawal fees or penalties as an example). The rule already provides for "prohibited transaction exemptions" which would allow sales individuals to continue to receive a variety of forms of compensation that would otherwise violate prohibited transaction rules. Bottom line, the investment industry needs to place clients' interests above all else. This rule, by requiring practitioners to act as fiduciaries, will improve the chances of that happening by distinguishing fiduciaries from sales people. As for the argument that the rule will deprive retirement savers from crucial information that will assist in their savings efforts, this is a false argument which ignores the reality of today's investment industry. There are plenty of companies which provide very low-

cost investment products and free educational information on how to save for retirement. Ignorance of how to save is not remedied by bad advice. Just the opposite - bad advice based on conflicts of interest will act to discourage savings by increasing the level of distrust of the investment industry.

I recently retired from a 38-year career as a professional investor in multiple roles, and this rule is long overdue in my opinion. Rule implementation should not be delayed. Doing so would only act to jeopardize its full implementation and continue to cost investors.