

**From:** Jeffrey Anton <jeffreyanton@sbcglobal.net>  
**Sent:** Friday, June 16, 2017 6:04 PM  
**To:** Executive Secretariat  
**Subject:** Fiduciary Rule, how the consumer will be adversely impacted

Dear Mr. Acosta,

Thank you for your service.

You probably have heard “everything” but maybe not these:

1. A broker dealer with which I am familiar says that they’re not lowering commissions on annuities. Instead, they are making commissions **the same for all products**.

So, *they remain too high for all products!!!!* I am no longer free to try and find the “best deal” for my clients, which is very frustrating indeed.

I could put a “no-load” annuity on a platform and add a fee, but that adds unnecessary paperwork and platform fees, which the broker charges up to 0.25 percent!

2. With “clean” mutual funds, all charges will be separated. That sounds okay until you realize that, for taxable accounts, *all charges are after-tax for all clients in the alternative minimum tax*. That effectively raises the pre-tax equivalent fee by up to 66 percent!!! Now, 12b-1 fees are all pre-tax reductions from income on form 1099 Div. For example, a one percent separate charge on a bond fund which has no tax benefit for most clients in a 40 percent combined federal and state bracket is equivalent to a 1.66 percent pre-tax fee. That’s 60 percent of 1.66 percent equals 1 percent. I doubt Congress will fix this terrible extra tax cost for millions of investors when they no longer pay fees within the mutual fund on a tax favored basis.

3. Not one ETF or index fund has ever beaten the index. Many actively managed funds beat the index minus one percent. The index minus 1 percent usually is a two star fund, blow the 50th percentile in performance.

What we need is the freedom to help our clients. Perhaps a fee disclosure that mimics gasoline price signs in California would help clients make more informed decisions.

Please call me at the number below to discuss this further.

Thank you again for your service to our Country.

Sincerely,

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