

From: Willets, Mark - SCOTTSDALE AZ <mark.willets@ml.com>
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To: FiduciaryRuleExamination - EBSA
Subject: DOL Rule

I just don't understand the reasoning behind the Transaction vs. Advisory account rules. First off we should all have our clients best interest in everything we do and recommend. KYC and other suitability regulations are already in place and have acted as a guide for many years in doing what is right for the client. As far as customer care, everyone in this business should have a model in place to drive the service delivery for all things client related.

I find the one big area of conflict is commissions vs. fees. That would revolve around how we, as advisors, price our value relative to the services we provide as a fiduciary. For many clients, they need the advice and guidance that comes from an advisor. The question is around standard of care and compensation.

A high level standard of care should be evidenced by all advisors/firms and documented in ways that we can all review and understand in order to appropriately value the care that should be provided.

Fees vs. Commissions:

Many clients are better suited in a transactional account with commissions. If the issue is the charges for individual transactions, then we should look at the extraordinary cost of commissions relative to the advice we provide. Simply cap commissions for transactions, and cap fees and expenses that come with certain packaged products. Compensation on Mutual Fund, Annuity, UIT, Structured Notes, Closed end REITS, anything sold by prospectus should be smoothed out to look like an advisory relationship, and should feature more liquidity. All too often when products are sold to a client, an advisor gets paid and because they are paid up front the client is not serviced as they should be. Then they are also locked into that investment for a long period of time. Liquidity should always be at the forefront.

Let's look at advisory accounts run by financial advisors. There are advisors/firms that can charge up to 2.5-3.0% in advisory fees!! Cap the fees lower or make them more consistent across all firms so clients can understand them better. Then the clients can look for an advisor that will provide the quality of service they are looking for, and not have to focus on the fees.

This business is highly commoditized. What we all need to improve on is the quality, consistency of advice and service that clients deserve.

Mark Willets

Senior Financial Advisor
First Vice President
Merrill Lynch, Pierce, Fenner & Smith Inc.
14648 N Scottsdale Rd, Ste 250
Scottsdale, AZ 85254
O # 480-624-0482
F # 213-984-4074

Mark.Willets@ML.com
NMLS # 620381

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