

From: James Hanlon <jim@jthanloninvest-retire.com>
Sent: Thursday, July 06, 2017 3:00 PM
To: FiduciaryRuleExamination - EBSA
Subject: January 1, 2018 DOL Fiduciary Rule Implementation

To Whom It May Concern:

I am writing to offer some comments on the possible delay of the January 1, 2018 full implementation of the DOL Fiduciary Rule affecting the financial services industry and its clients. My thoughts on several aspects of the rule and its implementation are as follows.

The purpose of the Fiduciary Rule to assure that financial advisers always act in the best interests of the client is a laudable one, and the overwhelming majority of advisers, overseen by both FINRA and the SEC, already, in my opinion, act in the clients' best interest. However, while additional safeguards for clients are commendable, some aspects of the rule may actually be counterproductive and lead to unintended consequences.

The best-interest contract exemption (BICE) as I understand it, is a somewhat complicated document that may deter some, perhaps a majority, of clients from completely reading and understanding it, even if it is fully explained by their advisers. This sort of unintended consequence might be more likely avoided by simplifying the BICE disclosures to focus the attention of the investor on the key issues involved. In general, shorter, clearer disclosures should ideally result in a more informed investor than longer, more complicated disclosures. If delaying full implementation of the rule would lead to "getting it right", then I feel that such delay would be well worth it.

The financial services industry, perhaps spurred by the DOL fiduciary rule, appears to be heading to a model whereby the same advice fee be charged on all mutual funds, fee-based managed accounts, and fee-based annuities. This would be another excellent reason for a simplified best interests contract, as it would ensure that the recommendation(s) are in the best interests of the client, not the adviser.

Any recommendation to open, contribute to, or increase contributions to an IRA or any other retirement account should not be included in the definition of investment advice. Many Americans have little to no retirement savings, and, as such, anything that could deter retirement savings should be reconsidered in the rule. There has been much made in recent years in the media about the coming crisis for Social Security and Medicare, and any efforts to improve savings by citizens to help to relieve the burden on the federal government should be a major goal of all of us. To this end, recommending that an investor save for retirement falls more into the category of common sense rather than investment advice.

Thank you for your consideration of the above points I have raised.

Respectfully yours,

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