

Monday, July 10, 2017

Office of Exemption Determinations
EBSA, (Attention: D-11933)
U.S. Department of Labor
200 Constitution Avenue NW.
Suite 400
Washington, DC 20210

RE: RIN 1210-AB82: Delay the January 1 Applicability Date of the Fiduciary Rule

Dear To Whom It May Concern:

I am writing in response to the DOL's recent Request for Information Regarding the Fiduciary Rule and Prohibited Transaction Exemptions (RFI). I understand the DOL was instructed by the President to examine the Fiduciary Rule's impact and the RFI is intended to gather the necessary information for the DOL to conduct that examination. I want to share that I support changes to the Fiduciary Rule to lower its cost and streamline its requirements and I believe a delay of the January 1, 2018 applicability date is necessary to accomplish these important improvements.

As an independent financial advisor, I assist my clients in achieving their financial goals including planning for a dignified retirement. I own my own business and pay my own expenses. I serve many of my clients under a commission-based model, especially my smaller investors, including everyone from elderly clients to young professionals just starting their careers. As such, I am likely to utilize the Best Interest Contract Exemption or other Prohibited Transaction Exemption to continue to assist my clients.

The RFI asks whether a delay of the January 1 applicability date of the provisions of the BIC Exemption will reduce burdens on financial services providers and allow for more efficient implementation. The RFI specifically discusses the development of `clean shares` and fee-based annuities as well as new innovations in technology, all of which will assist me in reducing conflicts of interest in my practice and to increase the transparency of the advice I provide to my clients. But even now, these innovations are not ready and I am concerned about whether they will be available to me by January 1 or whether I will be properly trained and familiarized with them in time.

In addition to the work being done to develop innovative products, my firm is working diligently to adopt new compliance policies and procedures as well as develop new technology and data services to assist me in complying with the impartial conduct standards and the BIC Exemption. I need to be trained on the new systems and become familiar with new processes and procedures. In turn, I will need to incorporate the new systems into my business and properly train my staff. I will also need to be prepared to meet with my clients and explain to them how I am working in their best interests. I am concerned that successfully putting all of this into place by January 1 is impossible and will result in me and my firm having to communicate changes to my clients potentially followed by additional communications reflecting further changes. This will confuse my clients and damage my credibility.

I am and have always been committed to providing my clients retirement planning services in their best interest, but I have serious concerns about the Fiduciary Rule's impact on my clients. As a result, I support efforts to explore the new approaches being developed to address the requirements of the Fiduciary Rule. These changes are important and must be done purposefully and correctly. An additional delay will allow my firm and I to thoughtfully and carefully put everything in place to avoid a disruption of service to clients and a disruption to my business and my employees. I respectfully request that the

additional requirements of the Fiduciary Rule, particularly the BIC exemption, be delayed to April 10, 2019, which would allow for the necessary time to create and perfect innovative products, implement new policies and procedures, and educate myself and my clients on these changes.

Please know, in addition to what I have stated above, I believe it is important to share with you the perception this Fiduciary Rule has created within the industry and many clients. The structure of this law gives the perception that commissioned based transactions and annuity products are generally not in a clients best interest. We all know a clients actual situation, financial objectives, and their comfort zone are amongst the biggest determining factors in keeping a client satisfied. Many of the products that provide a simplistic and comfortable solutions for these clients are built on a commission product platform. They may also provide additional benefits (for example, annuities offer unique benefits) some of which a client may want to pay an additional cost to obtain for themselves or their family. This new rule may have an adverse affect for the general public, especially those who may need, want, and be willing to purchase those unique benefits. Now with a negative focus on commission based products, you may see a lot of these additional benefits and features disappear since companies may not be able to actuarially price for that benefit in such a levelized, vanilla environment. This new regulation also implies the need to justify selling a commissionable financial product while an ongoing "fee" appears to be the assumed acceptable method of compensation. In the long run, the fee based approach will many times be much more costly for the general public. Having to validate a particular method of compensation verses another method can create an issue when no issue exists.

Our financial center does both types of planning so we do not have a bias towards either method of compensation. I am simply sharing with you the perception from our professional advisors and the conversations we/they have had with some of their clients in regards to this Fiduciary Rule.

Thank you for taking the time to read and consider my opinion on this important topic that may have a dramatically negative effect not only a portion of the general public but also on those of us who have made this industry our chosen profession.

Sincerely,

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