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Definition of the Term ‘‘Fiduciary’’; Conflict of Interest Rule—Retirement Investment Advice; Notice of proposed rulemaking and withdrawal of previous proposed rule.

Comment On: EBSA-2010-0050-0204

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

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General Comment

Why is the DOL Fiduciary proposal such a big deal? It is a real threat to advice for Middle America for clients and advisors. A preliminary assessment indicates that as currently written, the DOLs proposal includes unintended consequences that will:

Result in reduced access to retirement advice, products, and services for small and mid-size investors

Put pressure on financial advisor business models by creating enormous liability exposure while significantly increasing costs

I support a uniform fiduciary standard for all, but the current DOL proposal will likely result in implementation that restricts the delivery of advice to those who need guidance from their trusted advisor. Non-traded products will be prohibited, and disclosures will be necessary for all products available as well as all investments sold in the last 365 days basically a clients ability to make their own choices will be diminished and the advisor may be forced to abandon their client in many cases.

The complexity, scope, and length of the DOL proposed fiduciary rule means much time is

being spent across the industry by experts as they seek to assess the real impacts. Support, by those uninformed, for the proposal is gathering strength as an attack on advice as a profession.

A critical precursor to the DOL proposal was the Memo leaked out of the White House that was co-written by Jason Furman, the Chairman of the Council of Economic Advisors in the White House. Unprofessionally, Mr Furman's memo attacked our industry, stating such things as:

Investors using financial advisors pay excess fees and their returns are lower than what they otherwise would be both before and after taxes

The cost of this conflict of interest (that is using financial advisors) is suggested to be between 50 and 100 basis points of underperformance per year

An investor receiving this conflicted advice from a financial advisor who expects to retire in 30 years loses at least 5-10% of his/her potential retirement savings due to these conflicts

The DOL and others are rallying support with their message that, Last year alone, hidden fees, unfair risk and bad investment advice robbed Americans of as much as \$17 billion. It is unfortunate that many, if not most, policy makers do NOT understand what we do for your clients, how much we care about our clients, and why we are different than other financial services providers different in a positive way.

Get the facts straight before you ruin the opportunity for many Americans to participate in the free markets!