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I am a Certified Financial Planner and I like many others are dismayed and greatly concerned with the DOL Fiduciary Rule in its current form.

I have reviewed the white paper "The Effects of Conflicted Advice on Retirement Savings" and found the report raises concerns that are real. However, the paper is bias, incomplete and ignores many factors. The report concentrates on the effect of diminished returns caused by additional investment fees. In a simple mathematical world this is undisputed. What is ignored is the high value of professional management that can be documented that has greatly outperformed a typical target fund. (for instance) Also ignored is the need for professional advice that so many future retirees absolutely need. Most cannot determine the difference between a 2020 and a 2050 target fund, let alone consider how much is needed to be put away for future needs, effects of inflation, need for growth, changes in personal circumstances, taxes, when to buy/sell/hold and the list is endless. So many studies have shown that investors/savers/future retirees without professional advice make poor investment decisions resulting in greatly diminished returns and failure.

However, please understand I am not necessarily opposed to the Fiduciary Standard, but it needs to represent the interests on the American Future Retirees. It is inconceivable that an average individual or family will be able to understand a 5-10 page disclosure that presumably protects their interests. I believe the answer is to limit the fees/commissions that can be paid to an advisor or other salesperson. It is a simple solution that can be easily implemented. The mutual fund industry has always offered break points on "A" shares. To be able to offer services at a reasonable/fair controlled expense will put the interests of the IRA and 401(k) holder first. The Investment companies and Insurance companies could easily create a retirement share class (R) or offer IRAs at NAV with a small service fee as is being done now with 12b(1) fees.

There is little doubt that the intent of the Fiduciary rule is persuasive and good but the outcome of the DOL rule in its current forms will naively have the opposite effect and raise the cost of advice. Investment Advisory accounts will rule the landscape and raise the costs to the retirement account holders an additional 1 or 2%. How is that a positive outcome for the retirement accountholders.

I make it a practice to advise retirees to purchase mutual funds at NAV whenever possible. Fund families have lowered the NAV purchase to relatively low break points. Making a share class for 401 (k) rollovers at NAV would have the desired result and reduce significantly reduce or eliminate the "effect of conflicted investment advice on retirement savings".

I urge the Department to assess the unintended effect of this rule in its current unworkable form. Surely, the DOL proposal can be modified to create a Fiduciary Rule that properly protects to public as is intended.

I would be willing to serve on a panel to get it right. Why not slow down and properly think out the consequences and really put the interests of the small and large investor absolutely first.

Respectfully,
Gregory B. Spicer,CFP