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Sent: Tuesday, July 21, 2015 10:20 AM
To: EBSA, E-ORI - EBSA
Cc: David Allen-GA; Camille Snyder
Subject: RIN 1210-AB31

To Whom It May Concern:

Thank you for seeking practical input on how to develop a best interest standard. I'm concerned that the current proposal is unworkable. The proposal contains provisions that will have the unintended consequence of leaving many retirement savers without access to professional education, advice and services.

American investors need reliable education, affordable retirement advice and clear and easily understood disclosure.

Unfortunately, the current draft:

- Prohibits an advisor from providing advice to plan sponsors under a commission arrangement - meaning that the employer must pay using a fee-for-service arrangement.
- Narrowly defines investment education, which will limit the assistance advisors can provide without triggering fiduciary obligations.
- Does not allow advisors to receive third party compensation when advising plan participants on distribution options.
- Creates an inoperable Best Interest Contract Exemption (BIC) - a new exemption that would allow otherwise prohibited compensation such as commissions and 12b-1 fees, but is complicated, confusing to consumers, costly and in some respects, impossible to comply with.
- Limits third party for variable annuities and fixed annuities with different rules depending upon whether in an IRA or in other qualified plans.

In order to make the proposal workable for savers and retirees, I urge the Department to make the following changes:

- Permit third party compensation models when working with businesses that sponsor retirement savings plans.
- Broaden the education provision, especially with respect to the timing of an advice conversation proceeding to the mention of specific investment products. Advisors and consumers must be able to discuss together specific investment choices prior to the point at which a recommendation is made and a specific choice is contemplated.
- Clarify BIC exemption language to encompass advice on plan distributions and rollovers. It must be clear that advice in these situations can be compensated by commissions, 12b-1 fees, and fee sharing if the terms of the BIC exemption are satisfied.
- Simplify the contract requirements and eliminate the burdensome data retention and cumulative disclosure requirements. The contract should be executable once a full review of the client's circumstances, goals, objectives and financial options has been discussed and a decision has been made as to a course of action.

- Resolve the conflict between the rules in its BIC PTE proposal and SEC/FINRA rules, address

the parties-in-interest/self-dealing rule issues that particularly impact fixed and variable annuities, explicitly allow proprietary products, and captive as compared to independent advisors.

I urge the Department of Labor to re-write this unworkable rule to achieve our mutual goal of an effective best interest standard that will retain access to affordable professional advice.

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