**From:** lwebb@webbinsagency.com [mailto:lwebb@webbinsagency.com]
**Sent:** Thursday, February 03, 2011 11:40 AM
**To:** EBSA, E-ORI - EBSA
**Subject:** RE: Definition of Fiduciary Proposed Rule

To Whom it may concern,

Webb Insurance Agency, Inc. sponsors an employee stock ownership plan, or ESOP. Our ESOP makes
employees of Webb Insurance Agency, Inc beneficial owners of our stock.

Federal law requires that every year, as a privately-held company, not traded on a public stock exchange, that Webb Insurance Agency, Inc. pays to have a qualified, independent valuator establish the value of
the employee's shares in the ESOP.

We learned that on October 22, 2010, the Department of Labor issued a proposed regulation to reverse a 34 year old policy, honored by both Republican and Democratic Administrations, that would
automatically make any valuator of ESOP shares a fiduciary to our ESOP. (Current law clearly makes the
trustee a fiduciary, and company personnel with powers over the ESOP fiduciaries.)

This proposal will significantly increase the cost of establishing and maintaining an ESOP.
If the valuation provider is a fiduciary, she or he will have to purchase fiduciary insurance, many will
withdraw providing valuation services to an ESOP company like Webb Insurance Agency, Inc., and be subject to
aggressive, needless lawsuits. In addition, if the DOL proposal is finalized, it would create a contradiction. Internal Revenue Code §401(a)(28)(c) mandates the appraiser of private company ESOP
stock be independent. If a valuator becomes a fiduciary to the ESOP, he or she would not be independent.
But we do not write to protect the valuation profession; we write to protect our ESOP, and our employee owners.

If the DOL proposal becomes effective, it would diminish our profits, which means lower share value for employee owners, and thus less retirement savings. It would hinder any plans for expansion,
stop the company from acquiring another company, and would increase the cost of transactions for the
company.

The biggest concern is the way the proposal is written, and its impact makes all private ESOP companies, both our trustees and company fiduciaries sitting ducks for lawsuits.

Candidly, the proposal will cause a reassessment of whether successful ESOP programs should continue.

We respectfully ask that you consider expressing opposition and/or doubts about the DOL attack on private company ESOPs.

Sincerely,

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