



NASAA

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Submitted by Regular Mail and by email to ebsa.e-ORI@dol.gov

January 18, 2011

Office of Regulations and Interpretations
Employee Benefits Security Administration
2010 Investment Advice Proposed Rule
Room N-5655
US Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

Re: Proposed Rule
2010 Investment Advice – Participants and
Beneficiaries
29 CFR 2550
RIN 1210 – AB35

To Whom It May Concern:

On behalf of the North American Securities Administrators Association (NASAA)¹, I am submitting this comment letter regarding the Department of Labor's proposed rule concerning the parameters of investment advice offered to retirement plan participants and IRA beneficiaries pursuant to proposed rule 29 CFR 2550 RIN 1210 – AB35 ("Proposed Investment Advice Rule").

NASAA supports measures that increase investor protection and investment disclosure. We believe in giving investors the best advice possible. The protection of retirement funds for the American public is of paramount importance. We applaud the Department of Labor for furthering the fiduciary duty standard to its handling of ERISA protected assets, which are often the only form of savings for retirement held by individual investors.

¹ NASAA is the association of all state, provincial, and territorial securities regulators in North America. Its membership consists of the securities regulators in the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Canada, and Mexico. Their core mission is protecting investors from fraud and abuse in the offer and sale of securities. Organized in 1919, NASAA is the oldest international organization devoted to investor protection.

NASAA has long been in favor of applying a fiduciary duty to those providing investment advice. Our support for equalizing the rules of engagement as they apply to the American investing public has been made crystal clear to Wall Street and to Congress during recent months. NASAA has encouraged FINRA and the SEC to embrace the fiduciary standard for all types of investors who hold securities, invest, and receive advice from investment professionals in a broker-dealer context. It appears that the Department of Labor is taking that step forward on behalf of investors and improving the securities industry through its Proposed Investment Advice Rule.

In essence, the Proposed Investment Advice Rule will cause broker dealers who offer their services to clients' retirement funds to provide advice through a fiduciary duty model. NASAA voices particular support for the fact that the rule will aid all investors, retail, accredited and institutional investors. This is in contrast with FINRA which provides few protections for investors under current broker dealer suitability standards and even less for accredited and institutional investors.

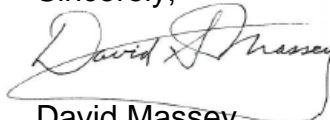
We know that many investors are currently confused by the varying standards that exist, a fact confirmed by the Rand Study which told reported that most investors believe that their brokers already have a duty to provide them with the best advice possible.

We believe that broker dealers should accept the fiduciary duty for all investment advice (for both taxable and non-taxable assets) and follow the lead taken by the Department of Labor's Proposed Investment Advice Rule. A strong fiduciary duty applied to all investment advice offered by broker dealers will avoid confusion for investors. Your Department confirms our position that equalizing the treatment of investment assets across account types and investors is good for investor protection and aligned the reality of broker dealer duty with their perceptions.

We suggest that others consider looking at the standards that you are establishing through this Proposed Investment Advice Rule for non-retirement funds of investors.

Please do not hesitate to contact the undersigned regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "David Massey". The signature is written in a cursive style with a large, sweeping initial "D".

David Massey,
NASAA President and
North Carolina Deputy Securities Administrator