

PUBLIC SUBMISSION

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Docket: EBSA-2022-0008

Proposed Amendment to Prohibited Transaction Class Exemption 84-14 (the QPAM Exemption)

Comment On: EBSA-2022-0008-0049

Posting of Hearing Transcript Regarding Proposed Amendment to Prohibited Transaction Class Exemption 84-14 (the QPAM Exemption) and Closing of Reopened Comment Period

Submitter Information

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General Comment

With the best of intentions, I submit this comment on proposal by the U.S. Department of Labor's proposed QPAM Amendments of July 27, 2022. Starting off, I would like to say that as an individual and citizen of the U.S. I am in strong overall support of this amendment.

Subsection I(g)(1) - Reporting to the Department

A good first step in understanding who is or isn't QPAM compliant is to identify the participants, or even the assets that they manage/control. It is baffling to come to find out this isn't a requirement already. It is my belief that it would be best practice to have this email sent out at the very least on a quarterly basis. The increase in transparency would be good in maintaining public confidence.

Subsection I(g)(2) - Written Management Agreement

I am in support of a QPAM being required to add to its Written Management Agreement that it will be required to promptly restore losses to each client Plan for damages from violating any applicable law, breaches of conduct, or Criminal Conviction. Over the course of the decade it has been made clear that our best

interests are not at heart when it comes to these institutions who manage retirement money. A clause like this would at the LEAST help ensure that there is liability for intentional bad faith acting.

Subsection I(g)(3) and Sections VI(r) and VI(s) - Types of Misconducts and Entities that cause Ineligibility

This is something that I find very essential considering all the types of overseas and “hidden” activity that can exist in the current financial system in general. Including foreign convictions and misconduct into these rule sets is a good step towards managing confidence in the system.

Proposed Amendment Adding Section VI(t) – Recordkeeping

I fully support adding a recordkeeping system to ensure overall long term compliance. I would suggest the period be 10 years to keep in time with the list of people who are ineligible and to further increase confidence in the scope of the DOL to understand the QPAM participants. This will be great for Freedom of Information purposes towards the general public as well.

(In reference to the effective dates)

Without denying the complexities of the financial industries, it should be up to the participants to be ready to transition to the new proposal within 30 days of the publication to the register. If not, I would recommend an extension to transition filing that would require in depth reasoning from the QPAM requester on why they need more time, with max time to extend to a 1.5 financial quarters from publication to the register.

As a final I would like to note that it would be great to see in the future more severe repercussions for misconduct in the finance industry. Institutions who defraud the American public should be punished with more than fines that perpetuate the ideology of “Cost of Doing Business”. There’s also only so many times a participant should be “allowed” so to speak to commit fraud before being restricted from participating.