Dear Chairman Clayton,

I am writing to you about the Fiduciary Standard.
As a background matter, I have been a practitioner in the wealth management business for four decades, of which the first 30 years in the financial services business and the last 10 years in an RIA.

The last 5 years in the financial services business, I served as the Chair and CEO of JPMorgan Private Bank.

I left the financial services business because of the multiple conflicts of interest of that business model and the harm to investors.

The two major differences between advisors and brokers are:

1. The advisor works for the client with undivided loyalty. That means the choices and costs to the client are only influenced by what's right for the client, with no other agenda. The broker works for himself.
2. The advisor starts with planning and understanding the client's holistic circumstances. The broker starts with what products he can sell.

There is no such thing as divided loyalty. The information asymmetry between the sellers versus the buyers combined with the compensation incentives create a very high probability of abuse.

The only solution is caveat emptor where the investor clearly knows who is representing them and who is representing themselves or their firm.

I understand that the SEC proposal actually blurs these lines and could be potentially harmful to investors.

I urge you to draw a red line between business models and give investors clear choices.

Sincerely,
Mel

**Maria Elena Lagomasino**
MANAGING PARTNER & CEO

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