

August 2, 2018

Via Electronic Mail

The Honorable Jay Clayton
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

RE: Request for Comments Regarding Regulation Best Interest

Dear Chairman Clayton:

I have been a financial advisor for over 35 years and during those years I have held myself to the fiduciary standard. My firm is registered as an RIA with the SEC. Our client relationship is one of trust and transparency. We use a goals-based, collaborative financial planning process to better serve our clients. We do not sell investment products or insurance products. Fees are clearly discussed with clients and paid by our clients, not from a third party or through a commission. The fee schedule is listed in our ADV.

Having started as a high school math teacher, I believe that helping to educate clients is an important role and service. I understand the arithmetic and that is why we offer advice on a wide range of choices and focus on lower cost options with no hidden fees.

Early in my career, I held Series 7, 26, 63 and 65 licenses, as well as an insurance license. For 15 years, I taught students from all different business models on the fundamentals of financial planning, investment planning and insurance planning in preparation for the CFP® exam. While all business models have inherent conflicts, to suggest that all advisors giving investment advice cannot be held to the same fiduciary standard found in the Investment Advisers Act, is simply wrong. This is what I taught my students. There are huge differences in brokers who recommend products in their best interest and fiduciary advisors who are in a trusted relationship and give personal advice that is best for the client. To blur the lines between such brokers and fiduciary advisers is not the right outcome for investors.

The proposed Regulation: Best Interest, is misleading because it sounds like a fiduciary standard but is not defined as such. A regulation that gives the public the impression that brokers are acting in their best interest when, in fact, they may not be, is the worst of all outcomes. Careful wording is essential.

Although this letter is a personal letter, representing no organization, I have background information that informs my personal views. I served as a Chair of CFP Board of Practice Standards, Chair of CFP Board of Governors in 2000 and 2001 and Chair of International CFP Council in 2001 and 2002. I currently serve as Chair of The Committee for the Fiduciary Standard. During my various leadership roles, I was a panelist at the 2002 SEC Investor Summit, spoke at an SEC Town Hall meeting with Susan Wyderko, was a delegate to the 2002 National Summit on Retirement Savings and met with Bob Plaze when he was at the SEC, Mary Shapiro at NASD and Chair White at the SEC.

While I appreciate the hard work that Dalia Blass and Brett Redfearn and their colleagues have done to draft the Proposal, we need further work to achieve a better outcome. This starts with changing "Best Interest" to Fiduciary as found in The 40 Act. In an effort to use 'plain English,' the lack of clarity has confused investors even more.

Thank you for your consideration.

Patricia P. Houlihan, CFP®