

**Time Stamp:** 1/6/2020 12:26:25 PM

**Subject:** Oppose Unnecessary and Conflicting Conduct Standards

**Message:**

Dear Massachusetts Securities Division,

Thank you for the opportunity to share my concerns regarding the proposal to adopt, by regulation, a new fiduciary standard.

I am concerned that if the proposed fiduciary duty is adopted it will have the unintended consequence of severely limiting access to high-quality, individually-tailored advice for many of my hard-working clients in Massachusetts. The proposal may force some Massachusetts investors to close or fundamentally alter their accounts. In some cases, this could mean I would need to end long-standing and trusted relationships with clients whom I have helped build wealth and achieve financial security over many years.

I'm particularly troubled that the proposal labels well-established and legitimate business models and practices as suddenly being "dishonest and unethical." For clients whose accounts will need to be changed, I would have to try to explain why accounts and relationships that have served their savings and retirement needs for years may now be considered "dishonest and unethical" by the Commonwealth. Additionally, the changes will trigger transactions that are taxable events, thereby harming clients by forcing all unrealized gains to be realized and taxed without their agreement.

I do not believe the proposal is necessary at this time in order to protect Massachusetts investors. Current Massachusetts laws, FINRA rules and new SEC rules support me in my commitment to serve my clients ethically, by prohibiting practices that enable unscrupulous advisors to put their interests ahead of investors. Massachusetts has a well-deserved reputation for vigorously protecting investors' interests. It has been able to weed out bad actors without overly-restrictive regulation that limits investor choice and opportunity. And the new SEC requirements contained in Regulation Best Interest address many of the concerns this proposal raises. They should be given a chance to work. The new SEC rules, supported by the Securities Division's rigorous oversight, will provide substantial new investor protections without imposing state-specific operational and compliance burdens.

As is the case with many similar proposals that are built with the best of intentions, the unintended result is removal of choice from the client's financial options. and it ends up hurting the smaller investors the most. Fiduciary accounts are usually too expensive for investors who are just starting out building their portfolios. The fact that we have a choice to act in a brokerage capacity for some clients allows us to work with young families while they build wealth and eventually they can be moved to a Fiduciary relationship once it becomes cost effective to do so. Passage of this rule will force me to impose a minimum asset size for new clients, which I have committed never to do since we want to help everyone, regardless of their assets. I implore you not to pass a law that restricts a client's right to choose how their assets are invested and ties the hands of advisors, forcing us to either overcharge the small investor or refuse to provide advice to that segment of the market entirely.

Finally, I am concerned how a different standard peculiar to Massachusetts can impact investors and business across state lines. I would be at a serious disadvantage seeking to serve out-of-state clients who will have access to a wider variety of less costly options offered by advisors in their own state.

As always, I remain committed to constructive engagement in the rule-making process and therefore, welcome the opportunity to discuss this issue further.

Sincerely,

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