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Subject: Oppose Unnecessary and Conflicting Conduct Standards

Message:

Dear Massachusetts Securities Division,

I appreciate 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 clients in Massachusetts. The proposal may force some Massachusetts investors to close or fundamentally alter their accounts. In many cases, this could mean I would need to end trusted relationships with clients of many years. Those who I have helped build wealth and achieve financial security over many years.

I'm particularly troubled that the proposal labels well established legitimate business models and practices as suddenly being "dishonest and unethical." For clients whose accounts will need to be changed, I am compelled 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. This shall lead to great frustration and confusion to clients who are not going to understand these changes and how they benefit them.

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 are more than sufficient. They recognize my commitment to serve my clients ethically, by prohibiting practices that enable unscrupulous advisors to put their interests ahead of investors. It has been able to weed out violators 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.

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. Many of them will have access to a wider variety of less costly options offered by advisors in their own state.

I am very concerned by the Constitutional (both Federal and Commonwealth) infringements on citizen (client) choices as well as business practices and interstate commerce. Once this door is further opened where shall it stop. Such laws of this nature should go before the Legislature and their process.

I understand the public hearing shall be held 7 January, 2020. Given the time frame between the disclosure and the hearing date I would urge more than one public hearing. These changes shall extremely alter the relationships we have with our clients. As customary, I remain committed to constructive engagement in the rule making process and therefore, would appreciate the opportunity to discuss this issue further.

Sincerely,

Richard Howell

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