

The issues here are really very simple. Transaction oriented advisors tend to place their interests ahead of their customers interests. Relationship focused advisors tend to put their clients interests first. These proposals shift the nature of the interactions between advisors and the public to one that is transaction focused and not relationship or service focused. The `winners` will be those advisors who see customers as sales instead of people with needs. They will go from one sale to the next with little or no commitment to the on going needs of that person unless an additional sale is involved. Turnover of advisors will increase. Turnover of customers will increase. Turnover of investments will increase. The number of citizens who needlessly suffer from a lack of competent financial advice will increase. More advisors will start or increase minimum client investable asset requirements in order to stay viable. Lack of access to competent financial advice at lower economic levels, which is already very poor, will get worse. It will increase economic class distinctions and disparities.

Please consider the unintended consequences of such changes.

Sincerely,

Neal Engwall
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