

August 30, 2010

Besides a license to sell life and health insurance, I hold FINRA registrations 6, 63, 7, 65, 66, and 24. I am also an Investment Advisor Representative with my broker-dealer.

When given a choice, the vast majority of my clients prefer to do business with me by paying a commission on the products they buy, rather than paying me a fee.

I use the same level of suitability determination whether I am selling commission based products or am charging a fee. There is no difference in the way I do business with either model.

The suitability standards for broker-dealers is already smothering and has gotten way out of hand. I have to get permission to send the same letter to more than one client or prospect, yet Bernie Madoff can go 12-15 years without being caught. I am examined in one way or another, 4 times per year. My correspondence is monitored, as is my LinkedIn account and email. The time I spend documenting things is considerable. This makes me less efficient and takes away from the time I need to do the best job of servicing my clients.

I have to document when I take a client or prospect to lunch and when each client check comes in, how long I had it, and where I sent it.

I understand the need for lots of these things, but this new fiduciary standard is not necessary because, right now, I am already acting in the best interest of my client and I don't take into account the financial interest of my broker-dealer or anyone but my client. Who defines what "best interest" is? Is it the absolute cheapest fund, or the absolute best performing, or the one with the most stars. I don't think there is only one answer to "best interest".

I urge that this not go forward.

**CHARLES W. POTTS, RHU, CLU, RFC, CFS**  
Insurance and Financial Services