River Parishes Advisors Group, LLC

610 Belle Terre Blvd.
LaPlace, Louisiana 70068

Office: (985) 652-7702
Fax: (985) 653-0182

www.rpagllc.com

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To: Securities and Exchange Commission

From: Keith M. Gillies, CFP, CLU, ChFC

Keith Gillies

Re: Standard of Care

I am opposed to the application of the Fiduciary Standard of Care to all representatives of broker-dealers as I feel this will not accomplish the goal of protecting clients. In fact, such a standard will drive away advisors from middle to lower income families due to the compliance costs in both time and expenses. Currently I am a Certified Financial Planner and a member of the National Association of Insurance and Financial Advisors and I adhere to the Codes of Ethics of both governing organizations. In addition, I have a MBA from Tulane University and I am a Chartered Life Underwriter and Chartered Financial Consultant. I have the Series 7, Series 24 and Series 63 licenses. I am Investment Advisor Associate with my Broker-Dealer, Ameritas Investment Corp.

Because of these certifications and licenses, I am already heavily regulated. Our compliance department reviews all of our transactions, even those that are not associated with my Investment Advisor role. Our office has an in-house audit every two years and we have required classes annually. I must take an ethics course at least bi annually. The time and expense for these reviews and continuing education are enormous. I do not know how much more we can handle and still be profitable. Some of the rules that we already must follow are oppressive. As one example, a new Variable Annuity Application is thirty-seven pages and is overwhelming for the applicant/client. How many more pages will we have if this new standard is adopted? How will it help the client? Who determines what product over another product is in the best interests of the client customer?

If this is adopted, I must seriously consider a new model that is entirely fee only. I will no longer do any pro bono work for those in our community who need financial advice, but cannot pay our fees. The liabilities of not having a suitability standard to accompany the fiduciary standard we have for our fee clients will force me to not provide quality time and advice to those who just cannot afford our fees. At the end of the day, if the cost of compliance becomes too high, I may be force to surrender all of my licenses and create a new model.

There will always be 'bad actors' who, regardless of the regulations, will act in their own selfish interests as opposed to the interests of those they claim to serve. Increasing regulation will not change these actions, it will only drive more of the 'good actors' out. I know many of my colleagues who are giving up their licenses because of compliance costs. If this standard is adopted, many more will follow.