

WILLIAM W. McGINNIS, CFA
W. McGinnis Advisors, LLC
3037 S. Shore Dr.
Milwaukee, WI 53207

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-- Via Electronic Filing --

Mr. Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Regulation Best Interest (SEC Rel. No. 34-83062; File No. S7-07-18)

Dear Mr. Fields:

I greatly appreciate the SEC's interest in improving broker-dealer regulation related to investment advice. I also appreciate the opportunity provided to comment on Commission's proposals.

I've been fortunate to have a career that has allowed a unique and broad perspective on the issues at hand. A summary of my professional background as related to the investments industry and its customers follows:

CFA (Chartered Financial Analyst) charterholder since 1989
Previously employed at different times by six broker-dealers – primarily as a sell-side analyst
Previously employed by a Registered Investment Advisor – as an investment advisor
Have held U.S. Securities Licenses Series 7, 63, and 65
Securities expert witness in U.S. and international cases since 2003
Member of the exam author team for the Series 65 and 66 securities exams since 2012
Investments Code of Ethics & Standards of Professional Conduct Instructor – Univ. of WI-Milwaukee
Past President and past Board Member of CFA Society Milwaukee
Creator of CFA Institute's global Putting Investors First investor rights and protections initiative
Awarded CFA Institute's Volunteer of the Year – 2014
Awarded CFA Institute's Most Innovative Project – 2013
57 years old with 46 years of investing experience

My perspective has developed as a customer, a broker-dealer employee working closely with registered representatives, a broker-dealer employee working with customers of registered representatives, an investment advisor working with clients, an educator teaching investments ethics and standards of professional conduct, an investment advisor securities exam author, and as someone who has spoken with an extensive number of retail investors to evaluate the status quo.

Summary:

While there is clearly significant room for improvement in the responsibilities of broker-dealers to their customers, I do not feel Regulation Best Interest (Reg. BI) as proposed is the right solution. Further, as proposed, it may actually exacerbate existing customer confusion and muddy the differences between broker-dealers and investment advisors in the eyes of retail customers. In my view, material changes would need to be made in order for Reg. BI to be an appropriate solution. Reg. BI, in its current form should *not* be implemented. Doing nothing, while a poor and uncomfortable choice, would be favorable over the current proposal.

I am not unappreciative of the work the SEC has done – significant, important changes don't come easily. I believe the proposal would not need to be retooled from the ground up in order to be the right answer to the status quo problems. With some relatively minor, but material, adjustments and additions, it is my opinion that a solution appropriately protective of customers and workable for the industry can be achieved.

The Problem

Retail customers are at a tremendous disadvantage in dealing with broker-dealers and their affiliated persons. That disadvantage is largely one of the broker-dealer having a far superior understanding of the business, markets, economics, and the individual products. There is and always has been a large component of trust the customer must grant to the broker-dealer. This points out a further problem which is the customer generally is inadequately prepared to make an accurate determination as to whom to trust.

These relationships between the customer and the broker-dealer often involve significant portions of an individual or family's assets. Choosing the more trustworthy broker-dealer over the less trustworthy can result in the difference between a comfortable life and retirement or not. Therefore, the general inability to determine whom to trust suggests that the only appropriate approach is to create a level of responsibility on the part of the broker-dealers and their representatives such that the risk to the retail customer is significantly lessened.

It is also necessary to clarify the nature of the relationship for the retail customer.

My experience with retail customers is that they already believe they are in a fiduciary relationship with their broker-dealer and representatives. It is tragic that the retail customer has been led to believe they are in a significantly stronger relationship of legal duty than is actually the case. In my opinion, the easy and direct solution is to provide the retail customer the legal duty of care they already believe they have.

It is rare that an industry or meaningful portions of its participants request more regulation and/or stronger regulation. Generally, the only time this happens is when certain parties are attempting to create a competitive advantage. The situation regarding Reg BI is entirely different. I am aware that both the CFA Institute and the CFP Board of Standards are highly supportive of additional and strengthened regulation of those industry participants who wish to dispense investment advice. In this case, the designation holders of both organizations already possess a competitive advantage in that they offer customers the highest level of duty in the industry. However, neither are interested in retaining that advantage solely for themselves. On the contrary, they would like everyone in the

industry who dispenses investment advice to rise to an equal level. Why? Quite simply, because it is the right thing to do. Fairness and the protection of all customers should be the foundation of the industry. It protects those who are inadequately prepared to protect themselves. It also builds trust in the industry, which reduces the cost of capital to companies and provides more and more stable capital for economic growth, higher employment levels, and increases standards of living.

The Major Problem With Reg BI

Reg BI, as currently proposed, creates a new 'Best Interests' duty of care. While these words are often used in the industry, they are primarily used to describe Fiduciary Duty. There is no clear definition of Best Interests and Reg BI doesn't provide one. This will leave a level of uncertainty and a lack of clarity for years, if not a decade or more, as case law surrounding this new term develops.

Another problem is that if you ask a retail customer whether they would rather be in a business relationship with someone who has a Fiduciary Duty to them or someone who is required to consider their Best Interests, the customer is likely to select the friendlier term Best Interests. To the unknowing, it sounds like a higher level of care. Adding a new term only obfuscates and further confuses.

The utilization of Fiduciary Duty for Investment Advisors and Best Interests for broker-dealers creates a situation of apples to oranges comparisons. That is in no way fair or appropriate to do to retail customers. It amplifies current problems, rather than solving them. This is why I suggest that no new regulation would be preferable to Reg BI as currently proposed. As noted earlier, I believe a revised form of Reg BI is ultimately the most desirable outcome.

A Potential Simple Solution

I believe the appropriate, simple solution is to replace Best Interests with Fiduciary Duty in the Reg BI proposal. Fiduciary Duty already has extensive case law supporting and defining it. If the most appropriate regulation of broker-dealers results in a variance from Fiduciary Duty, possibly terms such as Fiduciary Duty – Light or Fiduciary Duty – Plus or some other such clear descriptor could be used. At the same time, it would be necessary to make clear in what ways the broker-dealer form of Fiduciary Duty varies from that for Investment Advisors.

Brief Comments On Form CRS Relationship Summary

I commend the SEC for the concept of a Form CRS. However, the form as currently proposed is insufficient. I'm certain that your own testing of the form, which I understand is underway, will show as much. I suggest that the Form CRS as proposed is an adequate placeholder for a much improved version down the road. I believe that improved form will be a valuable contribution to the understanding by retail customers of the relationship they have with their investment professional.

The Usage of Titles

There is a significant problem today with titles that obfuscate reality and mislead/confuse retail customers. Investment Advisor is a protected term which carries Fiduciary Duty along with it. Financial Adviser or Financial Advisor is a generic term used by those who do not have Fiduciary Duty. This is horribly confusing to retail customers. To many, the two terms are saying exactly the same thing. It seems to me that this was meant to be the case from the beginning.

I strongly believe that anyone in the investments business, who works with retail customers, should be clearly titled. If such an individual does not have Fiduciary Duty, their title should be Sales Professional, Product Specialist, or something else that in no way infers that they are offering services similar to a professional who has Fiduciary Duty.

I hope these comments are of assistance as the SEC works to improve protections and clarify relationships for retail customers.

Sincerely,

A handwritten signature in cursive script, appearing to read "Wm. M. J. v." with a flourish at the end.