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August 7, 2018

Via E-Mail to rule-comments@sec.gov

Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: Regulation Best Interest (SEC Release No. 34-83062; File No. S7-07-18) (“Reg. BI”); Form CRS Relationship Summary, Amendments to Form ADV, Required Disclosures in Retail Communications and Restrictions on the use of Certain Names or Titles (SEC Release No. 34-83063; IA-4888; File No. S7-08-18); Proposed Commission Interpretation Regarding Standard of Conduct for Investment Advisers; Request for Comment on Enhancing Investment Adviser Regulation (SEC Release No. IA-4889; File No. S7-09-18)

Dear Mr. Fields:

Janney Montgomery Scott LLC (“Janney”)¹ appreciates the opportunity to comment on the above-referenced rule proposals. We are generally supportive of the proposed rules, and commend the Securities and Exchange Commission (“SEC” or “Commission”) in its efforts to enhance investor protection while preserving investor choice and access to both the brokerage and advisory business model.

Janney believes that a higher standard of care would go a long way towards improving the level of trust and confidence individual investors have in the financial system, in general, and in providers of financial advice, specifically. Janney is mindful of its current regulatory obligations and is committed to providing investment recommendations to its clients pursuant to a higher standard of care – a best interest standard – as Reg. BI would require. Investors deserve to have their interests placed first, and Janney has long supported a principles-based higher standard of care for its brokerage business, similar to that of, and more closely aligned with, the

¹ Janney traces its roots in Philadelphia to 1832 and is one of the oldest full service financial services firms in the country. With 120 offices in 21 states, Janney provides investment services to retail investors through over 770 financial advisors. We manage over 125,000 client relationships, and our financial advisors provide tailored solutions to assist the families we serve achieve their financial goals.

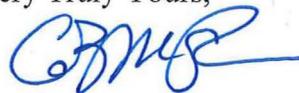
Investment Advisers Act of 1940 (the “Advisers Act”).² Towards this end, Janney is also generally in support of the comments submitted by the Securities Industry and Financial Markets Association (“SIFMA”).

As a dually-registered broker dealer and an investment adviser under the Advisers Act, Janney offers its clients a choice of fee-based advisory relationships governed by the Advisers Act as well as commission-based brokerage services governed by applicable SEC, FINRA, and state rules and regulations. These existing legal constructs currently provide different options and advantages to our clients in that we can provide any combination of fee-based or commission-based solutions determined by each client’s unique set of investment goals and objectives. Oftentimes, clients will maintain both advisory and brokerage accounts to best accommodate their preferences. The ability to offer both solutions is of paramount importance to Janney and its clients. While we trust it is the Commission’s intent to preserve both, we remain concerned that, under the proposed rules, the brokerage service model will remain less advantageous from both a legal and operational perspective, as illustrated by the following example.

Material Conflicts. The requirement that material conflicts of interest arising from financial incentives be *disclosed and mitigated, or eliminated* as proposed under Reg. BI, as opposed to *disclosed and consented to* under the Advisers Act, will subject brokers to a more stringent standard than when serving as a fiduciary under the Advisers Act. If investment advisers are able to appropriately manage conflicts through disclosure and informed consent, requiring material conflicts to be mitigated or eliminated under Reg. BI favors the advisory model over brokerage. Much like the failed DOL Fiduciary Rule, this would run counter to the Commission’s stated purpose of preserving choice for investors and retaining the commission-based “pay as you go” advice model.

Once again, while we are generally in support of the proposed rules, we ask the Commission to proceed expeditiously to adopt a workable rule set that will ultimately benefit investors, while at the same time preserving investor choice and access to both the brokerage and advisory service models. Thank you for your consideration of these comments. If you have any questions regarding the foregoing, please feel free to contact me directly.

Very Truly Yours,

A handwritten signature in blue ink, appearing to read "G. McShea".

Gregory B. McShea

² See, e.g., Janney comment to the Department of Labor (July 21, 2015); Janney comment to the Department of Labor (March 15, 2017); and Janney testimony before the Department of Labor (August 11, 2015).