



July 24, 2018

The Honorable Jay Clayton  
Chairman  
United States Securities & Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: Proposed rules of conduct

Dear Chairman Clayton:

I am writing to endorse the concept of creating a bright line test so that retail consumers of financial advice may know whether they are receiving fiduciary services or brokerage services. In my opinion, there is a difference and it's not inconsequential. Unfortunately, as you know, consumers are not aware of these differences and the potential conflicts that they create. Personal finance is a broad and complicated business and consumers are looking for advice and counsel, but they don't know what they don't know. They can often end up with terrible financial advice or products that they don't understand because they thought they should be able to trust their financial advisor. The advice/product may have been suitable, but it would not have cleared any sort of fiduciary hurdle.

I entered the business in 1999 as a CPA and CFP after building a tax practice. While I encountered quite a steep learning curve, I had come from a fiduciary culture, so our fiduciary culture was "business as usual" for me. It occurs to me that effectively defining a professional credential, like that of the CPA, only as a fiduciary advisor, would be a worthwhile goal. This way, there will be no doubt about the advice being provided.

As an RIA and a fiduciary, it is my duty to help my clients achieve the best possible results without regard to any specific solution that I recommend. Our firm does not sell products or services which result in any compensation to us. Our only compensation is received from our clients. We have no loyalty to anyone except our clients. We also have a duty of loyalty and care with respect to our advice. The primary focus of our practice is planning. We devote some of our time to portfolio management, but only as part of the overall process. We feel that building a plan which helps us to understand,

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organize, and manage each client's personal circumstance is vital to assuring that all the facets of the plan work together. Further, planning is not a "one time thing." We try to meet with our clients at least once each year to make sure that we and they are aware of any changes in their circumstances so that plans can be changed accordingly.

Our team at Horizon is composed of CFPs, CPAs, and a CFAs and we have another staff member who should pass the CFP exam shortly. We spend almost no time marketing. We spend most of our time working with our clients to help make sure that they have a plan and that they are "on track" to achieve their personal goals, whatever they may be.

I know that our business model is more comprehensive than many other RIAs and am not suggesting that the level of planning that we do is right for everyone, but other RIAs who offer only investment advice are still required to satisfy the fiduciary obligation. It doesn't seem right to leave this critical distinction (fiduciary vs. salesman) for consumers to sort out and I think the SEC can provide a valuable service by making it clear who works for their clients and who works for themselves or their affiliated broker dealer.

Respectfully submitted,



Lawrence E. Maddox