

July 8, 2013

Dear Representative:

The Pension Rights Center is a nonprofit consumer organization that has been working since 1976 to protect and promote the retirement rights of workers, retirees, and their families. We are writing to express our strong opposition to H.R. 2374, the mislabeled “Retail Investor Protection Act.”

H.R. 2374 would hurt millions of working men and women trying to save for retirement, as well as undermine the many trustworthy financial professionals and brokers who are trying to advise them honorably. The only interest advanced by this legislation is that of those brokers who put their financial self-interest above the interest of their clients.

In today’s world, the retirement security of millions of American working men and women depends on the financial performance of the assets held by their 401(k) plans and individual retirement accounts. As a result, more Americans depend on the honest financial guidance of investment professionals than ever before.

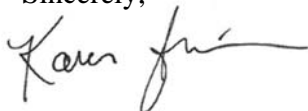
Yet under current law, many individuals who present themselves as trusted financial advisers are regulated as mere salesmen. The rules under which they operate allow them to guide their clients toward investments that maximize the seller’s commissions and other compensation, regardless of whether their clients might be much better served by other investment options.

The conflicted advice that such brokers provide has real-world consequences that can lead to significant losses in individuals’ retirement savings accounts. Such advice would be particularly harmful to lower-income earners who cannot afford losses in their already modest accounts.

Regulatory adjustments that would better protect consumers of investment advice, while providing a workable framework for the financial industry, are currently being explored by the Securities and Exchange Commission and the Department of Labor. These include coordinated multi-year processes that have already involved fact-finding, cost-benefit analysis, agency consultation, and public input. H.R. 2374 would scuttle these efforts, leaving America’s workers and retirees with inadequate protections.

On behalf of Americans dependent on their investments for retirement, we strongly urge you to reject H.R. 2374 and allow the agencies to continue to do their work.

Sincerely,



Karen Friedman
Executive Vice President and Policy Director



Norman Stein
Senior Policy Advisor