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At One Year Anniversary of Dodd-Frank, Not All Americans Covered by Fiduciary Standard

Financial Planning Coalition Urges Prompt Action on Fiduciary Standard

WASHINGTON, DC – July 21, 2011 – One year after the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) became law, American investors still aren't getting the fiduciary protection envisioned by Congress. The Financial Planning Coalition (the Coalition) urges the Securities and Exchange Commission (the SEC) to move forward with plans to apply a fiduciary standard to anyone providing personalized investment advice.

“One year ago, Dodd-Frank wisely granted the SEC the authority to enhance investor protection by applying a fiduciary standard to those providing personalized investment advice. Having met many of the initial study and rulemaking deadlines required in the first year following the law's enactment, the SEC should now turn its attention to one of Dodd-Frank's most critical investor protection reforms,” said the Coalition. “Adopting a fiduciary standard would ensure that clients receive advice that is in their best interest regardless of their advisers' compensation or other interests.”

Most investors assume that all financial services providers are required to provide investment advice that is in their best interest. Unfortunately, this is not always the case. Investment advisers are required by law to put their clients' interests first, but other financial services providers, such as broker-dealers, are not. A fiduciary standard, among other things, requires full disclosure of all material conflicts of interest, which would offer American investors a greater degree of protection.

There is broad support across the nation for a fiduciary standard. In fact, a survey conducted by the Financial Planning Coalition, the Consumer Federation of America and other consumer and industry groups, found that 97 percent of investors agreed that financial professionals should be required to put an investor's interests ahead of their own when providing investment advice.

Additionally, in June, the Coalition delivered a petition now signed by more than 5,400 financial planners to the SEC, urging it to apply a fiduciary standard to anyone providing personalized investment advice to retail clients. The full letter can be found [here](#). Just last week, the Senate Committee on Banking, Housing, and Urban Affairs held a hearing, “Enhanced Consumer Financial Protection After the Financial Crisis,” showing Congressional commitment and citing the work done by Coalition members.

With a fiduciary standard, the SEC has an opportunity to greatly enhance protection for American investors, which will increase confidence in the market. The Coalition strongly urges the SEC to move forward with the fiduciary rulemaking authorized by Dodd-Frank today.

About the Financial Planning Coalition: The Financial Planning Coalition, a group representing nearly 75,000 financial planners, is a collaboration of Certified Financial Planner Board of Standards, Inc. (CFP Board), the Financial Planning Association[®] (FPA[®]), and the National Association of Personal Financial Advisors (NAPFA) formed to advise legislators and regulators on how to best protect consumers by ensuring financial planning services are delivered with fiduciary accountability and transparency.

To learn more, please visit www.FinancialPlanningCoalition.com.

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