

Dear Colleague;

Although much of Washington, D.C. is buzzing about health care, attention on Capitol Hill is turning to reform of the financial services industry. The Financial Planning Coalition – comprised of Certified Financial Planners Board of Standards, Inc. (CFP Board), the Financial Planning Association[®] (FPA[®]) and the National Association of Personal Financial Advisors (NAPFA) – is positioned at the table.

Since its formation last November, the Financial Planning Coalition has developed and advanced a proposal to establish a professional regulatory oversight board for financial planners. We've made important progress with the House Financial Services Committee, which is expected to act on financial reform legislation prior to the Senate. We are also are meeting with key members and committee offices in the Senate Banking Committee.

The Financial Planning Coalition has developed joint policy positions related to the professional oversight board and drafted legislation and a variety of advocacy documents that reflect the Coalition's policies.

- Statement of Understanding
- Case Statement
- Executive Summary of Financial Planning Oversight Board Proposal

Advocacy Activities

The Financial Planning Coalition engaged a lobbying firm to assist the Coalition in developing and implementing advocacy strategies.

Diahann Lassus testified on behalf of the Coalition before the House Financial Services Committee, July 17, 2009. Among other things, Ms. Lassus testified:

- "No single law governs the delivery of financial planning."
- "This has led to consumer confusion, misrepresentation, and fraud—all things that the Administration seeks to correct in their reform package."
- "The Financial Planning Coalition believes consumers deserve the tools and support necessary
 to make sound financial decisions on their path to the American dream. Our goal is to have all
 financial intermediaries who offer broad-based financial advice subjected to the high standards
 of a fiduciary."

The full text of Ms. Lassus' testimony on behalf of the Coalition is available for review at http://www.house.gov/apps/list/hearing/financialsvcs dem/lassus.pdf.

Outreach Activities

<u>Friends of Fiduciary Group</u>: We organized a group of organizations to advocate for the application of the fiduciary standard to the delivery of financial advice. The "Friends of Fiduciary" coalition includes the Financial Planning Coalition members, Consumer Federation of America (CFA), North American Securities Administrators Association (NASAA), Investment Advisors Association, and Fund

Democracy. The Friends of Fiduciary coalition held an initial meeting in April and has continued to meet periodically to coordinate on issues around the fiduciary standard, which is so vital to planners, advisers and consumers. The group has engaged in a number of joint efforts:

- Sent a <u>joint letter</u> on July 14, 2009 to the leadership of the House Financial Services Committee (Frank and Bachus), copied to the Committee members, the SEC Commissioners, and Treasury Secretary Tim Geithner, urging application of the fiduciary standard as applied under the Advisers Act to broker-dealers who provide investment advice.
- Developed joint language to amend the Administration's fiduciary proposal in the "Investor Protection Act of 2009."
- Is conducting joint meetings with committee and congressional staff in the House and Senate advocating revised language.
- Sent a joint letter to the SEC Investor Advisory Committee on August 6, 2009 to urge the Committee to recommend extension of the fiduciary standard as applied under the Advisers Act to broker-dealers who provide investment advice.
- Organized a "sign on" <u>letter to the House and Senate leadership</u> in support of the fiduciary standard on October 5, 2009, which was signed by leading consumer and public interest groups.

Upcoming Activities

The <u>Financial Planning Coalition Web site</u> is now live! Visitors have access to updates about Coalition activities and sample letters to Congress and the media. New information will be added, so stop in and take a look around.

The Coalition board chairs will hold a panel discussion with an advocacy update at FPA Anaheim 2009 at 1 p.m. Sunday, October 11. Plan on attending if you're going to be in Anaheim, or visit the Coalition Web site for an <u>audio file</u> of the panel discussion.

We ask you to continue to use every opportunity you have with your elected representatives to educate them about the need for regulation of financial planning. As specific legislative proposals for financial services reform start to move through the committee mark-up process on both the House and Senate sides, we will provide you with specific talking points and requests for support.

Signed,

Marilyn Capelli Dimitroff, CFP[®] Richard Salmen, CFP[®], CFA[®], William T. Baldwin, JD 2009 Chair CFP Board 2009 President NAPFA

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