

Industry Leaders Call to Congress: Adopt The Authentic Fiduciary Standard in Wall Street Reforms; Ensure Investors' Best Interests are Number One

Five Core Principles of the Authentic Fiduciary Standard are Vital

Washington, DC – June 29, 2009 -- A group of industry leaders today called on Congress to uphold the authentic fiduciary standard as it drafts new legislation extending fiduciary duties to more advisors and brokers.

The Committee for the Fiduciary Standard announced today a campaign to support extending the authentic fiduciary standard to cover all advisors or brokers who give investment and financial advice, or who ‘hold themselves out’ as doing so.

“Few investors understand the stark differences between the brokers’ suitability standard and the investment advisers’ fiduciary standard. Among other duties, the authentic fiduciary standard established in law requires advisers to adhere to five core principles; the suitability standard does not,” says Knut A. Rostad, a member of the Committee and the Regulatory and Compliance Officer at Rembert Pendleton Jackson, a registered investment adviser.

“We are mounting the campaign to talk to the media about why the five core principles are vital to investors and should be an integral part of any legislation. We will urge investors, professionals and all interested market participants to “vote” in support of the five core fiduciary principles and our campaign,” explains Committee member, Ronald W. Roge, CEO of R. W. Roge & Company.

The five core principles are:

- Put the client’s best interest first;
- Act with prudence; that is, with the skill, care, diligence and good judgment of a professional;
- Do not mislead clients; provide conspicuous, full and fair disclosure of all important facts;
- Avoid conflicts of interest; and
- Fully disclose and fairly manage, in the client’s favor, unavoidable conflicts.

“These five core principles are essential in any legislation or rule making,” said Committee member Matthew D. Hutcheson, President, Independent Pension Fiduciary. “To do otherwise undercuts the investor protections available in ERISA law today. We are confident that undercutting current protections is not the aim of the Obama Administration or Congress.”

The Committee’s members are recognized leaders in the investment and financial advisor profession:

- Blaine Aikin, fi360
- Clark M. Blackman II, Alpha Wealth Strategies, LLC
- Gene Diederich, Moneta Group
- Harold Evensky, Evensky & Katz
- Sheryl Garrett, Garrett Planning Network
- Roger C. Gibson, Gibson Capital, LLC
- Matthew D. Hutcheson, Independent Pension Fiduciary
- Gregory W. Kasten, Unified Trust Company
- Kate McBride, Wealth Manager
- Fred Reish, Reish, Luftman, Reicher & Cohen
- Ronald W. Roge, R. W. Roge & Company
- Knut A. Rostad, Rembert Pendleton Jackson

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