The Committee for the Fiduciary Standard

The Committee for the Fiduciary Standard Applauds Progress As DOL Issues Final Rule for Retirement Advice

Looks Forward to Commenting on Final DOL Rule

New York -- April 6, 2016 --The Committee for the Fiduciary Standard commends the release of the Department of Labor Fiduciary Rule, intended to eliminate conflicts of interest that harm retirement investors. The final rule was released despite efforts by large banks, broker-dealers and insurance companies, their lobbyists and a group of lawmakers to derail the rulemaking process.

The release of the final rule is a major step toward a more secure, dignified retirement for the millions of Americans who save and invest for retirement. The Committee now looks forward to studying and commenting on the final rule.

“All those who have the privilege of advising retirement investors should do so as a fiduciary, under ERISA, in the best interest of the investor. Families need access to trusted, professional advice to help manage their hard-earned retirement nest egg, before and after retirement. Registered Investment Advisors already act as fiduciaries to their investor clients, and have done so for decades,” said Kathleen M. McBride, Chair of The Committee for the Fiduciary Standard.

“We hope that the DOL’s final rule will serve retirement investors by ensuring that advice they receive is provided by a fiduciary. Fiduciary advice is essential to help the retirement investor attain their long-term goals in 401(k) or IRA accounts. It’s particularly important when many investors face a critical decision if they leave a company or retire, and consider a rollover from a 401(k)-type account to an IRA,” McBride added. “For many Americans, the quality of this advice is not just the difference between lean retirement years and more luxurious ones – but the difference between whether they will be able to retire, or not.”

The Committee’s five core principles of the fiduciary standard are:

- Put the client's best interests 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;
- Fully disclose and fairly manage, in the client's favor, unavoidable conflicts.

Background

The President of the United States asked the Secretary of Labor to update the basic rules of the road for providing investment advice to retirement investors – rules that had not been updated in almost forty years. The White House noted that excessive fees cost investors $17 billion annually and shave 25% off of their nest eggs – equal to several years of retirement income – by the time they reach retirement.

Americans have $3.1 trillion in traditional pensions, $5.3 trillion invested in 401(k)-type plans and $7.2 trillion in IRAs.

Over the past several decades, the share of Americans who have traditional pensions – with investment decisions made by professionals, and a steady monthly payout at retirement – has fallen sharply. Today, Americans are largely responsible for making their own choices about how much to save, and how to invest their retirement savings.

However, under the outdated rules, many retirement savers are not working with a fiduciary, so they are not receiving the objective, fiduciary advice that they need and expect. Current rules allow some types of financial professionals in banks, brokerage, insurance and mutual fund companies to skip fiduciary requirements and put their own sales quotas and bottom line ahead of the retirement investor's interests.

For more information, please contact:

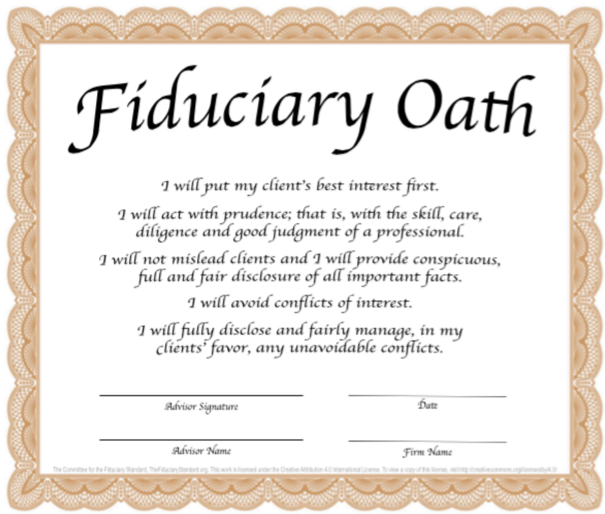
Kate McBride, Chair
The Committee for the Fiduciary Standard
kmcbride@FiduciaryPath.com
732-241-4988

About The Committee for the Fiduciary Standard
The Committee was formed in June 2009 by group of investment professionals and fiduciary experts who volunteer their time to advocate that all investment and financial advice be rendered as fiduciary advice and meet the requirements of the five core fiduciary principles.

The Committee's goal is to advocate for the authentic fiduciary standard. The Committee seeks to help inform and nurture a public discussion on the fiduciary standard. Its objective is to ensure that any financial reform regarding the fiduciary standard, 1) meets the requirements of the authentic fiduciary standard, as presently established in the Investment Advisers Act of 1940, or ERISA, and 2) covers all professionals who provide investment and financial advice or who hold themselves out as providing financial or investment advice, without exceptions and without exemptions. www.TheFiduciaryStandard.org

The Committee for the Fiduciary Standard believes that investors have a right to know whether or not their advisor is acting in their best interests. For those investors and firms that agree, the Committee has drafted a straightforward Fiduciary Oath declaring an advisor's commitment to adhere to a fiduciary ethic and, in so doing, be accountable for the advice to their clients. We call on all advisors to provide a signed copy of this oath every time they enter into an advisory relationship with a client. Similarly, we recommend that investors insist their advisors sign the oath before entering into a relationship.

For more information about the Fiduciary Oath, please visit:
http://www.thefiduciarystandard.org/fiduciary-oath/



Fiduciary Oath

I will put my client's best interest first.

I will act with prudence; that is, with the skill, care, diligence and good judgment of a professional.

I will not mislead clients and I will provide conspicuous, full and fair disclosure of all important facts.

I will avoid conflicts of interest.

I will fully disclose and fairly manage, in my clients' favor, any unavoidable conflicts.

Advisor Signature

Date

Advisor Name

Firm Name