

## **Academic Journal Articles on Fiduciary Conduct and Investment Advice Submitted to SEC**

### **Authors are Among the Country's Best-Known Scholars on Fiduciary Law and Investor Behavior**

*The Committee for the Fiduciary Standard  
Calls Articles a 'Must-read,' for Appreciating  
The Vital Role of Fiduciary Duties*

Washington DC – August 31, 2010 – The Committee for the Fiduciary Standard yesterday submitted 23 scholarly articles to the SEC, with abstracts and references to an additional 84 articles, in response to the SEC's request for comment of its study of investment adviser and broker dealer regulation. (The submission document is attached.)

Committee Chairman Knut A. Rostad said, "The SEC study on the application of the fiduciary standard of conduct to all who provide investment advice will likely inform public policy for a generation. At issue, among others, is whether all investors have equal access to fiduciary advice. In order to assist the Commissioners and SEC staff, the Committee has compiled 23 of the most pertinent academic journal articles exploring the fiduciary standard of conduct, its economic underpinning and its application to investment advisory services. Abstracts and references to an additional 84 articles are also included."

"These articles are a 'must read.' While they represent diverse views on matters of implementation, they reveal common themes, including: how duties vary based on the disparity of knowledge between the advisor and client; that *disclosures*, while necessary, are not sufficient to fulfill, and not synonymous with, fiduciary duty; and that fiduciary requirements are not, as some suggest, "vague."

The Committee for the Fiduciary Standard was formed last year to advocate for the authentic fiduciary standard, as presently established under the Investment Advisers Act of 1940, and summarized in the Committee's five core principles. The principles are:

- Put the client's best interest first

## THE COMMITTEE FOR THE FIDUCIARY STANDARD

- Act with prudence; ie: 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 clients favor, unavoidable conflicts

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- Ronald W. Roge, R. W. Roge & Company
- Knut A. Rostad, Rembert Pendleton Jackson

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