

# Family Office Advisors Urge Congress To Fight for All Investors and Put the Fiduciary Standard in Wall Street Reform

*Advisory leaders invite all investment advisory and BD firms  
To sign Fiduciary Statement*

June 7, 2010—Washington D.C.: Ten well-known financial advisors to individuals and families world wide today urged members of the Conference Committee to put the fiduciary provision from the House bill into the final Wall Street reform bill. These veteran advisors also added their names to a list of Nobel Laureates and business luminaries who have signed the Fiduciary Statement.

The Fiduciary Statement, developed by The Committee for the Fiduciary Standard, calls for the fiduciary standard established under the Investment Advisers Act of 1940 and affirmed by the Supreme Court, to be included in Wall Street reform legislation. The financial advisors invite all firms rendering financial or investment advice to sign the Fiduciary Statement by going to the Committee for the Fiduciary Standard's website at [www.thefiduciarystandard.org](http://www.thefiduciarystandard.org).

*“A matter of simple fairness”*

“This is a matter of simple fairness. All families should be able to access the same high fiduciary standard of investment and financial advice that wealthy families can access. Why should smaller investors be left behind?” asked Maria Elena Lagomasino, CEO of **GenSpring Family Offices**, and one of the ten signatories.

A Conference Committee of Senate and House members will begin work soon to reconcile the differences between their respective Wall Street reform bills. The House bill contains a provision applying the fiduciary standard to brokers giving “personalized investment advice”, while the Senate bill contains no such provision and instead calls for a study to determine whether brokers who give investment advice “should be required to act in the clients’ best interest.”

*“President Obama supports the fiduciary standard”*

The fiduciary standard provision is widely supported by political and industry leaders – from President Barack Obama and industry legend and Vanguard founder, John C. Bogle -- to SEC Chairman, Mary Schapiro. Opponents of the fiduciary standard provision in the House Bill include National Association of Independent Life Brokerage Agencies (NAILBA), Association for Advanced Life Underwriting (AALU) and the National Association of Insurance and Financial Advisors (NAIFA). These groups favor the Senate provision.

“We urge all investment advisors and wealth advisors to sign the Fiduciary Statement. Brokers and Advisors continue to migrate to firms with fewer conflicts and greater transparency, and investors are gladly following suit. Affirming a commitment to the fiduciary standard by embracing this statement is the ultimate example of doing well by doing good,” said Sara Hamilton, Founder and Chief Executive Officer of **Family Office Exchange**.

*“Fiduciaries are hired to represent investors, while those following the suitability standard are permitted to represent their firms’ interests, first.”*

“Investors need to understand the important differences between advisors and brokers who meet the fiduciary standard versus those who only meet the minimum requirements of the suitability or commercial sales standard. Most fundamentally, fiduciaries are hired to represent investors, while those following the suitability standard are permitted to represent their firms’ interests, first. This is a huge difference. For example, fiduciaries must tell clients in writing how much they pay for the services and products they buy; they must either avoid or reveal and manage conflicts of interest, attaining informed client consent; and they must also control investment expenses. Those who just meet the minimum suitability standard are not required to do any of these things,” explains Gregory Curtis, Chairman of **Greycourt & Co., Inc.**

"This group of family wealth industry leaders is dedicated and experienced. We have each signed this statement because we care deeply about the client experience and each family's inherent need to receive objective advice," said Tom Livergood, chief executive officer of The **Family Wealth Alliance**. He added, "We take our responsibilities as fiduciaries very seriously because being a fiduciary is at the core of acting in the best interests of the families served, and is vital to maintaining the highest standard for family offices. Nothing is more important than placing the interest of families first!"

The ten family office firms which have signed the Fiduciary Statement are:

**David Basner**  
President  
TAG Associates, LLC

**Gregory Curtis**  
Chairman  
Greycourt & Company, Inc.

**Sara Hamilton**  
Founder & Chief Executive Officer  
Family Office Exchange

**Maria Elena Lagomasino**  
Chief Executive Officer  
GenSpring Family Offices

**John LaPann**  
President & Chief Investment Officer  
Federal Street Advisors, Inc

**Ed Lazar**  
President  
Threshold Group, LLC  
**Thomas R. Livergood**  
Chief Executive Officer  
Family Wealth Alliance, LLC  
**Charles J. Maxwell**  
Chairman & CEO  
Meristem  
**Carol Pepper**  
Founder & CEO  
Pepper International  
**Steve Prozano**  
President  
Silver Bridge Advisors

Knut A. Rostad, chairman of the Committee for the Fiduciary Standard, noted, “These firms serve wealthy investors worldwide. Their vocal support to extend the fiduciary standard to all investors speaks volumes of their professionalism and commitment to industry excellence.”

The Fiduciary Statement was prepared under the auspices of The Committee for the Fiduciary Standard, a group of investment industry leaders and practitioners. The Committee formed last year to advocate for the fiduciary standard as established under the Investment Advisers Act of 1940.

For more information, please contact:

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