

The Committee for the Fiduciary Standard One Year Later, June 29, 2010

One year ago today, the Committee sent out a simple press release. The release suggested (to whomever might read it) that Congress should enact the authentic fiduciary standard in accordance with “five core principles.” Well, some people did read it. The rest is... noted below.

The Committee Steering Group

May 2009

The Committee for the Fiduciary Standard was launched by a group of investment professionals drawn together by a single quest to, in the words of Luis Aguilar, “keep sacrosanct a real fiduciary standard,” and extend that fiduciary standard to all who provide advice to investors. To spur public and media support for the fiduciary standard, and urge groups and individuals to support Commissioner Aguilar’s clear vision of the future of ‘investor centric advice.’

- The Committee for the Fiduciary Standard idea begins to take shape
- Eleven founders come together

June 2009

- Founders develop the Five Core Principles
- Release, June 29: Committee forms and announces Five Core Principles of the Fiduciary Standard. Calls on Congress to “Adopt the Authentic Fiduciary Standard in Wall Street Reforms”

July

- Press briefings begin and continue
- Committee Urges Americans to sign Petition to extend the fiduciary standard in reforms
- Two leading securities attorneys, Thomas P. Lemke, and Steven W. Stone, publish article arguing that the fiduciary standard and suitability standard are more similar than different. The Committee invites Lemke and Stone to publically discuss their paper with the Committee. The attorneys decline.
- Meet with SEC Commissioner Elisse Walter
- Meet with SEC Commissioner Luis Aguilar
- Meet with Treasury official and House Committee Staff
- Discussions with B-D/RIA leader
- Committee creates position paper on Differences Between the Regulatory Requirements of Brokers and RIAs: “Arm’s Length [vs] Fiduciary
- Committee creates Summary detailing the Five Core Principles

August

- Release: “Five Core Principles Interest SEC”
- Provide assistance with language in the House’s Investor Protection Act
- Provide assistance to House staff on language for legislation on disclosing investor costs in pension plans
- Web site launches
- The Committee reaches out to independent B-D/RIAs

September

- Meet with SEC Chairman Mary Schapiro
- Initial Committee follow up with agency working group
- Meet with House Financial Services Committee Senior Counsel

October

- Fiduciary Webinar on Wealth Manager—Knut Rostad and Kevin Carroll of SIFMA
- Committee creates “Talking Points” comparison of fiduciary and suitability
- Meet with B-D organization senior executives
- Meet with agency working group
- Release: SIFMA Proposal Falls Short in Protecting Investors
- Committee LinkedIn group urged to write Congress to support fiduciary provisions in pending legislation
- Letter goes to House Financial Services Committee Chairman, Barney Frank, and Senate Banking Chairman, Chris Dodd

November

- Meet with agency working group
- Meet again with B-D organization senior executives
- Release: Fiduciary Study with SEI of Brokers and Investment Advisors
- Meet with reporters about SEI Fiduciary Survey
- Committee creates paper: A Discussion of the Role of Disclosures in a Fiduciary Culture

December

- Publishes Fiduciary Study with SEI of Brokers and Investment Advisors
- Knut Rostad attends Boston University Mutual Fund Roundtable, hosted by professor Tamar Frankel
- Meet with B-D associations’ leadership
- Meet with agency working group
- Release: “Committee Applauds House Passage of Fiduciary Provision in Wall Street Reforms
- Comments on case pending request for Supreme Court review (Hecker v. Deere)

January 2010

FCIC testimony: SEC Chair Mary Schapiro and Goldman CEO Lloyd Blankfein endorse extension of fiduciary standard. Gary Gensler endorses. Bogle's "Restoring Faith" appears in The Wall Street Journal. Sallie Krawcheck speaks to Financial Women's Association and mentions fiduciary standard extension as "a very good step" for the industry

- Kate McBride speaks at FPA Phoenix Conference
- Committee reaches out to leading groups, high-profile industry figures, academics
- Committee initiates investor labels project

February

Senator Johnson floats "study" amendment

- Senate Banking Committee staff requests assistance with language for Senate's Investor Protection legislation
- Committee LinkedIn Call to action letter re: Senator Johnson's "Study" amendment
- Committee LinkedIn group floods Johnson with calls and letters re: "The Study is Not Necessary."
- Senator Johnson's staff requests meeting. Senator Johnson's staff requests analysis of whether study is necessary
- Committee sub-group completes Analysis of Johnson Study over weekend
- Release: "Dodd Bill Deletes Fiduciary Standard; Replaces With Study Pushed by Brokers and Insurance Lobby"
- Knut Rostad guest blog in Voices in *The Wall Street Journal*
- Committee creates "Fiduciary Perspectives" with white paper for agency working group

March

*"Struggling Over a Rule for Brokers," in The New York Times--Tara Siegel Bernard.
"Will You be my Fiduciary," "Trusted Advisor or Stock Pusher" in NYT --Tara Siegel Bernard.
"Losing a Key Reform" in The Wall Street Journal--Jason Zweig (calls for readers to contact their legislators)*

- Knut Rostad speaks at Toronto "Fair Canada" conference
- Nobel Laureates' Fiduciary Statement released; includes two Nobel Laureates, Jack Bogle, Roger Ibbotson, a former Fed governor and other prominent Americans
- Release: Nobel Laureates, Industry Leaders Endorse The Fiduciary Standard in Financial Reform. Invites Bank of America, Morgan Stanley, Goldman Sachs and JPMorgan to sign Fiduciary Statement. Wide media coverage of Nobel fiduciary statement
- Meet with senior staff of Senators Menendez, Corker, Merkley, Kohl, Akaka
- Meet with senior staff of Senators Bayh, Sherrod Brown, Jeff DeMint
- Fashion Division forms; introduces 'The "F" Word Rocks' hats
- Meet with SEC Commissioner Luis Aguilar
- Meet with SEC Commissioner Troy Paredes

April

Sallie Krawcheck “embraces” fiduciary standard in speech to SIFMA

- Family office reaches out to Committee
- Goldman Charged with fraud; Media Conference Call arranged in five days: “The Goldman Charges and The Fiduciary Standard”

May

The New York Times editorial says the fiduciary standard is necessary and passage should be a “no brainer”

- fi360 conference: Knut Rostad, Blaine Aikin speak; steering group meets with interested fi360 attendees; 50+ crowd into meeting; hats a giant hit
- Committee logo developed
- Discussions with family offices and family office associations about the Fiduciary Statement
- Family Office Fiduciary Statement developed
- Fiduciary Statement sign-up, for firms that agree to uphold the principles, on web site
- Press and family office meetings in NY
- Committee membership grows to 785 members

June

The Wall Street Journal’s Jason Zweig again calls for the Fiduciary Standard

The New York Times again pushes for the Fiduciary Standard in editorial

Tara Siegel Bernard blogs about Congressional activity and “the hat”

Final Financial Reform language outlines SEC Rulemaking with ’40 Act fiduciary duty for brokers who provide advice to retail investors after 6-month study.

- Meet with SEC Commissioner Elisse Walter
- Meet with Senate Banking Committee senior counsel
- Release: “Family Office Advisors Urge Congress To Fight for All Investors and Put the Fiduciary Standard in Wall Street Reform”
- Calls to action for LinkedIn group to write financial reform conference committee members
- Meet with SEC Commissioner Kathleen Casey
- Release: Statement on Fiduciary provision in Wall Street Reform as a “Major Step Forward for Investors”