

## News Release

Wednesday, May 2, 2012

### **Institute on Wall Street Lobby (SIFMA) Proposal: Falls Far Short of Investor's 'Best Interest' Standard**

*In "Before Our Very Eyes," Knut Rostad explains how SIFMA's SEC proposal fails to comply with Dodd-Frank.*

CHICAGO - Knut Rostad, president of the Institute for the Fiduciary Standard, made a strong presentation highlighting the huge gap between the SIFMA proposed standard and the fiduciary standard under the Advisers Act that complies with Dodd Frank. Rostad, presenting at the fi360 Annual Conference in Chicago, underscored how the SIFMA proposal rejects centuries-old fiduciary principles, and essentially removes the fiduciary standard for retail clients of broker-dealers.

The presentation, [now available online](#), explains how SIFMA's Standard is effectively designed to support the interests of SIFMA members over the best interest of investors. Whereas a true fiduciary standard emphasizes duties of loyalty and due care, SIFMA's standard emphasizes "business model neutrality," and, for example, the advantages to investors of conflicted advice.

"SIFMA's standard does not meet the fiduciary standard under the Advisers Act of 1940 and does not comport with the requirements of Dodd Frank," said Rostad. "Calling this standard "fiduciary" is like calling a certain frozen land mass 'Greenland,' which was named to attract residents despite having very little green."

Fiduciary News chief contributor Christopher Carosa, who attended the conference, said: "Knut undressed SIFMA's arguments revealing the underlying naked truth to their agenda. ...[He has] a vast knowledge of the inner workings of the politics behind the battle for the fiduciary standard."

#### **About the Institute**

The Institute for the Fiduciary Standard was formed in August 2011 as a fiduciary think tank to provide research, education and advocacy on the vital role of the fiduciary standard to all investors.

#### **About the fi360 Conference**

Fi360's annual 2012 conference, on April 25-27, brought together hundreds of industry leaders and professionals. This is the event for professionals leading the way into a new fiduciary environment.

#### **Contacts:**

Knut A. Rostad, President  
The Institute for the Fiduciary Standard  
Tel: 703-821-6616, extension 429

William McBride  
Wm. McBride & Associates  
Mobile: 917.239.6726