

**NEWS RELEASE**

**Wednesday, August 22, 2012**

**John C. Bogle and Paul Volcker  
Among Financial Industry Leaders  
Signed on to The Fiduciary Declaration;  
Urge SEC, DOL and Congress  
To Apply the Fiduciary Standard  
To All Advisors, Brokers**

**Fiduciary Declaration Unveiling for SEC Chairman Schapiro on September 11**

WASHINGTON – A “Fiduciary Declaration” signed by twelve highly respected leaders in the financial services industry urges Congress, the Securities and Exchange Commission and Department of Labor to heighten and extend protections to investors receiving investment advice.

The “Fiduciary Declaration,” will be unveiled and discussed with SEC Chairman Mary Schapiro on September 11. The meeting with the SEC Chairman is a highlight of Fiduciary September, an initiative of the Institute for the Fiduciary Standard. The initiative seeks to urge policymakers and industry participants to faithfully apply and uphold the fiduciary standard for investment advice.

The twelve signatories of the Fiduciary Declaration are: Sheila C. Bair . Alan A. Blinder . John C. Bogle . Peter G. Fitzgerald . Tamar Frankel . Andrew K. Golden, Roger G. Ibbotson . Arthur Levitt . Daniel Kahneman . Burton G. Malkiel . David F. Swensen and Paul A. Volcker.

"At a critical moment in history these extraordinary leaders speak with one voice and one vision about a fundamental truth: Fiduciary advice is right for investors; the trust it engenders is essential for capital markets." said Knut A. Rostad, president of the Institute for the Fiduciary Standard.

Tamar Frankel, a signatory and national authority on fiduciary law, Boston University professor of law and Michaels Faculty Research Scholar, points out, "Fiduciary conduct is an underpinning of the economic system, and is in danger of being effectively marginalized. Regulators and industry participants should keep this threat in mind. Fiduciary conduct requires undivided loyalty and the highest standard of professionalism."

The Fiduciary Declaration states that current regulatory regimes leave a “gap” that creates unequal protection under the law. The Declaration calls for “evenly applying the fiduciary standard to all advisors and broker dealers who render investment advice,” and emphasizes six core duties established by the Institute for the Fiduciary Standard that embody the fiduciary standard. (See [www.thefiduciaryinstitute.org](http://www.thefiduciaryinstitute.org))

John C. (Jack) Bogle, founder of the Vanguard Group of Funds, and a signatory to the Fiduciary Declaration explains the importance of the fiduciary standard this way, “Our financial system is a messy system and investors have to trust the people who are managing their money. There has to be one North Star that is unchanging, and that is to put the interests of the client first. This approach will win. It’s morally correct, as well as mathematically correct.”

The state of investor trust deeply concerns former FDIC Chairman and Senior Managing Director of FTI Consulting, William Isaac. Isaac, who has received bipartisan accolades for his often blunt criticism of policy makers and industry participants notes, "Trust -- confidence in the honesty, reliability and fairness of people and their firms -- is essential to democracy, a free market economy, and the financial system. The breach of trust in recent years by our government and major financial institutions has been enormously damaging. The fiduciary standard is an important step toward restoring confidence in our institutions and markets."

## **Fiduciary September**

Fiduciary September features events and actions aimed to advance the fiduciary spirit and status. It includes: urging Congress and the SEC to apply the fiduciary standard to all professionals rendering investment advice; urging industry participants to embrace fiduciary duties when investment advice is rendered; and educating investors about the sharp differences between fiduciary advisors and sales brokers. Highlights of Fiduciary September events and activities include the following:

**September 5** \* 11:00 AM – 12 Noon. Educational webinar for reporters.

**September 11** \* Unveiling of the Fiduciary Declaration. Delegation of the signatories to Declaration will unveil, present and discuss in meeting with SEC Chairman Schapiro.

\* Press availability with signatories.

**September 18** \* The Fiduciary Standard: What it Means and Why It’s Important, a guide aimed at assisting practitioners in understanding the six fiduciary duties.

**September 25** \* “Fiduciary Forum ‘12: Regulating Investment Advice and The Benefits and Costs to Investors and the Capital Markets of the Fiduciary Standard in Investment Advice.” With the CATO Institute. Speakers to discuss economic, legal issues. Venue: CATO Institute. Speakers include former SEC Chairman Harvey Pitt.



### **About the Institute for the Fiduciary Standard**

The Institute for the Fiduciary Standard was formed in August 2011 as a non-profit, non-partisan foundation to provide research, education and advocacy on the vital role of the fiduciary standard for investors and the capital markets. For more information, visit [www.thefiduciaryinstitute.org](http://www.thefiduciaryinstitute.org).

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Attachment: Brief Bios of Declaration Signatories