

NEWS RELEASE

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**Institute Establishes Industry Council
To Broaden Participation in
Initiatives to Defend Fiduciary Principles**

Four Industry Pros Named as Industry Council Founders

Washington DC – The Institute for the Fiduciary Standard today announced the establishment of the Institute Industry Council, a task force that will seek to broaden industry practitioner’s participation in efforts to defend the fiduciary standard.

Knut A. Rostad, president of the Institute, said “The investment advice market place and the regulatory landscape are in the thralls of transformation. The fiduciary standard may be under more pressure today than at any time since the enactment of the Advisers Act of 1940. Defending fiduciary principles requires the broadest possible participation by leaders in the profession, and the Industry Council will seek to facilitate that participation. Council members will help expand the Institute’s initiatives to educate investors, practitioners, and regulators on the vital role and meaning of the fiduciary standard.”

Vanguard Founder and Institute Advisory Board Chairman, **John C. Bogle**, put it simply, regarding the recent SEC release seeking input on a possible uniform fiduciary standard, “This SEC Release is important, and we must get the issue of fiduciary duty absolutely right.” (See Institute release, www.thefiduciaryinstitute.org/initiatives).

The four founding members of the Institute Industry Council are well-recognized professionals with divergent backgrounds in the industry. They are:

Michael E. Kitces, a partner at Pinnacle Advisory Group a private wealth management firm, an educator for advisors, and publisher of the popular financial planning industry blog Nerd’s Eye View.

Jamie McLaughlin, founder J. H. McLaughlin & Co, a strategy and practice management consulting firm serving the wealth management industry and the family offices.

Dan Moisand, a principal at Moisand Fitzgerald Tamayo has over 22 years experience in investment management and financial planning, and has served in numerous industry leadership capacities.

Lisa Shalett has more than 20 years of investment and analytic experience, most recently serving as Chief Investment Officer of Merrill Lynch Global Wealth Management, whose 16,000 financial advisors serve over 2 million clients.

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Industry veteran McLaughlin adds, “A pronounced market demand favors firms who provide advice largely free of conflicts. When any conflicts stand between the advisor and the client, they must be, at a minimum, disclaimed and/or disclosed, and managed to favor the client. Transactional business models, where firms act as manufacturers and distributors of products and also advise clients on those same products, place their employees in an inherent conflict. Industry leaders can change this through performance and compensation systems that nurture a fiduciary culture and reward truly impartial advice, transparency, and disclosure. They can also be more proactive in speaking out about fiduciary advice. The Industry Council is an excellent vehicle for doing so.”

The Institute for the Fiduciary Standard was founded as a non profit in 2011 by seven investment professionals to advance fiduciary principles through research, education and advocacy. The Institute has identified Six Core Fiduciary Duties, organized educational events featuring industry leaders, produced issue analyses, and presented its views before regulators. (For more information, see the Institute website at www.thefiduciaryinstitute.org.)

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