

NEWS RELEASE

Wednesday, September 10, 2014

**‘Best Practices’ Move Forward With
Council of Advisors, NAPFA Strategic Alliance,
Brian Hamburger as General Counsel to the Best Practices Board**

New Whitepaper Offers Key Principles for Best Practices

Washington DC -- The Institute for the Fiduciary Standard today announced the release of a whitepaper on ‘Best Practice’ Principles, appointment of the Council of Advisors and General Council to assist the Best Practices Board, and a new alliance with the National Association of Personal Financial Advisors (NAPFA) to help advance best practices

Institute president, Knut A. Rostad, stated "The ‘Best Practices’ initiative has struck a cord among many leaders in the industry. The time is right for fiduciary advisers to restate in the clearest possible terms in the public square what ‘Best Practices’ mean and why they matter to investors."

New Whitepaper Highlights Key Principles, Best Practices to Follow

The Institute released a whitepaper, “Key Principles for Fiduciary Best Practices and An Emerging Profession.”

Rostad stated, “The paper sets out the principles on which ‘Best Practices’ should be based and how they sharply differ from the principles on which brokerage sales practices are based. These are not “differences” of nuance or differences of degree. They are fundamentally opposing views on the very foundation of the Advisers Act of 1940, and views on fiduciary principles expressed by the most respected economic thinkers and jurists of our time, from Adam Smith to Justice Harland Fiske Stone.”

Council of Advisors, Headed by Bogle, Frankel to Advise Best Practices Board

Vanguard Founder John C. (Jack) Bogle and Boston University School of Law professor Tamar Frankel will also advise the Best Practices Board and lead a Council of Advisors. Council members will offer insights on best practices and professionalism.

The Council of Advisors is comprised of professional recognized in their fields and includes: Steven G. Blum, Deborah S. Bosley, Robert G. Kennedy, Woodrow W. Leake, and Edward J. Waitzer. (See roster, below.)

NAPFA joins Institute for the Fiduciary Standard to Advance Fiduciary Advisers Best Practices

The Institute for the Fiduciary Standard also announced a new relationship with the National Association of Personal Financial Advisors (NAPFA) to advance ‘Best Practices’

Rostad noted, “NAPFA is the industry’s most prominent membership organization singularly focused on fee-only fiduciary advice. NAPFA’s active participation, along with the participation of other groups, is welcome and is important.”

As Geoffrey Brown, NAPFA CEO, stated “Our strategic partnership with the Institute of the Fiduciary Standard is consistent with NAPFA’s goal of advancing fiduciary principles. We are pleased to combine our outreach efforts and thought leadership, to advance our shared aim of establishing fiduciary best practices. Our partnership represents one of the necessary step towards closing current gaps in consumer protection and education. “

Brian Hamburger, CEO of Market Counsel, to Serve as General Counsel to Best Practices Board

“The Institute welcomes Brian Hamburger, CEO of Market Counsel, to serve the Best Practices Board as General Counsel. Hamburger is widely respected as a SEC compliance expert and relentless champion of independent fiduciary advisers,” Rostad said.

Hamburger said, “It is an honor to be asked to serve as General Counsel to this esteemed board. The Best Practices Board has an ambitious goal in advancing the profession of investment advice. While so many firms focus on regulatory compliance as a minimum threshold, I know that best firms want standards to aspire to.”

Best Practices Board to Meet In Washington, Brief Reporters September 15

The Best Practices Board members will meet in Washington September 15 and brief reporters on their work. (See [thefiduciaryinstitute.org/...](http://thefiduciaryinstitute.org/)) Best Practices Board members are recognized and respected industry practitioners:

Clark Blackman, CFA, CPA/PFS, AIF, Alpha Wealth Strategies
Bryan D. Beatty, CFP®, AIF®, Egan, Berger & Weiner LLC
Christopher W. Cannon, CFA, Firstrust
Gregory Curtis, Greycourt & Co, Inc.
William C. Prewitt, M.S., CFP® Charleston Financial Advisors, LLC
Knut A. Rostad, MBA, AIF®, Institute for the Fiduciary Standard

Best Practices to Reflect “The Highest Standard Under the Law”

The fiduciary standard has been called “the highest standard under the law.” The best practices will incorporate broad fiduciary duties in accordance with common law, statute, regulatory opinions, and the Advisers Act of 1940. The best practices will also reflect the high aspirations for the fiduciary standard expressed in the landmark Supreme Court decision, *SEC vs Capital Gains Research*. The starting point for the Best Practices Board deliberations is the Institute’s paper, *Six Core Fiduciary Duties for Financial Advisors*.

The Best Practices Board seeks to complete its work by year’s end, and will put the best practices out for public comment. The best practices will be followed by plans to accredit and validate practitioners who meet them.

Institute for the Fiduciary Standard

The Institute for the Fiduciary Standard is a non-profit organization formed in Virginia to benefit investors and society by advancing fiduciary principles through research, education and advocacy. For more information: www.thefiduciaryinstitute.org.

For more information, contact Knut A Rostad at 703-821-6616 x 429.