

NEWS RELEASE
Tuesday, September 23, 2015

Further Information: Knut A. Rostad – 301-509-6468

EMBARGOED Until 4.30PM ET

Survey of Brokers and Advisers Reveals Support for DOL COI BICE Requirements, Even if they're "Burdensome"

Roper, Bullard Applaud "Realistic" and "Reasonable" Views of Financial Professionals

Washington DC – The Institute for the Fiduciary Standard released a survey today (attached) showing brokers' support for key aspects of the Department of Labor Conflicts of Interest (COI) Rule Best Interest Contract Exemption (BICE) requirements. Knut A. Rostad, president of the Institute for the Fiduciary Standard noted, "Brokers and advisers believe they should meet key aspects of the BICE requirements, even if doing so is difficult."

The survey was conducted by WealthManagement.com and the Institute for the Fiduciary Standard. It will be discussed today at a Webinar at 4.15 ET. (See information below.)

The backdrop to this survey is the broad opposition of firms and organizations representing the industry that have proclaimed their fidelity to a 'Best Interest' standard. Yet they have generally fallen short of making concrete commitments or clear statements as to what they believe a Best Interest standard means. Instead, they have generally critiqued the DOL proposal as "unworkable" and over "burdensome."

It must be noted that there are firms that have also offered constructive criticism and two such firms (and there are some others) are Putnam Investments and Vanguard.

There were 324 respondents to the survey from across different business models.

"The overriding finding from the survey results: while industry lobbyists generally stress opposition to the BICE, brokers across different segments believe – and often strongly so – that the BICE requirements are 'reasonable' – even though sometimes they also believe that fulfilling the requirements may be 'burdensome' or even 'very burdensome.'"

Rostad, continued, “We see two starkly different views of what brokers *should* do or *can* do. The brokerage lobbyist’s view appears, generally, to be that broker’s cannot meet these requirements; while, brokers themselves appear to disagree, and believe they should and can meet them – even if some may be considered “burdensome.” The contrast between these views is stark and sends conflicting messages to investors.”

Barbara Roper, Director of Investor Protection, Consumer Federation of America, “While industry lobbyists have tried to sell the public on the message that the DOL rule is unworkable, it is encouraging to see that a majority of financial professionals from a variety of business models view its key components as reasonable and not excessively burdensome. This is good news for American workers and retirees who rely on financial professionals to put their interests first when providing retirement investment advice.”

Mercer Bullard, Professor of Law, University of Mississippi School of Law, said flatly, "The results show a more realistic assessment of advisors' views, in contrast with lobbyists' mindless broadsides.”

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Further Information:

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About The Institute for the Fiduciary Standard

The Institute for the Fiduciary Standard formed as a non-profit organization in 2011 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.

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