

Institute for the Fiduciary Standard . WealthManagement.com
September 2015 DOL Conflict of Interest Survey

QA: What type of firm do you work for? (317 respondents)

Wirehouse or national firm	45	14.2%
Regional firm	22	6.9%
Independent B/D	145	45.7%
RIA	66	20.8%
Insurance firm	9	2.8%
Bank brokerage	16	5.0%
Other (please specify)	14	4.4%

Q1: For each of these BICE requirements, please indicate how reasonable or unreasonable you believe each specific requirement would be for you, as an adviser or broker.

Contractually acknowledge fiduciary status in writing

Very unreasonable	44	13.6%
Unreasonable	47	14.5%
Neither reasonable nor unreasonable	51	15.7%
Reasonable	97	29.9%
Very reasonable	84	25.9%

Adhere to basic standards of impartial conduct

Very unreasonable	9	2.8%
Unreasonable	10	3.1%
Neither reasonable nor unreasonable	37	11.4%
Reasonable	133	41.0%
Very reasonable	135	41.7%

Disclose conflicts of interest

Very unreasonable	15	4.6%
Unreasonable	14	4.3%
Neither reasonable nor unreasonable	39	12.0%
Reasonable	121	37.3%
Very reasonable	134	41.4%

Adopt policies designed to minimize the harms of conflicts of interest

Very unreasonable	18	5.6%
Unreasonable	34	10.5%
Neither reasonable nor unreasonable	58	17.9%
Reasonable	119	36.7%
Very reasonable	94	29.0%

Disclose expected fees and expenses for one year in advance

Very unreasonable	59	18.2%
Unreasonable	63	19.4%
Neither reasonable nor unreasonable	50	15.4%
Reasonable	88	27.2%
Very reasonable	64	19.8%

Avoid misleading statements

Very unreasonable	5	1.5%
Unreasonable	5	1.5%
Neither reasonable nor unreasonable	23	7.1%
Reasonable	115	35.5%
Very reasonable	175	54.0%

Receive no more than reasonable compensation

Very unreasonable	34	10.5%
Unreasonable	17	5.2%
Neither reasonable nor unreasonable	76	23.5%
Reasonable	108	33.3%
Very reasonable	88	27.2%

Follow applicable state or federal laws

Very unreasonable	6	1.9%
Unreasonable	4	1.2%
Neither reasonable nor unreasonable	30	9.3%
Reasonable	109	33.6%
Very reasonable	172	53.1%

Q2: How should these requirements or principles be applied in a way that faithfully meets the principle but is not overly burdensome? Please state how burdensome each of these applications would be to you and your business. (324 respondents)

Contractually acknowledge fiduciary status in a one or two page written agreement

Very burdensome	49 15.1%
Burdensome	84 25.9%
Neither burdensome nor easy	78 24.1%
Easy	54 16.7%
Very easy	59 18.2%

Adhere to basic standards of impartial conduct

Very burdensome	6 1.9%
Burdensome	12 3.7%
Neither burdensome nor easy	63 19.4%
Easy	119 36.7%
Very easy	123 38.0%

Disclose conflicts of interest via a single document, attached to an engagement agreement

Very burdensome	21 6.5%
Burdensome	57 17.6%
Neither burdensome nor easy	79 24.4%
Easy	96 29.6%
Very easy	69 21.3%

Fully disclose the implications of the conflict in a timely manner, affirm your reasonable belief that the clients understand the implications, obtain written informed client consent, and also affirm the transaction remains consistent with the client's best interest

Very burdensome	81 25.0%
Burdensome	88 27.2%
Neither burdensome nor easy	63 19.4%
Easy	44 13.6%
Very easy	46 14.2%

Provide a good faith estimate of the costs in fees and expenses of the strategy and recommendations for one year in advance

Very burdensome	75 23.1%
Burdensome	83 25.6%
Neither burdensome nor easy	62 19.1%
Easy	57 17.6%
Very easy	45 13.9%

Provide a good faith estimate of the costs in fees and expenses of the strategy and recommendations for five years in advance

Very burdensome	165 50.9%
Burdensome	77 23.8%
Neither burdensome nor easy	33 10.2%
Easy	23 7.1%
Very easy	21 6.5%

Provide a good faith estimate of the costs in fees and expenses of the strategy and recommendations for ten years in advance

Very burdensome	214 66.0%
Burdensome	43 13.3%
Neither burdensome nor easy	28 8.6%
Easy	18 5.6%
Very easy	19 5.9%

Affirm in your engagement agreement a good faith effort to avoid misleading statements

Very burdensome	12	3.7%
Burdensome	28	8.6%
Neither burdensome nor easy	57	17.6%
Easy	105	32.4%
Very easy	121	37.3%

Agree to provide, on request, a reasonable basis for concluding your compensation is reasonable

Very burdensome	68	21.0%
Burdensome	73	22.5%
Neither burdensome nor easy	59	18.2%
Easy	72	22.2%
Very easy	51	15.7%