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May 29, 2009

The Honorable Mary L. Schapiro  
Chairman  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Dear Chairman Schapiro,

This letter is in support of Commission Luis A. Aguilar's remarks at the Investment Advisers Association Annual Conference on May 7, 2009. In particular, we commend Commission Aguilar for highlighting the established fiduciary standard currently applied to investment advisers and recognizing the SEC's ability to continue in its role as the primary regulator of investment advisers.

Commissioner Aguilar's remarks reflect the same commitment to fiduciary excellence that Fiduciary360 (fi360) has promoted since its inception ten years ago. Fi360 offers a full circle approach to investment fiduciary education, practice management, and support. Our mission is to promote a culture of fiduciary responsibility and improve the decision making processes of investment fiduciaries, including investment advisers, managers, and stewards. With legally substantiated Practices as our foundation,<sup>1</sup> we offer training, tools, and resources in support of that mission. In addition, we manage the Accredited Investment Fiduciary® (AIF®) and Accredited Investment Fiduciary Analyst™ (AIFA®) designation programs.<sup>2</sup>

It is with our mission in mind that we write today to urge the Commission to keep a real fiduciary standard "sacrosanct" as advocated by Commissioner Aguilar. To do so, the Commission must continue to recognize and protect the strong fiduciary standard that exists under the Investment Advisers Act of 1940. Any other so-called "universal" or "fiduciary-like" standard for investment professionals cannot and will not provide the same level of protection

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<sup>1</sup> Fi360 publishes the *Prudent Practices for Investment Fiduciaries* handbook series. The Practices in the handbooks are legally substantiated by the law firm of *Reish Luftman Reicher & Cohen*, and formally reviewed by the American Institute of Certified Public Accountants (AICPA).

<sup>2</sup> At present, there are over 3,400 active AIF and AIFA designees. AIF designees receive training that provides a unique comprehensive overview of fiduciary standards of excellence, asset allocation, preparation of investment policy statements, manager search and due diligence, performance measurement, and other related subjects. AIFA designee training builds on that foundation and prepares students to provide Fiduciary Assessments to institutions. Like other designations, in order to receive and maintain either the AIF or AIFA, trainees must pass an accreditation exam and complete continuing education.

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that investors have received under the existing fiduciary standard enforced by the Commission for nearly 70 years.

In addition, the Commission should seek to extend that fiduciary standard to investment professionals, including broker-dealers, who provide advice and recommend that Congress do the same in any of its efforts to reform investment adviser and broker-dealer regulation. Only by applying a recognized and consistent standard can regulators ensure adequate investor protection and eliminate regulatory burdens placed on investors who do not understand the difference between classes of investment professionals who provide advice.

Finally, to ensure reliable and comprehensive regulation of investment professionals, we urge the Commission to ask Congress for appropriate resources that will allow the agency to remain the primary regulator of the investment adviser industry. The Commission possesses the most significant experience applying and enforcing a principles-based regime for investment advisers and, therefore, should not hand the reins over to an SRO or any other entity that lacks comparable expertise.

We appreciate the time you and your colleagues have taken thus far to consider the issues facing the investment adviser and broker-dealer industries. As the Commission and its staff form recommendations for regulatory reform, we ask that you also carefully weigh Commission Aguilar's views on the fiduciary standard and SEC oversight of investment advisers. We would welcome the opportunity to discuss these views further with Commission staff or to otherwise provide assistance.

Sincerely,



Blaine F. Aikin  
CEO

cc: Commissioner Kathleen L. Casey  
Commissioner Elise B. Walter  
Commissioner Luis A. Aguilar  
Commissioner Troy A. Paredes  
Andrew J. Donohue, Director, Division of Investment Management  
James Brigagliano, Co-Acting Director, Division of Trading & Markets  
Daniel Gallagher, Co-Acting Director, Division of Trading & Markets