









The Real Suitability Standard

- Customer focused, at least in theory
- Rules driven, commercial orientation
- The Silver Rule for Securities Salespeople: Fair Dealing
- Guardians: FINRA, Exchanges, SEC, States

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What Harmonization Means According to ...

- Brokerage Industry Trade Groups (FINRA, SIFMA, FSI)
 - *Harmonization of Standards*
- SEC Commissioners
 - *Harmonization of Rules*
- Skeptics in the Financial Services Industry (FP Coalition, IAA, Others)

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Regulatory Reform: Changes We are Likely to See

Harmonization through:

- Extension of fiduciary duties to all advice givers
- Exemptions for managed conflicts
- Substantial product changes, including fee and compensation leveling at lower levels
- 408(b)(2) type disclosures
- Demarcation of the boundary between advisors and salespeople

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Regulatory Reform: The Thorny Issues

- Wearing two hats – advisor and broker
- Principal trades
- Custody restrictions and required audits
- Advice regarding insurance products
- Proprietary products
- Fee and compensation leveling and product redesign
- Cultural issues

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What You Should Do Now

- Examine your service provider relationships
- Sharpen investment skills and fiduciary knowledge (meet the prudent expert standard)
- Tighten fiduciary aspects of your business
- Consider offering (more) consulting services
- Join the Committee for the Fiduciary Standard and sign petition: www.fi360.com/advocacy
- If your calling is sales or trading, consider being a broker rather than an advisor; wearing two hats is a problem

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Questions?

Thank you for participating!

- A recording of this and previous webinars will be available in the archive: www.fi360.com/webinars
- Report attendance at September Webinar for one hour of CE for your AIF or AIFA designation on your next designation renewal form.
- Visit the fi360 Blog to continue the dialogue: blog.fi360.com
- Email resources@fi360.com for any follow up questions

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Fi360 Updates

SAVE-THE-DATE - Mark your calendar for the 2010 fi360 Conference taking place May 5-7 in Orlando!

Subscribe to the blog feed today, now the official fiduciary blog of InvestmentNews.com [<http://blog.fi360.com/>]

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Next Resources Webinar is tentatively scheduled for the first week in December, check back for more details [www.fi360.com/webinars]
