



Financial Planning Coalition Call to Action Financial Planner Oversight Board

Live Webinar Broadcast
October 19, 2009
2:30 p.m. – 3:30 p.m.

CERTIFIED FINANCIAL PLANNER
BOARD OF STANDARDS, INC.

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FINANCIAL PLANNING ASSOCIATION
The Heart of Financial Planning™

NAPFA.
The National Association of
Personal Financial Advisors

Presenters

- FP Coalition Board Chairs
 - Richard Salmen, FPA
 - Marilyn Capelli Dimitroff, CFP Board
 - Bill Baldwin, NAPFA
- FP Coalition Policy and Government Relations Staff
 - Dan Barry, FPA
 - Marilyn Mohrman-Gillis, CFP Board
 - Nancy Hradsky, NAPFA

A Unique Opportunity

- Period of Landmark Financial Regulatory Reform
- Strong Focus on Closing Gaps and Protecting Consumers
- 15-Year Struggle to Gain Recognition of Financial Planners
- The Time to Act is Now!

Agenda

- What Is the Problem?
- What Is the Solution?
- Why Is the Timing Critical?
- What Can I Do?

Problem

- Financial Planning is unregulated as a profession
- Anyone can claim to be a financial planner, regardless of their qualifications
- Financial planners often maintain up to 3 different licenses—investment adviser, brokerage, and insurance—to provide comprehensive advice
- Consumers believe they are receiving unbiased advice, which is too frequently not the case
- Consumers are confused by misleading titles that imply the advisor is capable of providing comprehensive financial advice

Financial Planning Coalition

- Formed in November 2008 to have a united voice in financial services reform
- Three Members: CFP Board, FPA[®], and NAPFA
- Statement of Understanding
 - FP services are delivered to the public with fiduciary accountability and transparency, serving the client's best interests first and always
 - FP services are regulated to distinguish and differentiate professionals who have met competency and ethical standards
 - Public can easily identify financial planners subject to these standards
 - Public views FP as a legitimate and accepted profession

Coalition Proposal

- Create a professional oversight board that would regulate the delivery of financial planning services, subject to SEC oversight
- Require those who provide financial planning services to individuals or who hold themselves out as “financial planners” to register with the board
- Establish baseline competency, practice, and ethics standards
- Establish a fiduciary standard of care, as applied under the Investment Advisers Act of 1940

Financial Planner Oversight Board

- Selected by and subject to SEC oversight
 - Non-profit, non-membership organization
 - Governed by a majority public board
 - FINRA not eligible
- Functions of oversight board
 - Establish competency, practice, and ethics standards
 - Establish fiduciary standard of care and disclosure requirements
 - Establish investigation, enforcement, and sanction provisions

Financial Planner Oversight Board

- Require registration of financial planners
 - Financial planner defined
 - Perform financial planning services; OR
 - Hold out as a financial planner (or similar term)
 - Must be an investment adviser representative to register
- Exempt other regulated professions (who act within their regulated activities)
 - Lawyers, accountants, teachers
 - Registered representatives of B/Ds
 - Investment adviser representatives
 - Insurance agents

Financial Planner Oversight Board

- Balances state-federal authority
 - States retain anti-fraud authority
 - States retain existing authority to regulate IARs
 - States precluded from regulating financial planners registered by the oversight board
 - Exception: IARs who manage money

Why Timing is Critical

- The House Financial Services Committee will consider the **Investor Protection Act** shortly
- We are advocating the creation a professional oversight board for financial planners under the authority of the Securities and Exchange Commission
- Contact your Representative on the House Financial Services Committee and convey your support for a professional oversight board for financial planners
- **Committee Members must hear from us before the vote!**

What You Can Do

- We are **only targeting members of the House Committee on Financial Services** at this point
- Visit **FinancialPlanningCoalition.com** to review the issues
- Contact members of the Committee to express your individual support for an amendment to regulate financial planners
 - Sample letters are available on the Coalition's Web site
 - FPA and CFP Board members can send e-mails or letters directly from their organization's Web site

What You Can Do

- Call any personal contacts you have with Committee Members or staff
- Ask your clients to call their U.S. Representative
 - Do you have a blog or Web site? Direct your clients to:
<http://www.financialplanningcoalition.com/GetInvolved/>
- Encourage other financial planners in your area to get involved

What You Can Do

FPA Chapter Leaders & NAPFA Study Group Leaders

- **Send an official letter** from your chapter
- **Call any contacts** you have with Committee Members or staff
- **E-mail and call members** of your chapter to encourage their involvement

How to Act: FPA® Members

<http://www.fpanet.org/GovernmentRelations/GrassrootsEfforts>



How to Act: CFP® Certificants

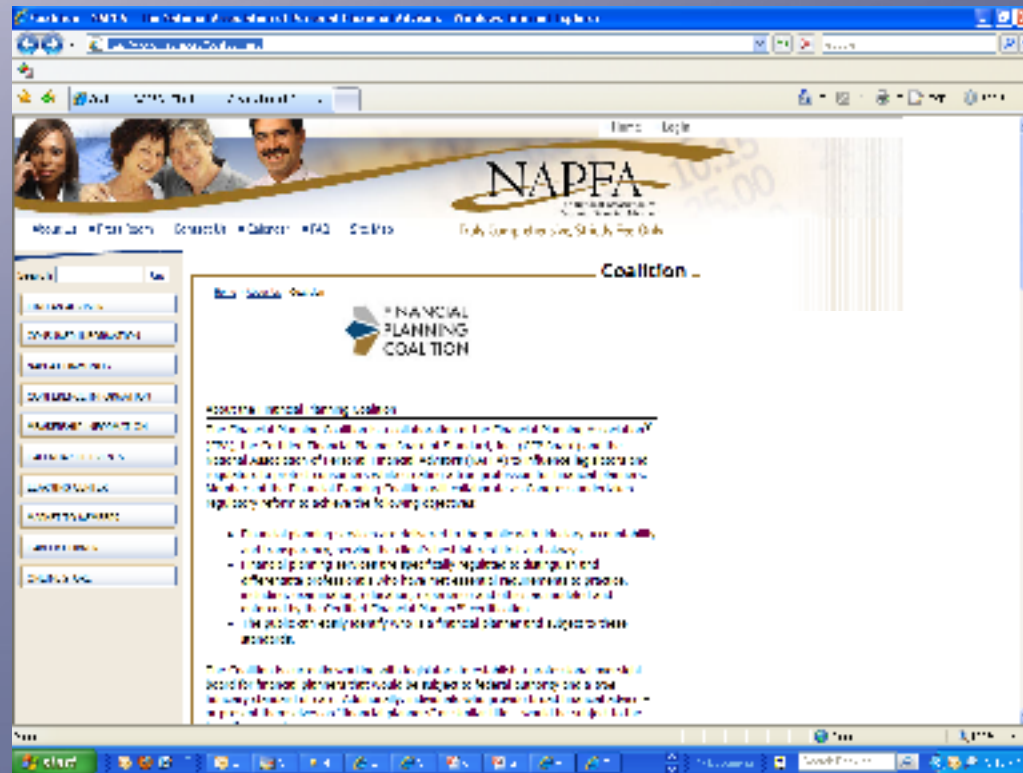
<http://www.cfp.net/advocacy/>



The screenshot shows a Windows Internet Explorer browser window displaying the CFP Board's Legislative Action Center. The page title is "Certified Financial Planner Board of Standards Inc. - CFP Board's Legislative Action Center". The URL in the address bar is "http://cfpnet.com/cfp/home/". The page content includes a search bar, navigation links (Home, About CFP Board, Contact Us, Site Help, Login), and a main heading "CFP Board's Legislative Action Center". Below this, there is a section titled "Support Legislation to Create a Professional Oversight Board for Financial Planners". The text explains that the Financial Planning Coalition has developed a legislative proposal to create a professional oversight board for financial planners under the authority of the Securities and Exchange Commission. It mentions that Congressman Michael Capuano (D-MA) has agreed to put forward the Coalition's proposed oversight board in an amendment to the Investor Protection Act of 2009 (IPA). The board would establish baseline competency, practice and ethics standards, and enforce a fiduciary standard of care for the delivery of financial planning services. The IPA is currently scheduled for markup in the House Committee on Financial Services as early as next Wednesday, October 21, 2009. Two call-to-action buttons are visible: "Call Now" and "Take Action".

How to Act: NAPFA Members

<http://www.napfa.org/Coalition.asp>





House Committee on Financial Services

AL Spencer Bachus (202) 225-4921

CA Joe Baca (202) 225-6161

CA John Campbell (202) 225-5611

CA Kevin McCarthy (202) 225-2915

CA Gary G. Miller (202) 225-3201

CA Edward R. Royce (202) 225-4111

CA Brad Sherman (202) 225-5911

CA Jackie Speier (202) 225-3531

CA Maxine Waters (202) 225-2201

CO Ed Perlmutter (202) 225-2645

CT Jim Himes (202) 225-5541

DE Michael N. Castle (202) 225-4165

FL Alan Grayson (202) 225-2176

FL Ron Klein (202) 225-3026

FL Suzanne Kosmas (202) 225-2706

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GA David Scott (202) 225-2939

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IL Melissa L. Bean (202) 225-3711

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IL Bill Foster (202) 225-2976

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KS Dennis Moore (202) 225-2865

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NJ Scott Garrett (202) 225-4465

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NY Nydia M. Velazquez (202) 225-2361

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OH Mary Jo Kilroy (202) 225-2015

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OK Charles Wilson (202) 225-5705

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Resources

To learn more about the Coalition's proposal, visit the Financial Planning Coalition's Web site: FinancialPlanningCoalition.com

If you have questions, please contact:

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Grassroots contacts

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Questions?



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