



NEWS

FOR IMMEDIATE RELEASE

Contact: *Benjamin Lewis*
Perception, Inc.
301-963-7555

NAPFA Calls on CFP Board of Standards to Adopt Fiduciary Standards:
Professional association wants consumers protected from unscrupulous financial advisors

Arlington Heights, IL (May 19, 2006) – Physicians, lawyers, and CPAs have an ethical obligation to act in the best interests of their patients and clients. Their professions require that they must adhere to a set of fiduciary standards to put their clients’ interests ahead of their own. Unfortunately, this same requirement does exist throughout the financial services industry.

The National Association of Personal Financial Advisors (NAPFA), a professional organization dedicated to the disciplined, ethical practice of Fee-Only, comprehensive financial planning, is calling on the CFP Board of Standards, the governing body overseeing the Certified Financial Planner certification, to adopt a fiduciary standard for all CFP practitioners. With the CFP Board of Standards due to implement a new Code of Ethics in the coming weeks, NAPFA feels now is the time to address this pressing issue.

“We encourage the CFP Board of Standards to strengthen its Code of Ethics to require, without any qualifications or exceptions, that any financial advisor giving financial planning advice adhere to a fiduciary standard to place the client’s interest first,” said NAPFA in a letter dated May 5, 2006. “As you surely know, this is the same standard that is required of an advisor giving investment advice under the 1940 Investment Advisors Act. And it is the standard that the SEC has chosen not to impose on broker-dealers who claim to provide something less than ‘financial planning.’”

The only assurance that a consumer has that his/her financial advisor is adhering to a fiduciary standard is if the financial advisor is a Registered Investment Advisor (RIA) or a member of NAPFA. The NAPFA Fiduciary Oath has been effective for more than 20 years, helping our members define what they stand for, and how they will conduct themselves. The Fiduciary Oath has contributed to the success of NAPFA members and the organization, as it has built credibility with consumer advocates, regulators, and others.

“Consumers need clarity if they are to be confident about where they turn for financial advice. Not only do they need to know that their advisor is a fiduciary, but they also need full and complete disclosure of all possible conflicts of interest. The CFP Board should set the mark with a requirement of a fiduciary

relationship and full disclosure – both conditions are necessary, but neither is sufficient by itself,” concluded NAPFA leadership in the letter.

NAPFA will be kicking-off the *Focus on Fiduciary* campaign in July 2006 to help educate consumers on the importance of financial advisors adhering to a fiduciary standard. The campaign will include radio and print Public Service Announcements, a website, and various pieces of consumer literature.

For more information on NAPFA, or to discuss the need for the CFP Board of Standards to adopt a fiduciary standard, please contact Benjamin Lewis of Perception, Inc. at 301-963-7555 or Benjamin.lewis@perceptiononline.com.

ABOUT NAPFA

Since 1983, The National Association of Personal Financial Advisors (NAPFA) has provided Fee-Only financial planners across the country with some of the strictest guidelines possible for professional competency, comprehensive financial planning, and Fee-Only compensation. With more than 1,000 members across the country, NAPFA has become the leading professional association in the United States dedicated to the advancement of Fee-Only financial planning.

For more information on NAPFA, please visit www.napfa.org.

###