

## Open Letter

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Dear NAPFA Members and Friends,

For more than 25 years NAPFA has been the professional home for Fee-Only financial advisors who make a commitment to serve consumers in a fiduciary capacity. Our strong principles and high standards have been recognized by other industry organizations, legislators, regulators and the media as being what is best for consumers. So, it is with great concern that we provide the following update about the unscrupulous behavior of three former NAPFA members at three different firms.

While we know NAPFA and the vast majority of NAPFA-Registered Financial Advisors have always worked in their clients' best interests, there is growing concern from the entire National Board that we may have simply been lulled into complacency because we haven't experienced these issues before. Coming at a time when media and governmental scrutiny of financial advisors is at an all-time high, it's more important than ever for us to show that we will remain a beacon of ethical conduct.

NAPFA has always been, and still is, considered to be one of the few groups consumers can trust in financial services. Having several members accused of wrongdoing is providing us the motivation and drive to actively review our standards and to identify what we should do differently.

We just concluded a wildly successful national conference in Washington, DC on June 3-6 that was attended by 775 members and friends of the organization. Based on input received during the members'-only meeting at the conference and in e-mails and conversations, the National Board has taken the following steps:

1. Directed the Education Committee to consider inclusion of additional topics to be covered during the one-day compliance training session held prior to the 2009 National Conference. The pre-conference event attracted 175 attendees.
2. Review all membership and Continuing Education (CE) requirements, in an effort to identify ways of ensuring all members are the most qualified, knowledgeable planners possible. This review complements the decision the Board already had made that, effective January 1, 2010, anyone wishing to become a NAPFA-Registered Financial Advisor must also be a CERTIFIED FINANCIAL PLANNER™ (CFP®).
3. Reach outside the organization to fight for consumers and their best interests. Later this summer, we will be launching a new consumer education initiative: Web-based educational sessions for consumers to learn about everything from money basics to estate planning topics. We are exploring a second year of the popular Your Money Bus tour, and we have confirmed that we will continue the Jump-Start Your Retirement Plan Days with our partners at *Kiplinger's Personal Finance* magazine.

Finally, as Congress and the SEC consider additional regulation of financial advisors, our Industry Issues Committee is in close contact with government officials. Through the Financial Planning Coalition, we have a seat at the table as new legislation and regulation are discussed, and we are committed to ensuring that those new rules embrace a fiduciary standard that will elevate financial planning to a true profession.

Rest assured, NAPFA is not ignoring the accusations made against our former members, and we will continue to do what is right for our members, for our industry, and for the consumers we all serve. This commitment has guided us for more than 26 years and will continue to guide us well into the future.

Sincerely,

Diahann W. Lassus, CFP<sup>®</sup>, CPA/PFS  
National Chair