

Comments on File No. 4-606
Study Regarding Obligations of Brokers, Dealers, and Investment Advisers

I strongly urge the commission to establish a single fiduciary standard for all financial advisers. I fully support the CFP board's Standards of professional conduct, whether they are stock brokers, investment advisers, insurance agents, or any other occupation which purports to advise the public on financial matters. The public in general is poorly educated in financial matters and is prey to anyone who purports to promise financial gain. Our educational system has not prepared most citizens to understand and evaluate the advice provided by persons purporting to be financial advisers. The principle of "Caveat Emptor- Let the Buyer Beware", which may be appropriate when purchasing a good that is tangible, is not appropriate to financial planning services, the results of which are critical to the welfare of the client and may not be known for many years.

At present there is no uniform standard on how people can identify themselves. Although broker-dealers, advisory firms, and insurers limit how their affiliated agents identify themselves, and present marketing information, there is no limitation on how unaffiliated persons may identify themselves. At a minimum, there should be educational and licensing requirements for all persons who purport to provide financial advice, regardless of whether they are affiliated with a financial firm. Anyone providing such advice to unaffiliated persons (outside of their immediate family) without the proper education or licenses should be subject to a uniform method of disciplinary action.

There should be a single enforceable fiduciary standard to which all persons providing financial advice or selling financial products should adhere. In the absence of such controls, I have observed significant and outrageous self-dealing with both insurance agents and so-called investment advisers with no financial background.

I don't expect any laws or regulations to stop unethical people from taking advantage of others - however, we can provide the legal framework to enable the public to determine the professional status of these so-called advisers and to discourage this conduct.

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