

MEMORANDUM

TO: File No. 4-606

FROM: Leila Bham
Division of Trading and Markets

DATE: April 10, 2012

RE: Meeting Relating to Section 913 of the Dodd-Frank Wall Street Reform Act of 2010 (the “Act”)

On April 10, 2012, staff members of the Securities and Exchange Commission (“SEC”) met with representatives of the Institute for the Fiduciary Standard (“Institute”).

The following SEC staff members attended the meeting:

from the Division of Investment Management: Sarah Buescher, Catherine Courtney, Sara Crovitz, David Grim, Daniel Kahl, Douglas Scheidt, and Sarah ten Siethoff;
from the Division of Risk, Strategy and Financial Innovation: Matthew Kozora;
from the Division of Trading and Markets: Leila Bham, David Blass, Daniel Fisher, Lourdes Gonzalez, and Emily Westerberg Russell;
from the Office of the Chairman: Jennifer McHugh; and
from the Office of the General Counsel: Bob Bagnall.

The following representatives of the Institute attended the meeting:

Knut A. Rostad, Founder and President;
Philip Chao, Founder, President and Founder of Chao & Company, Ltd.;
Kathleen M. McBride, Founder, Founder of McBride and Company; and
Michael E. Kitces, Industry Advisor, Partner of Pinnacle Advisory Group, Publisher of Kitces.com.

At the meeting, attendees discussed the items listed on the attached agenda which had been provided by the Institute representatives in advance, as well as the attached document which was provided by the Institute representatives during the meeting.

Agenda:

Opening remarks for the Institute for the Fiduciary Standard
Knut A. Rostad

Discussion of Institute letter to SEC on SIFMA's July 14 letter, and Q&A
All attendees

SIFMA's Uniform Standard and The Advisers Act Fiduciary Standard

Issue	SIFMA Standard	Advisers Act
Overall	Business model neutral, Choice	Duties of loyalty, due care
Product Recommendation	Recommendation is suitable, no best-interest due care	Recommendation is in the client's best interest
Conflicts	Need not try to avoid, May benefit client, Champions conflicted advice	Undermines unbiased advice, must avoid
Disclosure of conflicted Advice	Stresses efficiency for BD Investor is responsible to understand disclosure	Stresses effectiveness for investor Adviser is responsible to ensure: -- Investor understands disclosure, -- Transaction meets best interest std.
Scope of Standard	Limited to recommendations about the purchase or sale of a security, or discretion decision	Generally at all times when providing investment advice
Fees and Expenses	Sporadic, based on account, discussion topic, or contract Not mentioned	Continuous, based on relationship of trust and confidence Must be controlled