

The Ethical Treatment of **\$**omebody Else's Money

Straight From The Horses' Mouth



COMPLY: A NEW COMPLIANCE SERVICE MODEL

Because we were asked, and we see a need for real custom compliance solutions for half the cost elsewhere, we are rolling out COMPLY. If you are an independent or a smaller firm Advisor, you do not have an in house compliance team to do the work nobody likes to do, such as:

- ADV filings and updates annually and as they are needed.
- State notice filings or registrations.
- U4s and U5s
- 13F, 13 D and 13H filings
- email monitoring of your staff
- Independent personal trading review of your activity
- Policies and procedures that apply to your business.

- LLC and LP state filings
- Codes of Ethics tailored to the way you do business
- Privacy policies
- Marketing reviews with real time feedback

We do that for you, for less that you're currently paying. We do not want to be your Chief Compliance Officer. We believe that for a firm your size, the principal Advisor should be the CCO. But, what we do want to do is all the dirty work you hate about compliance. Do not settle for templates which the regulators hate. We promise you we will save you money. Look at our background (About Us/Our Team) on our website somebodyelsesmoney.com and contact me personally.

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The Day the Fiduciary Died

A failure.

The DOL Fiduciary Rule is going...going....gone.

But, here comes the SEC to save you, with a watered down rule that favors Big Brokers, and Big Financial and screws Mom and Pop investor: *caveat emptor*

Wait for it ! Another Congressional Acronym: The Financial CHOICE (Creating Hope and Opportunity for Investors, Consumers and Entrepreneurs) Act. Courtesy of House Financial Services Committee Chairman Jeb Hensarling, R-Texas, you now can see a 600-page bill that attempts to overhaul the Dodd-Frank law. It is expected to be approved by the HFS Committee next week and you could see it in the full House later this spring.

Here are the essential provisions designed to “create hope and opportunity” for, let’s see: Investors? NOT A CHANCE. Consumers? Uh...No!. Entrepreneurs? (Conjures up images of creative new businesses, young people and sunny skies, right?). Sorry, NOT THERE either.

So, who gets the “hope and opportunity” here? Same guys as before: Big Banks, Big Brokers, Big Insurance and Big Financial _____(you fill in the blank). Who gets screwed? Mom and Pop investor.

Here are the key provisions around that “fiduciary”stuff:

1. The DOL Fiduciary Rule is to be repealed. Null and Void. Kerplunk. Kaput. And so on.
2. Our friends at the DOL cannot make another fiduciary rule until 60 days AFTER the SEC issues their fiduciary rule.
Not terrible on its face, right; despite the fact that the SEC has ducked this idea for the past 10 years or so? Wait. Read on.
3. The DOL rule must be identical to the wording in the SEC rule unless it is exactly the same wording and standards as the SEC’s rule imposed on brokers, dealers, or investment advisers.
Ok? We can maybe live with that, too. But, WAIT. Read on.
4. The SEC is prohibited from making a rule until they: (Wait for it... Sorry, you have to go to the website and click on the category **Fiduciary Forensics** to read the kill shot)



Fiduciary Forensics

Everything Fiduciary describes it all.

We know how to help you comply with your fiduciary responsibilities: From the new **DOL rule** to the in depth examination of the fiduciary process, both ERISA and non-ERISA, we have everything organized, simple to understand and concise. You won’t find a bunch of legalese here ”Just the facts, Ma’am”.

Everything fiduciary is a full description of the **fiduciary responsibility process** and how to use it to your advantage.

Want to become a fiduciary expert? Subscribe Now.
Your subscription will include bi-weekly posts on different fiduciary topics, but we will also post as needed when breaking news takes place that can impact your role as a fiduciary.



Bigger Fish to Fry: Prologue

Forget the DOL Fiduciary rule. Forget the SEC, too, for that matter. No rule is going to make smarter investors. No rule is going to keep investors from falling prey to glib salesmanship (salespersonship?) .

If you think about what's in the best interest of clients, you will find that since 1086, the concept "fiduciary" has been and remains rooted in our investment world as "the ethical treatment of somebody else's money"©.

After trying since 1986, I think that you can't teach someone to be a fiduciary. I think it's engrained in the personal ethos of the individual (Thanks for the word, Don Trone.)

Sure, we can give you the regulatory background, and what the "friendly" regulator thinks you should do. If you're rooted in TETOSEM© you follow those guidelines. And that's all black letter law is: guidelines. Black letter law doesn't define "Fiduciary"; the Courts do. Sure, we can and do give you the court cases—all 6000 of them we know about. But, they, too, are guidelines.

No rule or law is going to stop the crooks who prey on investor clients. No Big Law definition will hinder the salesmanship practices of the "me first" generations of Willy Lohmans in the investment business, None.

So, forget "fiduciary" now that it's dead. If you believe that the client comes first and your financial payback is only a consequence of that, then you practice The Ethical Treatment of somebody Else's Money. If not, well,

Those Advisors who are the Ethical Advisors can forget the "level playing field" idea. You already have an advantage.

BIGGER FISH TO FRY: #1: IN SEARCH OF THE ETHICAL ADVISOR

Advisors: Stand up. Put your money where your mouth is.

Investors: Invest in yourself. There is no "easy" button to pick an advisor. No free lunch here.

Our somebodyelsesmoney.com feature, *The Fiduciary Sale*, about the business of being a fiduciary, is a search for ethical advisors. In the million years or so I've been in the investment business, I have come to know a lot of Advisors. I've trained a lot. I read them on Seeking Alpha. I have had discussions with investors commenting on my articles on *Seeking Alpha* about advisors. There's a disconnect.

An essential premise of *The Fiduciary Sale* is that there is a system of business practices that an Advisor can use to leverage his or her fiduciary status to gain more business. But, here's the catch. Not every advisor can work with it. To use it the Advisor has to demonstrate that they use the most ethical standards when they advise clients on investing. Every advisor who wants to develop business that way can use *The Fiduciary Sale* to retool their business practices, if they have the dedication to do so. Their business practice scrupulously avoids even the appearance of a conflict of interest.

At the same time investors need to know some basic truisms about the word "fiduciary". Sure, a mainstream media writer's tips in picking an advisor will always include something like, "Make sure the Advisor acknowledges he/she is a fiduciary." But, what does that mean? What was all that noise from the Department of Labor about a "new fiduciary rule"? (RIP). We read that the idea was to make sure that the investment advice given and received was "in the client's best interests." But, what does that mean?

Well, advisors and investors, let's cut through the mystique and get on the same page. I simplify the overused word, "fiduciary" to mean "the ethical treatment of somebody else's money"©. Yet, sit down with any registered advisor and ask if they're a fiduciary and what do you think will be their answer?

Advisors point to the designations on their card like, CFP, CIMA, ChFC, and too many others to write about. I've seen advisors with so many letters after their name that they have to be continued on the next card. I'm sure all the credentialing groups have codes of ethics to subscribe to. But, what does it mean? Do you think for one minute that there's an advisor colleague in the next office that passed some test to get credentials, signed on to abide by the code of ethics and promptly ignores them? SO, Mr Investor, what does it mean for your advisor?

Enough soapbox. This is what *The Fiduciary Sale* is about:

For Advisors, *The Fiduciary Sale* teaches that there is a business practice that embodies basic principles like "The Ethical Advisor's mantra":

....
TEASER, TO READ THE 10 POINT MANTRA, YOU HAVE TO GO TO THE WEBSITE. SORRY. (No cost to you, tho.)

Be sure to check our website out for more great articles and educational materials.