



2013 Annual Convention  
April 22 – 24, 2013  
New York

*Regulatory Changes and the Impact  
on Advisory Solutions*

Steven W. Stone  
Morgan, Lewis & Bockius LLP

# Mark Your Calendars

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- MMI Legal & Compliance Conference
  - June 12, 2013
  - Warwick Hotel



# Paradigm Shift

Brokers who  
provide advice



Advisers who provide  
brokerage services

- *SEC Exam Program Pivoting Now*
  - Large Firm Focus
  - Frequent Exams
  - Targeting Adviser Compliance Gaps
- *Changing drivers of regulatory agenda for advisory services*



## SEC Enforcement Metrics

147 ↑ 1

134 ↑ 22

38%

↓ 14%

↑ 101%

Targeted Pipeline



# Fiduciary Rulemaking

**2005 &  
2006 –  
US  
Chamber  
(mutual  
fund corp  
gov)**

**2007 –  
FPA  
(Broker  
Carveout)**

**2010 –  
Dodd  
Frank  
Act**

**2011 –  
SEC Staff  
Reports**

**2013 –  
Possible  
DOL Rule  
Proposal**

**2006 –  
Goldstein  
(Hedge  
Funds)**

**2010 –  
AEI (Fixed  
Index  
Annuities)**

**2011 –  
Business  
Roundtable  
(Proxy  
Access)**

**2013 –  
SEC  
Data  
Request**

# Exam Issues

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## Focus on

- *Disclosure*
- *Compensation*
- *Supervision*
- *Procedures*

## New Players

- DOL
- CFPB?



# Gaps in Guidance

- *Adviser status*
- *Adviser role*
- *NDA obligations*
- *Applicability of FINRA Rules*



# Emerging Opportunities and Regulatory Challenges?

- *Whole life advice*
- *Managed 401(k)*
  - Beyond Monte Carlo
- *Not held assets*





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