

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

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



Paradigm Shift

Brokers who provide advice

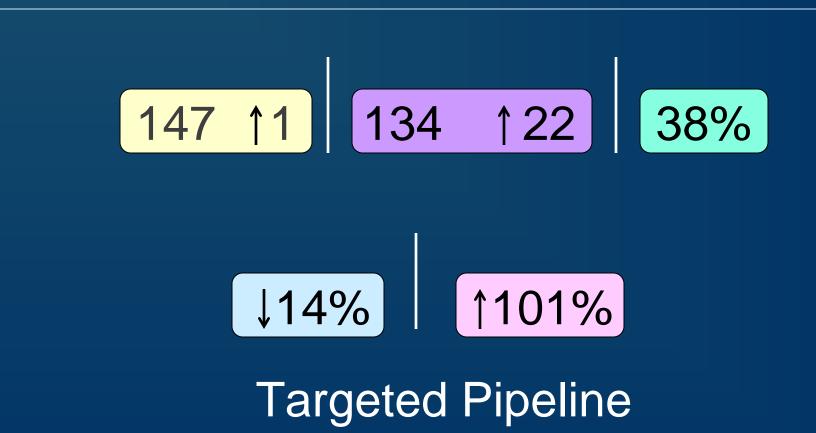


Advisers who provide brokerage services

- 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





Fiduciary Rulemaking

2005 &

2006 -

US

Chamber (mutual

tund corp

gov)

2007 – FPA

(Broker

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

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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