

**Fund Democracy  
Consumer Federation of America  
North American Securities Administrators Association, Inc.  
National Association of Personal Financial Advisors  
Certified Financial Planner Board of Standards, Inc.  
Financial Planning Association**

October 21, 2009

The Honorable Daniel K. Akaka  
141 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Akaka,

We are writing to express our strong support for your efforts to ensure that professionals who advise America's investors are held to the highest standard of care – the fiduciary standard. Section 6(b) of the Mutual Fund Transparency Act of 2009 (“MFTA”) would clearly establish that brokers are subject to a fiduciary duty with respect to investment advice provided to retail investors. This provision eliminates a regulatory gap that has long exposed investors to unscrupulous and harmful sales practices by brokers.

Under current law, brokers are subject to a general suitability standard when providing investment advice to their retail clients. Under a suitability standard, a broker is not required to ensure that his recommendations are what is *best* for his clients, but only what is generally suitable. The suitability standard allows brokers to recommend investments, for example, based on the amount of compensation the broker receives rather than what is in the best interest of the client. The suitability standard does not even require brokers to disclose their compensation so that their clients can evaluate conflict of interest payments for themselves.

In contrast, investment advisers are subject to a strict fiduciary duty under the Advisers Act. As such, they are required to make recommendations only if they are in the client's best interest and to disclose all material conflicts. By applying the fiduciary standard under the Advisers Act to brokers, Section 6(b) of the MFTA ensures that the protection of a fiduciary standard for retail advisory clients will not depend on an arbitrary regulatory distinction between brokers and investment advisers, but will be applied rationally to provide all Americans who receive investment advice with the regulatory protection that they expect and deserve.

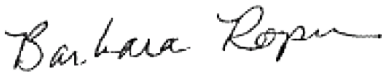
We wish to express our enthusiastic support for your proposal to establish a fiduciary duty for brokers and are available to provide whatever assistance you may need in this respect.

Respectfully submitted,



Mercer Bullard, Founder and President  
Fund Democracy, Inc.

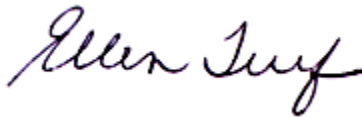
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Barbara Roper, Director of Investor Protection  
Consumer Federation of America



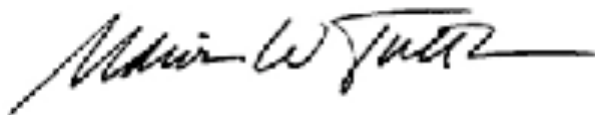
Denise Voigt Crawford, Texas Securities Commissioner and  
President, North American Securities Administrators Association, Inc.



Ellen Turf, CEO  
National Association of Personal Financial Advisors



Kevin R. Keller, Chief Executive Officer  
Certified Financial Planner Board of Standards, Inc.



Marvin W. Tuttle Jr., CAE  
Executive Director and CEO  
Financial Planning Association

cc: The Honorable Mary Schapiro