

PIABA LAUDS COURT RULING IN FAVOR OF FIDUCIARY RULE, URGES END TO CHALLENGES AND MULTI-BILLION-DOLLAR “VICTIMIZATION OF INVESTORS”

WASHINGTON, D.C. – February 9, 2017 – In the wake of the late Wednesday decision by U.S. District Judge Barbara M.G. Lynn dismissing a legal challenge to the Department of Labor (DOL) fiduciary rule, Marnie C. Lambert, president of the Public Investors Arbitration Bar Association (PIABA), issued the following statement:

“The issues the DOL has been asked to consider in its review of the fiduciary rule have now been addressed in three federal court opinions, and the clear consensus is that the original rulemaking process was carried out properly. To have the DOL revisit these issues again, rather than advancing its efforts to implement and enforce the rule, is a waste of resources. The investing public and the industry should have certainty moving forward. What is now certain is that that this is a good rule, a carefully crafted rule, and a rule capable of timely implementation by the industry.”

“Conflicted investment advice harms investors every day. PIABA members have witnessed firsthand the devastating effects of this, seeing retirees forced to return to work making little more than minimum wage, and even dealing with clients attempting suicide after having lost their life savings to conflicted investment advice.”

“The common-sense DOL fiduciary rule requires anyone who gives advice to retirement investors to act in the investors’ best interest. As it stands, without this rule, many advisors do not have to give advice that is in the clients’ best interest. This costs investors billions of dollars every year. That is a victimization of investors that can and must be stopped.”

PIABA has a long record of speaking out in favor of the DOL rule on conflicted advice (<https://piaba.org/piaba-newsroom/piaba-press-release-piaba-urges-court-ignore-last-ditch-attempt-opponents-ending-conf>). In 2015, PIABA released a major report detailing how brokerage industry advertising misleads consumers by leaving the false impression that brokerage firms are acting as “fiduciaries” on behalf of their clients (<https://piaba.org/piaba-newsroom/report-major-investor-losses-due-conflicted-advice-brokerage-industry-advertising-cre>).

As the 2015 PIABA report demonstrated, brokers have created the impression that they are already fiduciaries, not the mere “order takers” portrayed in the litigation on which the Texas judge ruled Wednesday. PIABA maintains that it’s time to move forward, for the industry to accept responsibility for the expectations it has created with investors.

ABOUT PIABA

Public Investors Arbitration Bar Association is an international, not-for-profit, voluntary bar association of lawyers who represent claimants in securities and commodities arbitration proceedings and securities litigation. The mission of PIABA is to promote the interests of the public investor in securities and commodities arbitration, by seeking to protect such investors from abuses in the arbitration process, by seeking to make securities arbitration as just and fair as systemically possible and by educating investors concerning their rights. For more information, go to www.piaba.org.

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