

PIABA URGES COURT TO IGNORE LAST-DITCH ATTEMPT BY OPPONENTS OF ENDING CONFLICTED INVESTMENT ADVICE COSTING CONSUMERS BILLIONS

WASHINGTON, D.C. – July 19, 2016 – In an amicus brief filing before the US District Court for the District of Columbia, the Public Investors Arbitration Bar Association (PIABA) is urging the Court not to block a Department of Labor (DOL) rule banning the conflicted investment advice that costs retirement investors billions of dollars each year in higher fees and lower returns.

Available at <https://piaba.org/piaba-newsroom/nafa-vs-thomas-e-perez-civ-act-no-116-1035-rdm-brief-piaba-amicus-curiae-support-defe>, the PIABA brief opposes the case for a preliminary injunction made by the National Association for Fixed Annuities (NAFA). Various experts have singled out annuities as being a magnet for conflicted advice, particularly when it comes to brokers seeking to earn fat, front-end commissions at the expense of savers and investors.

In making the case for the DOL rule, PIABA wrote: **“Conflicted advice harms investors every day. PIABA members have witnessed firsthand the devastating effects of the advice, 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 PIABA amicus brief disassembles the NAFA attack on the DOL rule and establishes that the DOL is properly empowered to enact the rule that addresses the pervasive conflicts of interest present throughout the industry.

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-dol-rule-banning-conflicted-advice-embraced-attorneys-who-have-re>). 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>).

PIABA President and attorney Hugh Berkson said: **“Our brief explains how investors are harmed by conflicted advice under the current standards governing investment professionals, and will continue to be harmed if the DOL’s Conflict of Interest Rule is not permitted to be fully enacted and the status quo is maintained. The DOL rule forces 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.”**

Berkson added: **“It is our hope that the Court will see fit to reject NAFA’s last-ditch attempt to stop the implementation of this pro-investor rule. “**

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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