



SIFMA Private Client Conference

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Randy Snook, Executive Vice President, SIFMA

Lunch Welcome Remarks

As prepared for delivery

Good afternoon. I'm Randy Snook, executive vice president of business policies and practices at SIFMA. It's terrific to have all of you here with us today. I'd like to thank Dow Jones & Co for sponsoring today's luncheon and Federated Investors for sponsoring today's speaker, and also extend my thanks to all of the conference speakers and sponsors for their participation and support of SIFMA's Private Client Conference.

I hope you all enjoyed the morning session. We had some great speakers and discussions on our ever-evolving industry. As if there weren't plenty of topics to discuss already, yesterday's announcement by the Department of Labor to delay the fiduciary rule was a welcomed addition. It's the news we've been all waiting for and it reflects the idea that there are rules that need to be rethought. Look, we're in favor of a best interest standard, but the DOL's rule was never the right approach.

At SIFMA, we're proud to represent close to 70% of all financial advisors. Our wealth management professionals hail from global, national, regional, independent contractor, and small firms. This group sits at the nexus of the important relationship between financial advisors and individual investors. Through our efforts, SIFMA advocates on your behalf to ensure that advice and investment opportunity can be delivered in a way that preserves investment choice and services. We also help you navigate the sea of changing regulations and keep you up-to-date on the latest trends so that you can better serve your clients.

We've changed this year's conference to bring much more focus on the role of technology and changing demographics. Later today, we'll hear more about role of technology when we hear from Hearsay CEO Clara Shin who will give us a look from Silicon Valley and the SEC's Owen Donley on the use of technology to protect and educate investors. Tomorrow our panel will look at the role of technology in giving advice. If you want to learn more, on June 5th, SIFMA will be hosting a 2-day FinTech conference in New York, and we hope you will join us.

I remember last year, I was standing at a podium just like this at SIFMA's Private Client Conference preparing to introduce Michael Smerconish, just one day after the Department of Labor had announced its final rule. It was clear that there were many unanswered questions, costs and challenges ahead.

At SIFMA, we spent the last year working with our team of experts to understand the rule and provide interpretive guidance to you. We've held:

- More than 60 calls or meetings on interpretation and implementation



- Bi-weekly calls with DOL Fiduciary Operations Working Group, engaging 50 member firms
- Bi-weekly ERISA Deep Dive calls, engaging 72 different member firms.
- Ad hoc discussions with ERISA attorneys
- Meetings with other trade associations
- Participation in 9 different events including SIFMA's own DOL Fiduciary Seminar

And of course, we relied on you to help tell our story to Congress. I'd like to thank all of you who wrote letters and took meetings on Capitol Hill and in congressional district offices back home. It's your personal story that truly helps move the needle.

And that brings us to today. Just like in the movie Groundhog Day, here I am again, standing at the podium at SIFMA's Private Client Conference preparing to introduce Michael Smerconish, just after the DOL has announced a final rule. This rule delays the fiduciary rule by 60 days – a move we welcome – but also comes with complications. While we support the President's memo to the Department of Labor to review the fiduciary rule, we are urging the Department to take this directive seriously and thoroughly assess the impact of the entire rule – not just its parts - on investors and the industry's ability to serve them. At SIFMA, we will be doing all that we can to find a path forward that allows the Department to take the time it needs to complete its review of the fiduciary rule before it become applicable.

While the change in the administration has provided us with some uncertainty, it has also presented us with a great opportunity. We are encouraged that the new administration has indicated a pro-growth agenda and brings a fresh perspective on the way we approach financial regulations and the path to reforms. We support the President's Executive Order tasking Treasury Secretary Mnuchin with compiling a report on possible regulatory reforms.

We have been granted an opportunity to step back, assess the current regulations and see how we can eliminate duplicative or outdated rules and coordinate among agencies in order to make our capital markets more effective and efficient, while also providing some relief to the compliance and legal folks tasked with plowing through them each day.

The private client business, and the way firms serve their clients, should not be shaped by regulation, but by the important relationship between financial advisors and investors. You are a crucial element in client success – one which continues to evolve as we seek out new and innovative ways to better communicate with clients and help them reach their savings goals. This theme is evidenced throughout today's conference.

This morning we heard from a great group of speakers and panels on the business challenges facing our industry and the changing landscape ahead. After our lunch



program, we will dive deeper into these topics as we discuss the regulations, the role of technology, and ways to improve your business models to make your practice stronger.

Before I introduce our lunch speaker, I want to thank all of you for being here today. Our conferences would not be as successful without your participation - whether you are a speaker, a sponsor or an attendee.

It's rare that SIFMA invites the same speaker two years in a row, but after last year's rave reviews, we had to have our next speaker return to finish the story he began a year ago. Last year at this time, we were deep into primary season, discussing the voting base and making election predictions. Today, the story continues as we look at how we got here and examine the political landscape ahead.

It is now with great pleasure, I introduce to you our next guest, Michael Smerconish. Michael is the host of a daily radio program heard on SiriusXM's POTUS channel. He is also the host of CNN's "Smerconish", which airs Saturdays at 9 a.m. and 6 p.m. He is a newspaper columnist for the Sunday Philadelphia Inquirer and his columns are routinely re-printed in newspapers all across the country. He is also the author of six books, the most recent of which, TALK, is a novel for which the television rights were optioned by Warner Brothers. He is a Phi Beta Kappa graduate of Lehigh University and the University of Pennsylvania Law School, and resides in the Philadelphia suburbs where he and his wife have raised four children.

Ladies and gentleman, please join me in welcoming Michael Smerconish.