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SEC's Mary Jo White Directs Staff to Develop Fiduciary Options Document.

[Securities and Exchange Commission](#) Chairman Mary Jo White has told agency staff to draft a document that outlines ways the regulator can reform rules governing investment advisers and brokers.

The guidance would give the five-member commission a foundation for determining whether to advance a proposal to raise investment-advice standards for brokers.

The Dodd-Frank financial reform law allows the SEC to promulgate a rule that would require brokers to act in the best interest of their clients — a bar that investment advisers already meet. Brokers are held to a suitability standard when recommending investment products.

“In order to more fully inform the commission’s decision on this matter, I have directed the staff to evaluate all of the potential options available to the commission, including a uniform fiduciary standard for broker-dealers and investment advisers when dealing with retail customers, and other measures that may be more targeted and achievable in the shorter term,” Ms. White said in a speech at the Consumer Federation of America’s Consumer Assembly in Washington on Friday.

“I have asked the staff to make the evaluation of potential options an immediate and high priority so that the commission has the information it needs to come to a decision as to whether and, if so, how best to exercise the authority provided in Section 913 of the Dodd-Frank Act,” Ms. White continued. “I have made this a priority because it is very important and we need to move forward to a decision.”

In a meeting with reporters after her remarks, Ms. White did not indicate what deadline she gave the staff.

“They are working on it as we speak,” Ms. White said.

She would not elaborate on what actions the SEC could consider that would be more targeted than a fiduciary-duty rule.

“I want a full range of options, which will make for better decision making by the commission,” Ms. White said.

The fiduciary issue is likely to [split the commission](#). SEC members Michael Piwowar and [Dan Gallagher](#) have recently stated reservations about proceeding with a fiduciary-duty rule.

Ms. White did not reveal her position, but she indicated in her speech that she has doubts about disparate advice standards for brokers and advisers.

“Whenever you have substantially similar services regulated differently, I believe it is necessary to consider carefully whether the regulatory distinction makes sense,” Ms. White said.

Fiduciary duty advocates in the audience were heartened by her remarks.

"The good thing about it is her re-articulation of this as a high priority for her and for the SEC, and that she is dedicating staff resources to put this forward," said Marilyn Mohrman-Gillis, managing director of public policy and communications at the [Certified Financial Planner Board of Standards Inc.](#) "That is good news for all of us who have been advocating for a very long time for the SEC to advance this rule making."

Barbara Roper, director of investor protection at the CFA, said that it's good for the SEC to look at a range of options for reforming investment advice rules but that it should settle on proposing a uniform fiduciary standard.

"We know disclosure doesn't work," Ms. Roper said in an interview on the sidelines of the conference. "We think the logical middle ground is articulated in the general approach in ... Dodd-Frank."

The fact that the SEC is driving toward some kind of conclusion is a step in the right direction, Ms. Roper said.

"Given the number of years I've been working on this issue, just a decision is a light at the end of the tunnel," Ms. Roper said.

By [Mark Schoeff Jr.](#)

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