

# NEWS RELEASE



National Association of Independent  
Retirement Plan Advisors

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## ***Independent Retirement Advisors Want Legal Clarity***

Washington – A representative for the National Association of Independent Retirement Plan Advisors (NAIRPA) told Congress today that it should provide clear rules prohibiting conflicted investment advice in workplace retirement plans. Mark A. Davis, vice president and financial advisor with CAPTRUST Financial Advisors, in Raleigh, NC, called the current investment advice regime confusing and not governed by a clear set of law and regulations. Davis, a founding member of NAIRPA, testified at the House Committee on Ways and Means hearing about defined benefit pension plan funding levels and investment advice rules.

“What we have is advisory opinions, prohibited transaction exemptions and information bulletins that leave room for practices I think should be of concern,” Davis said. The SunAmerica advisory opinion, which applied to a specific set of circumstances, has formed the basis for broadly available advice provided through independent computer models. However, Davis said that when a model does not include all investments available under a plan, any conflict that influenced the selection of the modeled funds carries through to the output of the model.

While he commended Congress for including automatic enrollment protocols in the Pension Protection Act of 2006 (PPA), and their support by the new administration, he told the committee that the act did not do enough to assure advice will be conflict-free.

“DOL regulations on the PPA advice provisions, currently on hold by the administration, muddied the waters on the provision of investment advice,” Davis testified. He said the retirement industry is excited about the future for retirement savings, saying that the renewed focus by the president bodes well for the retirement futures of American workers. “American workers need knowledgeable, un-conflicted investment advice, along with improved disclosure of fees, accompanied by improved savings opportunities,” he said.

NAIRPA is working in support of legislation to require uniform disclosure of fees charged to plans and participants of 401(k) plans, as well as legislation that would assure independence of investment advice to plan sponsors and participants.

Visit this [link to the testimony](#) of Mark A. Davis.

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NAIRPA is a national organization of firms not affiliated with financial services companies that provide independent investment advice to retirement plans and participants. NAIRPA members are registered investment advisors whose fees for investment advisory services do not vary with the investment options selected by the plan or participants. Additionally, NAIRPA members commit to disclosing expected fees in advance of an engagement, reporting fees annually thereafter, and agreeing to serve as a plan fiduciary to all plans for which it serves as a retirement plan advisor.