

## 2008 Year in Review

In 2008, we saw changes in our President, Congress, SEC leadership, FINRA leadership, state Governors, and NASAA. More profoundly, we saw enormous changes in markets, financial institutions, and the economy. This is how FSI responded to those changes and worked on your behalf in 2008.

### Our Message

Our mission is clear, and has been since our founding in 2004: to influence regulation of our business so that it reflects the reality of how advice, products, and service are delivered in the 21st century. We . . .

- Benefit the Main Street investor by supporting and promoting the independent broker-dealer and financial advisor business model
- Serve as your voice in Washington and the states
- Advocate for a healthy, profitable, viable future for the independent channel
- Engage constructively with those who oversee your business at both the federal and state level

### Our Momentum

Through education, events, networking, meetings, testimony, comment letters, position papers, and issues briefing, FSI demonstrates advocacy at work. In 2008, we . . .

- Protected your 12b-1 fees from the SEC's misguided efforts and "reform or repeal" (it appears that this idea lost momentum with the changing of SEC Chairs)
- Actively advocated for an amendment to Regulation S-P to support account portability and advisor choice and prepared to continue our efforts to influence the final version of Regulation S-P
- Lobbied against proposed taxes on financial services in Georgia and monitored similar proposals in other states
- Met with representatives of 80 Members of Congress during our annual Advocacy Summit in Washington, D.C.
- Helped reshape the new Equity Indexed Annuities rules to shield broker-dealers and financial advisors from legal risk of past offers
- Engaged on the settlements of auction rate securities
- Obtained NASAA support for our position on Regulation S-P
- Participated in a joint report from the SEC's third annual Senior Summit

- Submitted a detailed comment letter to advocate for further improvements to an SEC proposed amendment to Form ADV Part 2.
- Outlined our members' concerns on CFP Board's new Standards of Conduct requiring a fiduciary standard
- Provided meaningful input into the FINRA rulebook consolidation process
- Successfully supported the SEC's summary prospectus proposal to provide concise, plain-English disclosure to clients
- Sought relief from required minimum distributions for retirees
- Contributed \$80,500 from FSI PAC to candidates for federal office
- Were sought out as a resource for national trade media 35 times

### **Our Members**

Membership in FSI has experienced strong, steady growth and reflects the diversity of both independent broker-dealers – from small “boutiques” to large networks – and independent financial advisors. In 2008, we . . .

- Had 116 broker-dealer members and more than 12,600 independent financial advisor members
- Hosted 24 hours of Web Conferences to FSI members, on topics from “FINRA Arbitration – Preparing Broker-Dealers and Financial Advisors” to “Economic and Regulatory Update: The Way Forward after The Great Market Break of 2008”
- Celebrated the success of 40 FSI members serving in 11 FINRA districts, two FSI members on FINRA's Small Firm Advisory Board, and two FSI volunteer leaders on the FINRA Board of Governors
- Educated 540 FSI members at our annual OneVoice broker-dealer conference, which featured as speakers three senior executives from regulatory agencies

### **Our Leaders**

Under the steady leadership of 2008 Chair Brian Murphy, we . . .

- Invested 84 percent of our annual revenue on member benefits and advocacy activities
- Banked another \$100,000+ into financial reserves for the fifth straight year, bolstering FSI's financial strength in this period of market and economic uncertainty