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## **FSI Secures Major Victory Protecting Independent Contractor Status of California Financial Advisors**

*Old Fashioned Advocacy & Strong Grassroots Campaign Proves Formidable Force*

**WASHINGTON, D.C.** – The Financial Services Institute (FSI) is pleased to report we successfully influenced amendments to California Senate [Bill 459](#) (Corbett). As a result of the amendments, independent broker-dealers and independent financial advisors will no longer have to worry about increased compliance burdens and increased costs, that would have been imposed on them if the bill passed unchanged.

The recent amendments removed the notice and record keeping requirements for all independent contractors in California. The amendment replaces these requirements with a notice requirement via a website or office posting only for firms found that have engaged in willful misclassification of independent contractors. Due to proper classification of independent financial advisors as independent contractors, the independent broker-dealer industry will not have to concern themselves with SB 459 any longer.

“This is a big win, not only for our California broker-dealers and financial advisors, but for all broker-dealers and advisors in other states that were watching to see what happened in California before they acted,” **said FSI President & CEO Dale E. Brown**. “This win will hopefully temper any thoughts from other state legislatures about going down a path that will ultimately hurt hard-working Americans’ ability to secure affordable, unbiased financial advice, especially during these hard economic times. We thank our numerous broker-dealer and financial advisor members who really stepped up to the plate and took this issue head on from a grassroots campaign effort. We couldn’t have done this without them.”

Throughout the spring and summer months, FSI has been in the thick of the fight, with FSI’s Government Affairs Counsel Matt Schwartz leading our considerable advocacy effort, participation in a coalition of like-minded advocacy groups and well over **500 financial advisor members** responding to our Calls to Action by writing letters to their assemblymen to express their concerns. In addition to the letter writing campaign roughly **25 members** have volunteered to participate in face-to-face meetings with their assemblymen, coordinated through FSI.

**About the Financial Services Institute (FSI):** *FSI is an advocacy organization for independent financial services firms and independent financial advisors. Established in January 2004, we have 124 broker-dealer members and 27,000 financial advisor members. Our member firms have upwards of 180,000 financial advisors affiliated with them. Our mission is to create a more responsible regulatory environment for independent broker-dealers and their affiliated independent financial advisors through effective advocacy, education and public awareness. And our strategy includes involvement in FINRA governance, constructive engagement in the regulatory process and effective influence on the legislative process. For more information, please visit [www.financialservices.org](http://www.financialservices.org).*

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