



## NEWS RELEASE

For additional information:

Donald B. Trone, AIFA®  
(412) 741-8140  
[don@fi360.com](mailto:don@fi360.com)

J. Richard Lynch, AIFA®  
(412) 741-8140  
[rich@fi360.com](mailto:rich@fi360.com)

Blaine F. Aikin, AIF®, CFA, CFP®  
(412) 741-8140  
[blaine@fi360.com](mailto:blaine@fi360.com)

James G. Busse  
Blue Line Associates  
(412) 421-1554  
[bluelineamerica@verizon.net](mailto:bluelineamerica@verizon.net)

## FOR IMMEDIATE RELEASE

### 2006 Pension Protection Act to Benefit Local Organization

**Pittsburgh, PA, August 11, 2006**—A Pittsburgh area organization will be one of the primary beneficiaries of the new pension reform bill expected to be signed into law by President Bush. For the past seven years, Sewickley-based Fiduciary360 has been developing the infrastructure which will be needed by the investment industry to comply with the new law. Of particular importance, the new law will encourage companies which offer their employees a 401(k) plan to retain the services of “fiduciary advisers” to provide much needed investment advice to 401(k) participants. Fiduciary advisers and investment firms that offer 401(k) services will have to demonstrate that the technology, practices, and procedures of the fiduciary adviser meet yet-to-be-defined industry standards. Fiduciary360 has defined such standards and corresponding technology.

“The problem is traditional pension plans are managed by investment professionals and closely regulated by the federal government; while investment decisions by 401(k) plan participants are largely left to the individual employee,” said Donald B. Trone, CEO of Fiduciary360. In 2003, Trone was appointed by the U.S. Secretary of Labor to represent the investment counseling industry on the ERISA Advisory Council. ERISA (the Employee Retirement Income Security Act) governs a wide range of employee benefit plans.

The new law will impose more specific “fiduciary” responsibilities on financial services firms, investment advisers, and 401(k) plan sponsors. This means that they are

required to always put an employee's interests above their own in providing advice on investment choices.

Stock and bond broker dealers who, until now, were largely exempted by the Securities and Exchange Commission (SEC) from fiduciary responsibility in connection with providing "incidental advice" to their clients will have to meet fiduciary standards of practice when serving as "fiduciary advisers" to employees with 401(k) plans.

Fiduciary360 has led the development and adoption of fiduciary standards in the U.S. and throughout the world. Its handbook for investment fiduciaries, "Prudent Investment Practices," edited by the American Institute of Certified Public Accountants, is widely used as a guide to fiduciary standards by retirement plans, investment advisers, financial planners, and the trustees of private trusts. The Center for Fiduciary Studies, the training arm of Fiduciary360, has trained thousands of financial investment professionals on fiduciary "standards of care." The Center is associated with the University of Pittsburgh's Center for Executive Education at the Joseph M. Katz Graduate School of Business.

"In the past, broker dealers have, for the most part, refused to acknowledge any circumstances under which their brokers might be considered to have fiduciary status," said Trone. "But that will all change now. Their 'broker advisers' will have to be trained to meet fiduciary standards. And we're ready to train them."

Fiduciary360 already is training large numbers of investment advisers at several of the country's largest securities firms. Its staff has been doubling every two years to meet the need. The Accredited Investment Fiduciary® (AIF) designation awarded by the Center for Fiduciary Studies recently was recognized by Financial Planning Magazine as one of the ten most sought-after professional designations in the financial field—right along with CPA (Certified Public Accountant) and CFP® (Certified Financial Planner).

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*About **Fiduciary360** ([www.fi360.com](http://www.fi360.com)): **Fiduciary360** is a trilogy of associated organizations focused solely on investment fiduciary responsibility. The **Foundation for Fiduciary Studies** is a nonprofit organization established for the purpose of defining the practices that detail a prudent process for investment fiduciaries. The **Center for Fiduciary Studies**, which is associated with the **University of Pittsburgh's Center for Executive Education** at the **Joseph M. Katz Graduate School of Business**, provides educational programs on investment fiduciary responsibility. **Fiduciary Analytics** is a technology firm which develops Web-based tools incorporating fiduciary practices for investment decision-makers.*

Fiduciary 360  
438 Division Street  
Sewickley, PA 15143  
Toll-free: 1-866-390-5080