

**“A Morning at Sunrise” – May 2016: DOL’s Fiduciary Rule**

I. Historical Recap: An Investment Professional’s Legal Responsibility to Client

- a. Suitability: Brokers and Broker-Dealers (FINRA)
- b. Suitability or “Part-Time” Fiduciary: Fee-Based or Dually-Registered Advisors (FINRA/SEC)
- c. “Full-Time” Fiduciary: Fee-Only Registered Investment Advisors (SEC)

II. DOL’s Fiduciary Rule – Released on April 6, 2016

- a. As a “fee-only” fiduciary, this ruling does not affect the way Sunrise Advisors works with our clients
- b. This ruling is a step in the right direction, but it falls short in many ways, including:
  - i. It only applies to retirement accounts
  - ii. It does not go into full effect until January 2018
  - iii. Firms can still promote “in-house” products
  - iv. “Negative consent”
  - v. Best Interest Contract Exemption (BICE) – the “loophole”

III. “Tell-Tale” Signs of Part-Time or Non-Fiduciaries

- a. They may be paid commissions for the sale of insurance, investments, or other products
- b. They may receive compensation from parties other than the client, including a mutual fund company, insurance company, broker-dealer, or others
- c. They create and sell “in-house” investments (mutual funds, annuities, limited partnerships, etc.)
- d. Their website or financial literature includes disclosures about their firm, like “Securities offered through (XYZ Financial), member FINRA/SIPC” or “(XYZ Financial) may only transact securities business with residents of the following states.....”
- e. They may only adhere to fiduciary standards on retirement accounts

IV. Conclusion

- a. The industry purposefully creates confusion and perpetuates a large “information gap”: 93% of investors believe they should receive “full-time” fiduciary advice, but only 5% of investment professionals are “full-time” fiduciaries
- b. For more of our thoughts on the DOL’s rule and/or to identify “part-time” fiduciaries, please go to our website: [www.sunriseadvisors.com/fiduciary-rule](http://www.sunriseadvisors.com/fiduciary-rule)
- c. Investors deserve to work with a “full-time” fiduciary. If you have a friend, colleague, or family member that is working with a “part-time” or non-fiduciary, we will provide them a private, complimentary “Fiduciary Review”.

Sunrise Advisors Named One of Nation's Top Advisors  
(For the second year in a row.)



We humbly thank our clients and friends for our firm's success. For the second consecutive year, Financial Times included Sunrise Advisors in their exclusive "FT 300" list. Selected from over 32,000 advisory firms, this ranking honors the top 300 independent advisors in the country (representing the top 1% of all firms and covering 40 states / Washington, D.C.).

We intentionally do not advertise our services. We have grown solely by word of mouth from clients and professional contacts. This enables us to maintain our "family" culture and personalized level of service. We owe much of our success to your loyalty and confidence in us.....THANK YOU!

**FT 300 Disclosure:** *The Financial Times Top 300 Registered Investment Advisors* is a ranking produced independently by the Financial Times, with no subjective input from any RIA firm. The FT 300 is based on data gathered from RIA firms, regulatory disclosures, and the FT's research. As identified by the FT, the listing reflected each practice's performance in six primary areas, including assets under management, asset growth, compliance record, years in existence, credentials, and accessibility. Neither the RIA firms nor their employees pay a fee to Financial Times in exchange for inclusion in the FT 300.

Tips on CyberSecurity and Identity Fraud

Prevention:

- Do NOT auto-connect to Wi-Fi networks. Do NOT connect to Wi-Fi networks you don't know or trust.
- Do NOT login to accounts over public Wi-Fi networks; connect using cellular data instead if you can.
- Do NOT post photos with personal or GPS information in them. Turn off your phone camera GPS.
- Always know the sender of an email. When in doubt, call the supposed sender. If you do not know or trust the sender of an email, do NOT click on links or downloads in the email and do NOT respond to requests to verify accounts, personal identity, or other personal information.
- Use strong, varying passwords that do NOT contain personal information. Do NOT reuse passwords.
- Use antivirus software on all platforms. Bitdefender Total Security and Kaspersky Total Security are regularly rated the best. ([www.bitdefender.com](http://www.bitdefender.com) and [www.kaspersky.com](http://www.kaspersky.com))
- Use Two-Factor Authentication.
- Keep software and equipment updated, and back up computer files on a different device.
- Regularly review your account activity and statements for all accounts.
- Annually review your credit reports. Get free annual credit reports at [www.annualcreditreport.com](http://www.annualcreditreport.com).
- Read more at [www.OnGuardOnline.gov](http://www.OnGuardOnline.gov). (Collaboration of FTC, DHS, DOS, DOJ, IRS, SEC, CFPB, *et al.*)

Response:

- Monitor mail and email for requests to change address or orders for new services.
- Notify bank, credit card companies, and credit bureaus of unauthorized activity.
- Notify your Investment Advisor, and closely review account activity.
- After an email hack, change your password, enable Two-Factor Authentication, review email forwarding and signature for unauthorized information or recipients, maybe notify contacts.