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# **Landmark Victory For Americans Saving To Retire: U.S. Dept. of Labor forces brokers to disclose hidden fees**

**APRIL 6, 2016**

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# Landmark Victory For Americans Saving To Retire

## Dept. of Labor forces brokers to disclose hidden fees

**Washington, D.C., April 6, 2016** – A new regulatory standard requiring those who advise retirement investors to act in the best interests of their clients was approved today. This measure is expected to save hard-working Americans billions of dollars in fees while driving much needed pro-consumer reforms of the stock brokerage, mutual fund and insurance industries.

**Rebalance IRA**, a leading investment firm, played a central role in helping to achieve this pro-consumer victory. The Firm is a key member of the Save Our Retirement coalition, and Managing Director Scott Puritz testified before the U.S. Senate ([view testimony](#)) as it evaluated the new rule. During his testimony, Puritz noted: *“The story we see over and over again is all too familiar- a client at a brokerage firm who is stunned to find out that their so-called trusted retirement investment advisor does not have a fiduciary responsibility.”*

Most American workers assume that their retirement advisor acts in their best interest, exercising what is known as a “fiduciary” responsibility. Unfortunately, the reality is that investment advisors often recommend the funds that pay them the largest commissions and fail to disclose a second level of fees charged by the mutual funds and shared with the advisor, observed Puritz.

The U.S. Department of Labor finalized the landmark federal rule today, ending an epic five-year political struggle against armies of lobbyists and multiple congressional bills aimed at derailing the regulation. The current, vague requirement that an investment be “suitable” to a client will be replaced by an unequivocal standard that requires anyone offering retirement investment advice to clearly put clients’ interests ahead of their own.

*“This is an extraordinary victory for the American consumer,”* said Puritz. *“The U.S. Department of Labor has estimated that consumers lose over \$17 billion through excessive fees every year, draining investment accounts of money needed for retirement.”*

*“Regrettably, this is an industry built upon hiding fees and offering conflicted advice,”* Puritz continued. *“When fully implemented, the U.S. Department of Labor’s new rule requires putting the interests of retirement*

*savers first and mandates a much higher level of disclosure regarding fees and potential conflicts of interest. Once consumers finally are armed with accurate information, the transformative power of the free market system has the potential to drive fees lower and dramatically expand the quality of retirement investing options.*

*“Labor Secretary Thomas Perez and his team should be commended for persevering in the face of serious opposition by the brokers,” he concluded.*

*“All too often, investors in retirement plans pay higher fees than they should and their accounts contain high-cost funds that reward the provider of advice rather than the client,” observed Professor Burton G. Malkiel, one of America’s foremost economists and a member of the **Rebalance IRA** Investment Committee. “Business models that depend on selling high-cost, low-value retirement investment products aren’t going to cut it any more. The fiduciary standard will accelerate the process of changing outmoded and ineffectual financial business models to better address the needs of small investors.”*

### **About Rebalance IRA**

**Rebalance IRA** is one of America’s leading investment firms that is at the forefront of providing consumers with a fundamentally different and better set of retirement investment options: lower costs, “endowment-quality” globally-diversified retirement investment portfolios, and systematic rebalancing. This investment approach is combined with a team of sophisticated and highly credentialed finance professionals who provide advice that is unbiased and focuses on the client’s long-term retirement investment goals.

The Firm’s Investment Committee is anchored by three of the most respected experts in the finance world: Princeton Economics Professor Burton Malkiel, author of the classic investment book, *A Random Walk Down Wall Street*; Dr. Charles Ellis, the former longtime chairman of the Yale University Endowment; and Jay Vivian, the former Managing Director of IBM’s \$100+ billion in retirement investment funds for more than 300,000 employees worldwide.

**Rebalance IRA’s** innovative, pro-consumer approach to retirement investing has garnered high profile coverage. The Firm, and its leadership, regularly have been featured in *The New York Times*, *The Wall Street Journal*, *NPR*, *Fox*, *PBS*, *Forbes*, *USA Today*, *CNBC*, *Nightly Business Review*, *CBS*, *The Washington Post*, *The Economist*, and a wide range of other national and local media. Managing Directors Scott Puritz and Mitchell Tuchman are acknowledged industry thought leaders, and Mr. Puritz recently testified before a U.S. Senate Committee evaluating the U.S. Department of Labor’s new fiduciary rule. Rebalance IRA is headquartered in Palo Alto, Calif. and Bethesda, Md., and currently manages more than \$360 million of client assets. For more information, visit [www.rebalance-ira.com](http://www.rebalance-ira.com).