

Richard Marshall Weighs In on Upcoming SEC Regulation Best Interest Vote

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Financial Services partner Richard Marshall spoke with Law360 on the Securities and Exchange Commission's upcoming vote on its Regulation Best Interest proposal. In regards to what the final standards will include, Rick stated, "What exactly we get out of the language is hard to predict, but I'm sure that this thing will be studied under a microscope by everybody." No one is able to predict how stringent the regulations for brokers will be, and Rick notes that the standards will come out through trial and error. "It's going to be for brokers just the way it's been for advisers, which is they have to figure it out, and if they get it wrong, there will be an enforcement action," he said.

One item of note is the definition of retail investors, which would require brokers and advisers to send a client relationship summaries to individuals as savvy as Berkshire Hathaway CEO Warren Buffett. Rick stated, "Obviously, Warren Buffett doesn't need any protection from anybody. He's immensely wealthy. He's extremely sophisticated and experienced, and he has every sophisticated adviser in the world to help him."

Rick added that commissioner dissents will provide the greatest insight into what may happen next. "In the past when there have been vigorous dissents, those have been kind of road maps to court challenges, number one," he said. "And number two, they've also been road maps to various ways in which people try to finagle around the rule." ("[Questions Loom Over Broker Standards Ahead Of SEC Vote](#)," June 4, 2019)

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