

# THE FIDUCIARY MANDATE

**The Science Exists. The Law Must Follow.**

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## *Questions & Answers*

### **What is The Fiduciary Mandate?**

The Fiduciary Mandate (TFM) is a public-interest advocacy organization dedicated to achieving the regulatory, legislative, and professional changes necessary to ensure that investment advisors are required to measure and disclose the statistical probability and magnitude of investment loss to their clients — before their savings are placed at risk.

### **Why was it created?**

Data science now enables the precise measurement of investment risk — including the probability and projected magnitude of stock loss. These tools are proven and available. Yet no U.S. law or regulation requires investment advisors to use them or to disclose these measurements to their clients. In medicine, aviation, and engineering, professionals are held to the scientific standards of their fields. The investment advisory industry is not. TFM was created to close that gap.

### **Who founded it?**

TFM was founded by Raymond Michael Mullaney, a 49-year veteran of the investment industry and the Founder & CEO of Equity Risk Sciences — America's Independent Stock Risk Rating Agency™. Mr. Mullaney also founded an NASD member broker-dealer and SEC-registered investment advisory firm, and has spent over 12 years developing quantitative risk measurement methodologies.

### **Is The Fiduciary Mandate affiliated with Equity Risk Sciences?**

TFM is a separate and independent organization from Equity Risk Sciences (ERS). ERS is a for-profit data science company that provides proprietary risk measurement tools. TFM is a public-interest advocacy organization that advocates for laws requiring all advisors — regardless of what tools they use — to measure and disclose investment risk. The two are complementary but operationally and legally distinct. TFM does not promote or sell any commercial product.

### **What is TFM's agenda?**

TFM pursues ten concrete initiatives: (1) Draft and advocate for federal legislation requiring quantitative risk disclosure; (2) Petition the SEC to amend the fiduciary standard; (3) Engage FINRA to establish risk disclosure standards; (4) Build a national coalition of regulators, legislators, attorneys, and institutional fiduciaries; (5) Publish research documenting the cost of non-disclosure; (6) Create a National Investor Bill of Rights; (7) Launch public awareness campaigns; (8) Provide expert testimony and amicus briefs in securities litigation; (9) Establish a fiduciary compliance certification program; and (10) Convene an annual National Summit on Fiduciary Accountability.

### **Who does TFM serve?**

TFM serves the American investing public — the tens of millions of individuals, retirees, and families whose financial lives depend on the integrity and competence of the professionals advising them. TFM also serves regulators, legislators, and legal professionals seeking to strengthen fiduciary accountability.

### **How is TFM funded?**

TFM is funded through donations, grants, and membership support. It does not generate revenue from the sale of products or services. TFM is organized as a public-interest advocacy organization and is pursuing formal tax-exempt status.

### **How can I learn more or get involved?**

Visit [www.TheFiduciaryMandate.org](http://www.TheFiduciaryMandate.org), or contact us at [contact information]. We welcome participation from regulators, legislators, investment professionals, attorneys, consumer advocates, and individual investors who share our commitment to fiduciary accountability.