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## Honorable Mention

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By Editorial Staff      *Wed, Oct 12, 2016*

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*Brief or late-breaking items from Wells Fargo [John Stumpf resigns], Great-West, Raymond James, Prudential, LifeYield and Envestnet.*

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## Wells Fargo chief John Stumpf steps down

Faced with an outraged public and a shrinking stock price, John Stumpf stepped down from his post as Wells Fargo chairman and CEO yesterday. Tim Sloan, 56, the current president and chief operating officer of the San Francisco-based mega-bank, will succeed him.

The Consumer Financial Protection Bureau announced last month that it would fine Wells Fargo about \$185 million after determining that 5,300 of the bank's employees, under internal pressure to reach aggressive sales goals, had created about two million fake client accounts. Prior to that, even though the fraudulent activity at Wells Fargo had been known for many months, Stumpf appeared to have weathered the crisis at the bank.

But news of the fine led to Senate hearings, where Stumpf, 63, performed poorly before the Banking Committee. During his testimony, according to *American Banker*, "Stumpf fumbled basic questions such as when exactly the company uncovered the pervasive fraud. Stumpf also provided confusing answers about whether senior executives have been held responsible for the scandal."

Carrie Tolstedt, the former executive in charge of retail banking, retired in July and remains eligible for a \$125 million payout. Shortly after the CFPC settlement was disclosed, Wells Fargo said it would eliminate incentive packages that reward branch employees for cross-selling and hitting sales targets.

Stumpf worked at Wells Fargo and its predecessor companies for more than 30 years. He joined Minneapolis-based Norwest in 1982 and rose quickly. When Wells Fargo merged with Norwest in 1998, Stumpf became head of banking operations in the Southwest.

In 2002, Stumpf was named executive vice president and head of community banking. Three years later, he was promoted to president and chief operating officer. Stumpf was named CEO of Wells Fargo in June 2007, succeeding Richard Kovacevich. Stumpf added the title of chairman in January 2010.

## **Raymond James to offer Great American's fee-based FIA**

Great American Life Insurance Company's new, no-commission fixed indexed annuity with optional guaranteed income rider is now available through financial advisors at Raymond James, where the product will complement the commissioned-based indexed annuities already on the firm's platform, the insurer announced today.

The Index Protector<sup>SM</sup> 7 fixed-indexed annuity, introduced in August, marks Great American Life's entry into the investment advisory channel. It is designed for financial advisors who charge clients a percent of assets under management instead of collecting commissions from insurers for selling annuities—a practice frowned upon by the U.S. Department of Labor with respect to tax-deferred accounts.

The Index Protector 7 offers growth potential through options on the S&P500 Index, tax-deferral, and a return of premium guarantee. The optional Income Keeper rider provides lifetime income payments that could increase each year.

According to Joe Maringer, National Sales Vice President, Great American Life, the Index Protector 7 is an opportunity for consumers to further diversify their portfolios.

"Due to the persistently low interest rate environment, advisors may be seeking alternatives for the traditional fixed income portion of clients' investment portfolios," he said in a release.

Scott Stolz, senior vice president, PCG Investment Products at Raymond James, said in a statement, "Demographic trends continue to favor fixed-indexed annuities. In addition to the much needed income guarantees, they provide our clients the potential to get returns in excess of inflation while subjecting their principal to minimal risk. We invited Great American to provide an annuity option for those advisors and clients who prefer an advisory arrangement. We believe that, given the changing regulatory landscape, the need for fee-based annuities will only grow."

Great American Life Insurance Company is a member of Great American Insurance Group and is rated "A+" by Standard & Poor's and "A" (Excellent) by A.M. Best for financial strength and operating performance.

## **Prudential promotes new global investment unit**

PGIM, the global investment management businesses of Prudential Financial, Inc., has launched its first television, print, social and digital advertising campaign.

“The campaign highlights PGIM’s focus on delivering alpha and consistent investment performance through robust risk management and deep asset class expertise based on unique perspectives on long-term structural trends shaping the global economy,” said a release.

The campaign’s theme is based on PGIM’s fundamentals analyses, which provide information on such major global economic shifts as the aging of developed country populations and urbanization.

PGIM manages about \$1 trillion for clients in 16 countries. It serves six of the ten largest Fortune 500 companies and 23 of the 25 largest U.S. corporate pension plans.

## **LifeYield upgrades Social Security-maximizing software**

LifeYield, the Boston-based software firm whose product helps retirees minimize taxes optimize Social Security benefits, has enhanced its Social Security Advantage solution, the company announced this week.

The enhancements include “Benefit Delay” and “Benefit Replacement” features, which show advisors how to generate replacement income for clients who delay Social Security benefits and, for couples, how to replace Social Security benefits that are lost when the first spouse dies.

It’s been shown that even affluent clients rely on Social Security for a significant portion of their retirement income. Moreover, affluent clients have higher-than-average life expectancies, and therefore stand to benefit most in the long run by delaying benefits until age 70.

LifeYield claims that some 50,000 advisors and investors currently use its Social Security Advantage software to maximize income in retirement by claiming Social Security at the optimal time.

“Many file at the earliest age possible because they need the income. Others file early because they simply may not be aware they can gain up to almost 9% more in payments for

each year they delay filing,” said Mark Hoffman, CEO of LifeYield, in a release. “Our tools analyze and suggest where investment and/or insurance products can provide income during the gap years.”

Social Security Advantage can also show married, widowed or divorced individuals can switch between spousal and earned benefit types to maximize their retirement income.

The LifeYield Advantage Suite of software programs includes Portfolio Advantage, Social Security Advantage, and Income Advantage.

## **Investnet, on a roll, acquires Wheelhouse Analytics**

In another DOL rule-related acquisition, Investnet, Inc., announced this week that it has purchased Wheelhouse Analytics LLC, a technology company that provides data analytics, mobile sales solutions, and online education tools to financial advisors, asset managers and enterprises.

In a release, Investnet said it will “deeply integrate Wheelhouse Analytics’ tools, delivering robust online dashboards and reporting that provides actionable intelligence.” The two companies have partnered since 2014 on several initiatives.

“With Wheelhouse, we will provide the compelling and valuable analytics solution that the industry is looking for, particularly as the regulatory environment has shifted with the Department of Labor (DOL) Fiduciary Rule.” said Bill Crager, president of Investnet, which he said serves over 50,000 advisors and processes over five million investment accounts.

Investnet will combine Wheelhouse Analytics’ tools with Yodlee’s data and analytics solutions. Investnet acquired Yodlee in 2015 in a \$538 million transaction.

Wheelhouse Analytics’ existing offerings provide enterprises with fee and performance benchmarking, supporting fee rationalization and best interest client documentation.

Additionally, Investnet plans to extend Wheelhouse Analytics’ Deal Management and Intermediary Oversight platform to deliver a centralized data hub for product manufacturers and wealth management firms to collaborate on dealer fee agreement management and monitor product usage.

Terms of the acquisition were not disclosed.

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