Most of my clients are surprised to learn about the low standards under which the brokerage industry is allowed to operate.

The most egregious example: Brokers are allowed to steer clients into an investment based on how much money they—the brokers—will earn in sales commissions. In other words, a broker could recommend a mutual fund that has performed worse than an alternative fund, but pays a bigger commission. Well, there's good news, and bad news, on that front.

Let's start with the good: Regulations on brokers are about to get a lot stronger. In April, the Department of Labor (DOL) decreed that anyone giving advice about retirement assets will soon have to meet a higher ethical standard. The bad news: The new rules are riddled with loopholes that will make it possible for much of Wall Street's bad behavior to continue.

First a little background. Most people who call themselves financial advisors are actually brokers. Another word for "broker" is "salesperson." Investment and insurance companies pay brokers, in the form of commissions, to sell their products. Product manufacturers pay brokers different amounts for selling different products, which makes it incredibly difficult for consumers to get unbiased advice.

Then there are true financial advisors, a smaller group of professionals that includes Copeland Wealth Management, LLC. We sell advice, not products. And we operate as fiduciaries, meaning they we are legally required to place clients' interests ahead of their own.

When I formed Copeland Wealth Management, the whole point was to create a fiduciary business and give clients objective advice. Prior to founding the firm, I worked at a bank, where I balked at the pressure to push the most profitable (for the bank) products on our clients.

The new DOL rules dictate that all advisors must follow a "fiduciary" standard. That made a lot of headlines a few weeks back. But if you look at the fine print, you find lots of problems.

First, taxable accounts aren't included. The rules only cover 401(k)'s, IRAs and certain other retirement plans. Second, brokers will still be allowed to earn sales commissions. Yes, they will have to sign a contract asserting that their advice is in their client's best interest. And clients can point to that contract if they later sue an advisor over bad advice. But many believe that advisors and their clients will gloss over this contract as just another piece of paperwork.

Finally, brokers will be allowed to keep recommending iffy products, including expensive mutual funds, complicated, expensive and unnecessary annuities, and more. Most brokers have spent their whole careers under the old, very profitable business model, and clients will have to decide whether they can really change their stripes and clean up their behavior. But these loopholes mean they won't have to change much if they don't want to.

Copeland Wealth Management has always been a fiduciary firm. I voluntarily created the business as an independent, fee-only fiduciary because that's what I felt clients deserved. We didn't need federal regulators to make us act in clients' best interests, and we never will.