General Brokerage Communications Trends
Thursday, October 5
1:45 p.m. – 2:45 p.m.

Panelists from FINRA and the industry discuss advertising compliance and sales practice issues applicable to general brokerage firms and their registered representatives. Industry panelists explore advertising compliance challenges and how they address the advertising rules with respect to dually registered representatives, marketing materials created by third parties, and new investment products. This panel also covers current areas of interest such as business development companies, private placements and research reports.

Moderator: David Roscum
Associate Director
FINRA Advertising Regulation

Panelists: Stephanie Gregory
Principal Analyst
FINRA Advertising Regulation

Kimberly Johnson
Vice President of Marketing Regulatory Review
LPL Financial, LLC

Robert Sondheim
Director, Compliance
E*TRADE Securities LLC

I. Introduction
II. Firm’s Advertising Compliance review process
III. Seminars and Radio Shows
IV. Material used by dually registered representatives
V. Wrap-up
General Brokerage Communications Trends Panelist Bios:

Moderator:

David Roscum is a manager in the Advertising Regulation Department and oversees staff involved in the Investigative, Spot-Check and Filing programs. In addition to his 20-plus years of regulation experience, Mr. Roscum served as a compliance officer for T. Rowe Price for five years, and was a registered investment adviser and registered representative for three years. Mr. Roscum is a CPA and holds a bachelor’s degree from The University of Iowa, an M.B.A. from Marymount University and a master’s degree in taxation from Taft University.

Panelists:

Stephanie Gregory is Principal Analyst in FINRA's Advertising Regulation Department. Prior to joining FINRA in 2004, Ms. Gregory worked in compliance and advertising review with a member firm. Ms. Gregory received a bachelor’s degree in economics and political science from Boston University, and her law degree from Pennsylvania State University Dickinson School of Law.

Kimberly Johnson is Vice President of Marketing Regulatory Review at LPL Financial. In this role, she is responsible for the oversight of the Firm’s policies and procedures of all communications distributed by LPL or their advisors. This includes all advisor use only content, corporate communications, research materials and information prepared for advisor use with their clients and/or prospects. Further, Ms. Johnson has ultimate responsibility of the department’s compliance program to ensure all communications with the public are compliant with FINRA Rule 2210, applicable regulatory and state requirements and LPL policies. Ms. Johnson has accumulated more than 17 years of industry experience and has held various compliance roles in a similar capacity at MetLife, MassMutual and TradeKing. She graduated from the University of Connecticut at Storrs with a BA in communications and holds FINRA series 4, 7, 24, and 63 licenses.

Robert Sondheim is Director, Compliance at E*TRADE and is responsible for managing the Firm’s advertising review department. He has over 25 years’ experience in the financial services industry, including four years as a Supervising Analyst in FINRA's Advertising Regulation department, where he managed the review of member firms’ advertising and sales literature for compliance with FINRA, SEC, MSRB and SIPC rules and regulations. He has been with E*TRADE since 2002 and has held various managerial roles within the Firm’s compliance program. Mr. Sondheim holds the Series 4, 7, 24, 51 and 63 licenses.
General Brokerage Communications Trends
Panelists

Moderator
- David Roscum, Associate Director, FINRA Advertising Regulation

Panelists
- Stephanie Gregory, Principal Analyst, FINRA Advertising Regulation
- Kimberly Johnson, Vice President of Marketing Regulatory Review, LPL Financial, LLC
- Robert Sondheim, Director, Compliance, E*TRADE Securities LLC
From the Firm’s Perspective

- What we do, business and type of advertisements
- Advertising compliance review process
- Training staff
- Keeping current with advertising rules and guidance
- How we approach risk
Seminars and Radio Shows

- Training registered representatives
- Providing pre-approved content
- Registered representative created content
- Turnkey services
- Vendor participation
- Considerations for client events
Third-Party Created Sales Material

- Choosing business partners
- Vetting third-party vendors and sales material
- Review and approval process
- Third-party websites
Unique Communications

- Target marketing
- Marketing to seniors
- Complex product communications
  - Securities-backed lines of credit
  - Business Development Companies
  - Private Placements
  - Research Reports
Dually Registered BD / IA Representatives

- Review and approval process
- Filing sales material
- Regulatory challenges
Registered Representative Considerations

How registered representatives promote themselves

- Designations
- Awards
- Titles
- Business group names
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Resources

FINRA Notices

- FINRA Regulatory Notice 15-31, Debt Research (August 2015)

- FINRA Regulatory Notice 15-30, Equity Research (August 2015)

- FINRA Regulatory Notice 12-29, Communications with the Public. SEC Approves New Rules Governing Communications with the Public (June 2012)

- FINRA Regulatory Notice 12-03, Heightened Supervision of Complex Products (January 2012)

- FINRA Regulatory Notice 10-52, Application of Rules on Communications With the Public and Institutional Sales Material and Correspondence to Certain Free Writing Prospectuses (October 2010)

- FINRA Regulatory Notice 10-09, Reverse Convertibles. FINRA Reminds Firms of Their Sales Practice Obligations With Reverse Exchangeable Securities (Reverse Convertibles) (February 2010)

- FINRA Regulatory Notice 08-82, Sales Practice Obligations with Regard to Cash Alternatives (December 2008)

- FINRA Regulatory Notice 08-27, Supervising Registered Representatives’ Use of Marketing Materials to Establish Expertise (May 2008)
• FINRA Regulatory Notice 07-43, FINRA Reminds Firms of Their Obligations Relating to Senior Investors and Highlights Industry Practices to Serve these Customers (September 2007)

• Notice to Members 05-59, Structured Products. NASD Provides Guidance Concerning the Sale of Structured Products (September 2005)

• Notice to Members 03-71, Obligations When Selling Non-Conventional Investments (November 2003)

Investor Alert

• Structured Notes With Principal Protection: Note the Terms of Your Investment (June 2011)
  www.finra.org/investors/alerts/structured-notes-principal-protection-note-terms-your-investment

• Reverse Convertibles – Complex Investment Vehicles (February 2010)
  www.finra.org/investor/alerts/reverse-convertibles-complex-investment-vehicles