

2012 ARM National Conference

FINRA

Registration & Disclosure Systems and Policy Updates

January 24, 2012 • Sarasota, FL



Topics of Discussion

■ 2012 Roadmap

■ IARD, IAPD & Private Funds Reporting Depository (PFRD)

- Dodd-Frank Wall Street Reform and Consumer Protection Act – Software Delivery Impacts and Policy Implications
- Release 2011.4 – Highlights
- Release 2012.2 – Upcoming Enhancements

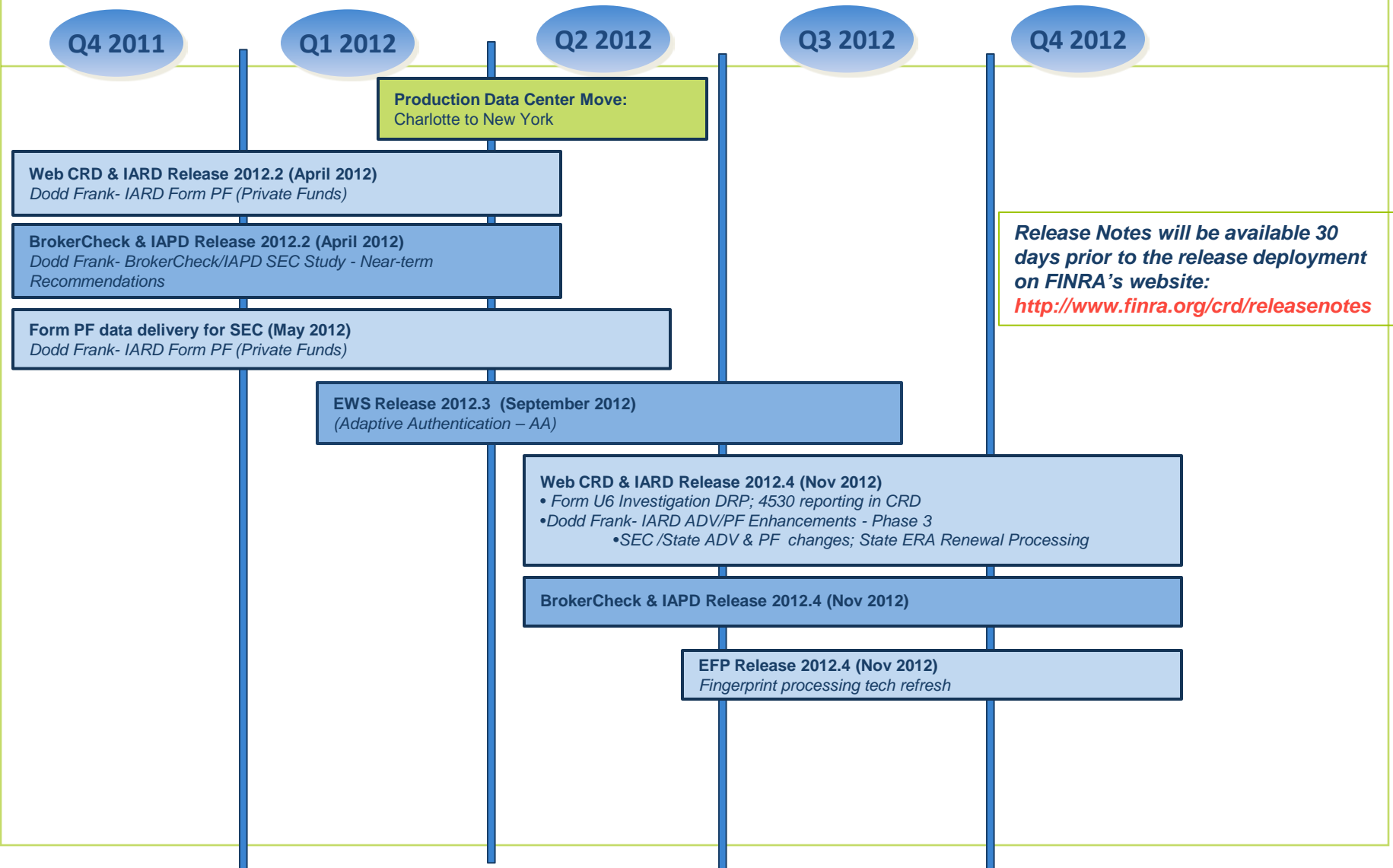
■ Web CRD

- Release 2011.4 – Highlights
- Expected Enhancements

■ Enterprise Web Security (EWS)

- Release 2011.4 – External Certification
- Release 2012.3 – Adaptive Authentication (AA)

2012 RAD Product Roadmap



Dodd-Frank Wall Street Reform and Consumer Protection Act Overview

- **In July 2010, Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act.**
- **Dodd-Frank makes numerous changes to the registration, reporting and recordkeeping requirements of the Investment Advisers Act of 1940.**
 - Eliminates the current “private adviser” exemption clause in the Investment Advisers Act of 1940. Replaces this “private adviser” exemption with several narrower exemptions.
 - Provides the SEC with the authority to collect data from investment advisers about their private funds.
 - Changes to the Assets Under Management threshold.

Dodd-Frank Wall Street Reform and Consumer Protection Act Overview (continued)

- **Dodd-Frank authorizes the SEC to collect data from investment advisers about their private funds for the purpose of assisting the Financial Stability Oversight Council (FSOC) in assessing systemic risk.**
- **Dodd-Frank (Section 919B) also required the SEC to conduct a study and implement recommendations on “Improved Investor Access to Registration Information About Investment Advisers and Broker-Dealers”**
 - The study resulted in the following “near-term” recommendations:
 - Further centralize access to BrokerCheck® and IAPD through a unified search functionality
 - Add functionality to search by ZIP Code or other indicator of location
 - Add educational content

IARD in a Dodd-Frank World

Release 2011.4 Highlights
Deployed: November 7, 2011



IARD: Dodd-Frank Impacts

- **IARD™ was updated to accommodate the changes required by the Dodd-Frank Act, including the introduction of Exempt Reporting Advisers (ERAs). Impacted areas include the following:**
 - Form Filing
 - Significant form changes
 - New filing page options will allow firm to file more than one filing type with one filing (e.g., register with the SEC and a jurisdiction on the same filing)
 - View Organization
 - Non-Filing Information
 - Queues
 - Notifications
 - Reports

Exempt Reporting Advisers (ERAs)

- **The Dodd-Frank Act requires certain investment advisers that are exempt from registration to nevertheless report to the SEC as an ERA via Form ADV.**
- **What is an ERA?**
 - An ERA is an investment adviser that qualifies for the exemption from registration under Section 203(l) of the Advisers Act because it is an adviser solely to one or more venture capital funds, or Rule 203(m)-1 under the Advisers Act because it is an adviser solely to private funds and has assets under management in the United States of less than \$150 million.
 - The ERA's client is the fund(s). An ERA does not have individuals as clients.
- **ERAs may also be required to report to and/or register with a state.**

SEC vs. State Registration

■ Current Assets Under Management (AUM) Requirements

- AUM Requirements for SEC Registration: AUM *greater than \$30 million*.
- AUM Requirements for State Registration: AUM *less than \$25 million*.
- Firms with AUM between \$25 million and \$30 million may choose to register with the SEC or state.

■ Dodd-Frank Changes to AUM Requirements:

- AUM Requirements for SEC Registration: AUM *greater than \$110 million*.
- AUM Requirements for State Registration: AUM *less than \$100 million*. (SEC-registered firms may continue to register with the SEC until AUM drops below \$90 million.)
- Firms with AUM between \$100 million (or \$90 million, if already SEC-registered) and \$110 million may choose to register with the SEC or state.

SEC vs. State Registration (continued)

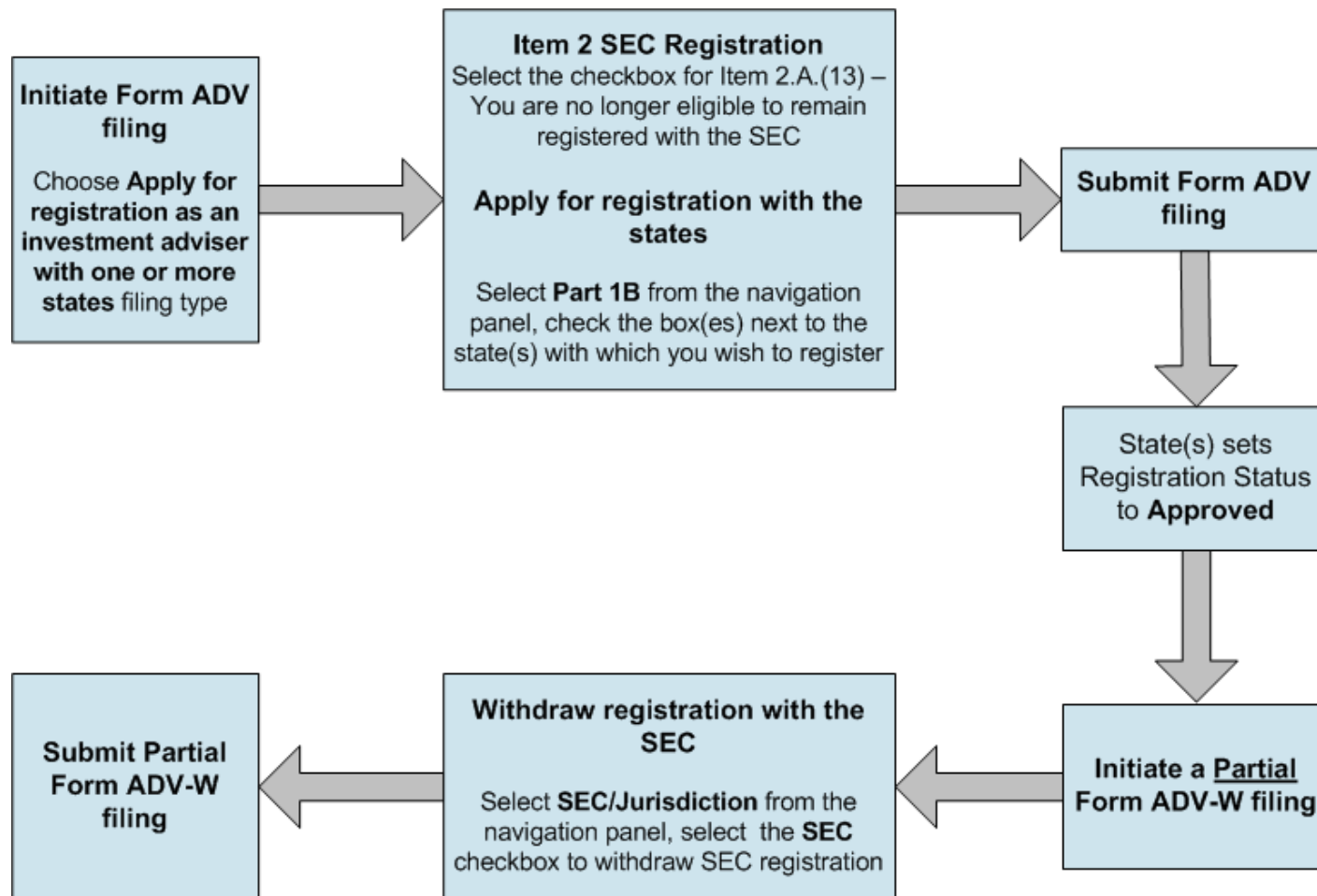
■ Regardless of AUM, a firm must register with the SEC if:

- The adviser is not required to be registered as an adviser in the state where it maintains its principal office and place of business; *or*
- The adviser is not subject to examination as an adviser by the state where it maintains its principal office and place of business.

Dodd-Frank Impact to IARD Firm Population

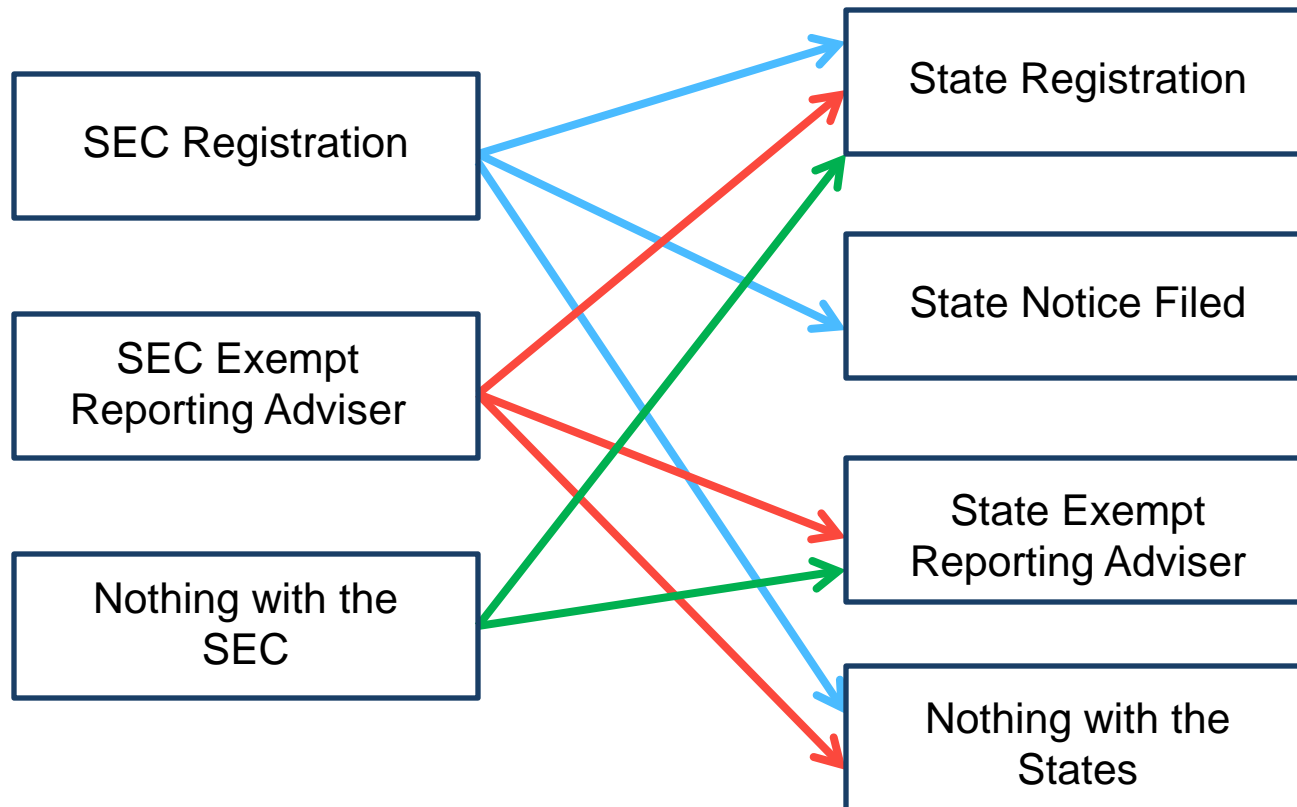
- The population of investment advisers filing in IARD is expected to increase with the introduction of ERAs.
- Many existing SEC-registered IA firms will be required to switch to state registration.

Filing Process – Switch from SEC-Registered to State-Registered



Investment Adviser Firm Registration/Reporting Types and Combinations

- The following diagram outlines the possible investment adviser registration combinations (from an SEC registration perspective):



New/Draft Filing Page

■ Added a New/Draft Filing hyperlink

- Pending Filing hyperlink was removed.
- Dynamic display of Form ADV filing options.

Create a New ADV Filing ? Printer Friendly

Select ADV Filing

- Organization Search
- **New/Draft Filing**
- Historical Filing


What filing(s) do you want to make? More than one may be selected.

- Submit an Amendment
 - Annual Updating Amendment for Fiscal Year ended December,
 - Other-Than-Annual Amendment
- Apply for registration as an investment adviser with one or more States
- Apply for registration as an investment adviser with the SEC (and file a Final Report as a State Exempt Reporting Adviser with all States, if any, that have received Exempt Reporting Adviser reports)
- File an Initial Report as an Exempt Reporting Adviser with one or more States
- File an Initial Report as an Exempt Reporting Adviser with the SEC

Note for advisers that already report as Exempt Reporting Advisers: To add States you report to as an Exempt Reporting Adviser, file an amendment and put a check beside those States you wish to add in Item 2.C. To remove States that you report to as an Exempt Reporting Adviser (file a Final Report), file an amendment and uncheck those States you wish to remove in Item 2.C.

New/Draft Filing Page (continued)

- Draft Filing Page will display if a Form ADV filing was created for the firm and has not been submitted.

?  Printer Friendly

Select ADV Filing

- Organization Search
- New/Draft Filing**
- Historical Filing

Draft Filing

Reference #	984374187487DDE
Primary Business Name	INVESTMENT ADVISER, LLC
Filing Type(s)	SEC ERA Reporting
Filing Creation Date	8/17/2011 10:23:22 AM
Expected Purge Date	12/15/2011
Submission Status	Pending Submission

Continue with Filing Delete Filing

Firm Look Up Feature in Schedule D


- A Look Up button was added to several Schedule D sections, enabling the system to populate the firm name field based on the SEC number or CRD® number entered.

SECTION 7.A. Financial Industry Affiliations	SEC ERA Reporting
Complete a separate Schedule D Section 7.A. for each <i>related person</i> listed in Item 7.A.	
1. Legal Name of <i>Related Person</i> : *	
<input type="text"/>	
2. Primary Business Name of <i>Related Person</i> : *	
<input type="text"/>	
3. <i>Related Person's</i> SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-)	
801	<input type="text"/> <input type="button" value="Look Up"/>
4. <i>Related Person's</i> CRD Number (if any):	
010101	<input type="button" value="Look Up"/>

SECTION 7.A. Financial Industry Affiliations
Complete a separate Schedule D Section 7.A. for each <i>related person</i> listed in Item 7.A.
1. Legal Name of <i>Related Person</i> : *
<input type="text" value="SECURITIES FIRM, LLC."/>
2. Primary Business Name of <i>Related Person</i> : *
<input type="text" value="SECURITIES FIRM, LLC."/>
3. <i>Related Person's</i> SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-)
801 - 00001 <input type="button" value="Look Up"/>
4. <i>Related Person's</i> CRD Number (if any):
010101 <input type="button" value="Look Up"/>

Generate Private Fund Identification Number

- Private Fund ID is used when reporting a private fund in Form ADV Schedule D, Section 7.B.

?  Printer Friendly

Generate a Private Fund ID


[Generate a Private Fund ID](#)

Click the button above to generate a *private fund* identification number for use in Form ADV to report a *private fund*. **This number is not associated with any *private fund* until a Form ADV is submitted that contains this number in Section 7.B. of Schedule D of Form ADV.** If more than one adviser will report the same *private fund* in Section 7.B. of Schedule D (e.g., there are subadvisers), these advisers will need to coordinate with each other to use the same *private fund* identification number in Form ADV.

See Instruction 6 to Part 1A of Form ADV

When filing Section 7.B.(1) of Schedule D identification number generator. You must file a Section 7.B.(1) for a *private fund*. If you file a Section 7.B.(1) for a *private fund* that has not previously been identified (1) for a master-feeder arrangement and feeder fund.

If any *private fund* has issued two or more portfolios of securities and other assets, with respect to series (or classes) that you

?  Printer Friendly

Generate a Private Fund ID

Write down this *private fund* identification number. It will be used to report a *private fund* in Form ADV. You must continue to use the same identification number whenever you amend Section 7.B. for that fund. This number is not associated with any *private fund* until a Form ADV is submitted that contains this number in Section 7.B. of Schedule D of Form ADV. If more than one adviser will report the same *private fund* in Section 7.B. of Schedule D (e.g., there are subadvisers), these advisers will need to coordinate with each other to use the same *private fund* identification number on Form ADV.

[Generate another Private Fund ID](#)

Private Fund ID	805-1614677089
Generated On	08/17/2011 09:12:34 AM

Additional IARD Changes

- **Schedule C no longer displays in the online Form ADV. Changes to Schedules A and B will show as being redlined when viewing the form in Print Historical.**
- **A checkbox was added to Form ADV Part 1A Disclosure Reporting Pages (DRPs) to request removal of a DRP filed in error. The checkbox was added to Criminal, Regulatory Action and Civil Judicial DRPs.**
- **SEC Notifications now go to all SEC-registered firms that entered an email address in Item 1.J and/or Item 1.K.**

Additional IARD Changes (continued)

■ ERA firms will be able to sign up via Web CRD Non-Filing Information to receive the following firm e-mail notifications:

- Notify when a filing has failed submission
- Notify when a U6 is filed against a registered firm
- Notify when firm account balance has gone below \$10,000.00
- Notify when firm account balance has gone below \$3,000.00
- Notify when firm account balance has gone below \$500.00
- Notify when firm account balance is 'Deficient'

IAPD

- IAPD was updated to accommodate the changes being made to the Form ADV.
- ERA reports and reporting status are also displayed on IAPD.

*Note: ERA Final Reports will **not** be displayed on IAPD; the ERA filing that was filed prior to the Final Report will be displayed.*

Dodd-Frank Information Resources

■ Guidelines on SEC registration/reporting: www.sec.gov/iard.

- For informational purposes, the SEC has marked, in red, the substantive changes made to Form ADV and posted the redlined version on the SEC website: www.sec.gov/divisions/investment/iard/formadv1a-comparison.pdf

■ State registration/reporting requirements vary by state

- The North American Securities Administrators Association (NASAA) provides additional information on state registration/reporting requirements as well as contact information for all state securities authorities: www.nasaa.org.
- NASAA has drafted a model rule for ERA reporting but not all states have adopted the model rule.
- IA Switching Resource Center on NASAA's website: www.nasaa.org/1719/ia-switch-resource-center/

■ FINRA Release Notes: www.finra.org/crd/releasenotes.

Web CRD Highlights

Release 2011.4
Deployed: November 2011



Web CRD

- For individuals included in a Regulatory Action Disclosure Questions Upload in 2009, the Filing History screen previously displayed “Willful – Regulatory Action”

Filing Date	Form Type	Filing Type	Source
07/12/2010	BR	Amendment	Firm A (11111)
06/18/2010	U4	Amendment	Firm A (11111)
06/18/2010	BR	Amendment	Firm A (11111)
05/27/2009	U4	Willful – Regulatory Action	Firm A (11111)
01/14/2009	BR	Amendment	Firm A (11111)

- This was updated to display “Upload – New U4 Questions”

Filing Date	Form Type	Filing Type	Source
07/12/2010	BR	Amendment	Firm A (11111)
06/18/2010	U4	Amendment	Firm A (11111)
06/18/2010	BR	Amendment	Firm A (11111)
05/27/2009	U4	Upload - New U4 Questions	Firm A (11111)
01/14/2009	BR	Amendment	Firm A (11111)

Web CRD (continued)

■ The following positions have been added to Forms U4 and U5:

* Positions are currently pending SEC approval and will not be available on the forms until SEC approval is granted.

** SRO is currently pending SEC approval and will be available on the forms until SEC approval is granted.

SRO/ Exchange	TP Proprietary Trader Principal ★	PT Proprietary Trader
NQX	★	
BX	★	
PHLX *		★
BOX **		★
BATS-YX *		★
BATS-ZX *		

Web CRD (continued)

■ The following position qualification requirements were revised:

**Series 7 passed on or before 11/07/2011.*

***GS effective approved equivalent on or before 11/07/2011.*

SRO/Exchange	MR (S52) Base Qualifiers	MP (S53) Prerequisite Qualifiers
FINRA	S52, MR(S52) & S7*	MR & GS**
NYSE	S52, MR(S52) & S7*	MR & GS**
AMEX	S52, MR(S52) & S7*	MR & GS**
CHX	S52, MR(S52) & S7*	MR & GS**
NSX	S52, MR(S52) & S7*	MR & GS**

Web CRD – Expected Enhancements

Release 2012.4

Tentative Deployment: November 2012



Web CRD – Expected Enhancements

- Form U6 will be modified to provide regulators with the ability to submit Investigation DRPs.
- Web CRD will be enhanced to enable FINRA member firms to indicate that data from specific Form U4 DRPs are being submitted to satisfy a Rule 4530 filing requirement.*
 - Eligible DRP types include:
 - Criminal
 - Regulatory Action
 - Investigation
 - Civil Judicial
 - Customer Complaint/Arbitration/Civil Litigation

** The above enhancement is subject to and contingent upon both FINRA and SEC approval.*

IAPD and BrokerCheck in a Dodd-Frank World

Release 2012.2

Tentative Deployment Date: April 30, 2012



Overview of BrokerCheck and IAPD Changes (919B “Near-Term” Recommendations)

■ Unified Search

- BrokerCheck and IAPD will continue to be two separate websites.
- Both BrokerCheck and IAPD will enable users to *search* for brokers, investment advisers (*i.e.*, both firms/individuals).
- BrokerCheck and IAPD will continue to have their own set of rules for display of broker & investment adviser information respectively.

■ Zip Code Search

- Will include firms/individuals that are *currently* located at the following types of locations:
 - Registered locations
 - Non Registered locations
 - Main Offices

■ Educational Content

- Add “?” icons on the search, results and summary pages to provide quick help on terminology
- Explanatory text changes

Current Search

Simple Search

Investors > Tools & Calculators > FINRA BrokerCheck > Search

FINRA BrokerCheck - Simple Search

Broker Brokerage Firm

START SEARCH

BrokerCheck provides information about all current and former FINRA-registered firms. It also provides information about individual brokers who:

- are currently FINRA-registered,
- have been registered with FINRA within the last ten years, or
- have ever been (1) the subject of a final regulatory event, (2) convicted of or pled guilty or nolo contendere to a crime, (3) the subject of a civil injunction or civil court finding involving a violation of any investment-related statute(s) or regulation(s), or (4) a respondent or defendant in an arbitration or civil litigation which resulted in an award, decision or judgment for a customer that has been reported to CRD.

To search for a broker, enter the individual's first and last name or the individual's CRD#, select the Broker button, and then select Start Search.

To search for a brokerage firm, enter the firm's name or CRD#, select the Brokerage Firm button, and then select Start Search.

If your search returns multiple results, place your search text (exact spelling) within quotations, (e.g., "Jane Doe").

If you are having problems with your search, either perform an Advanced Search, a Firm Index search, or call FINRA's BrokerCheck Hotline at (800) 289-9999.

Do you need help searching?

Advanced Search

FINRA BrokerCheck - Advanced Search

Broker

To search for an individual broker, enter either the broker's first and last names or CRD#. If you enter the CRD#, no other information is needed. To help narrow your search results, you can also enter the name of the broker's current or previous employing brokerage firm (or the firm's CRD#), if known. If you are unsure of the spelling of the broker's name, change the search assistance default from "Exact Match" to either "Begins With" or "Sounds Like."

First Name

 Exact Match ▼

Middle Name (optional)

 Exact Match ▼

Last Name

 Exact Match ▼

Broker's CRD# (optional)

Employing Brokerage Firm's Name (Current or previous)

 Begins With ▼

Employing Brokerage Firm's CRD# (optional)

START BROKER SEARCH

Do you need help searching?

Brokerage Firm

To search for a brokerage firm, enter the firm's name or the firm's CRD#. If you enter the CRD#, no other information is needed. If you are unsure of the first word of the firm's name, change the search assistance default from "Begins With" to "Sounds Like."

Firm's Name

 Begins With ▼

Firm's CRD# (optional)

START FIRM SEARCH

Do you need help searching?

FINRA BrokerCheck - Simple Search

Broker Brokerage Firm


START SEARCH

Your search has retrieved more than the 100 maximum search results allowed by this system. Please refine your search criteria

New Search

Investors > Tools & Calculators > FINRA BrokerCheck > Search

FINRA BrokerCheck - Search

Individual Firm 

START SEARCH

BrokerCheck provides information about all current and former FINRA-registered firms. It also provides information about individual brokers who:

- are currently FINRA-registered,
- have been registered with FINRA within the last ten years, or
- have ever been (1) the subject of a final regulatory event, (2) convicted of or pled guilty or nolo contendere to a crime, (3) the subject of a civil injunction or civil court finding involving a violation of any investment-related statute(s) or regulation(s), or (4) a respondent or defendant in an arbitration or civil litigation which resulted in an award, decision or judgment for a customer that has been reported to CRD.


Do you need help searching?


Provides quick help on BrokerCheck terminology


Additional search options will display based on Individual/Firm selection (See next page)

New Search (continued)


FINRA BrokerCheck - Search

Individual Firm 

Individual Name or CRD#: 

Employing Firm Name or CRD# or SEC# 
(Current or previous)

Zip Code within

5 Miles 

5 Miles

15 Miles

25 Miles



START SEARCH

Individual Unified Search will include

- RRs
- IARs
- Dually Registered Reps

Firm Unified Search will include


- BDs
- IAs
- Joint Firms

Zip Code – Search all of the following:


- registered locations
 - non registered locations
 - main offices
- where a registered person is *currently* located

FINRA BrokerCheck - Search

Individual Firm 

Firm Name or CRD# or SEC#: 

Zip Code within

5 Miles 

5 Miles

15 Miles

25 Miles



START SEARCH

Search Results – Individuals

Current

FINRA Home | About FINRA | Newsroom | Search

Investors | Tools & Calculators | Contacts | Subscriptions

Protect Yourself | Smart Investing | Market Data

FINRA BrokerCheck - Search Results

Below is a list of all possible matches that were returned based on the search criteria you provided. Review the information below to determine the brokerage firm or individual broker you would like to view. Select the brokerage firm or individual broker to view the information available on BrokerCheck.

Results 1 to

Legal Name (CRD#)	Other Names	Current Employing Brokerage Firms (CRD#)
TEST BROKER1 (55555)	DUAL BROKER1	TEST BD FIRM1 (5) TEST BD FIRM2 (55)
TEST BROKER2 (11111)		Not FINRA-Registered since 01/2009

1 2

New Search

Search Links

- Simple Search
- Advanced Search
- Brokerage Firm Index
- Simple Search Help
- Advanced Search Help

BrokerCheck Related Links

- About BrokerCheck Reports
- Glossary
- FAQ
- Additional Resources
- BrokerCheck Feedback

New
(no ZIP Code)

FINRA BrokerCheck - Search Results

Below is a list of all possible matches that were returned based on the search criteria you provided. Review the information below to determine the brokerage firm or individual broker you would like to view. Select the brokerage firm or individual broker to view the information available on BrokerCheck.

Results 1 to

LEGAL NAME (CRD#)	OTHER NAMES	CURRENT EMPLOYING FIRMS (CRD/IARD#)
TEST BROKER1 (55555) View Summary: ■ Broker ■ Investment Adviser	DUAL BROKER1	TEST BD FIRM1 (5) TEST ADVISER FIRM1 (55)
TEST ADVISER 1 (555555) View Summary: ■ Investment Adviser (Not IA Registered since 12/2005)		
TEST BROKER2 (111111) View Summary: ■ Broker ■ Investment Adviser (Not IA Registered since 10/2009)		TEST BD FIRM2 (22)
TEST ADVISER 2 (1111) View Summary: ■ Broker (Not FINRA Registered since 05/2011) ■ Investment Adviser	DUAL ADVISER 2	TEST ADVISER FIRM2 (555)




Search Results – Individuals (continued)

New (with ZIP Code)

FINRA BrokerCheck - Search Results

Below is a list of all possible matches that were returned based on the search criteria you provided. Review the information below to determine the brokerage firm or individual broker you would like to view. Select the brokerage firm or individual broker to view the information available on BrokerCheck.

Results 1 to 2 of 2

LEGAL NAME (CRD#)  SUMMARY INFORMATION	OTHER NAMES 	CURRENT EMPLOYING FIRM (CRD/IARD#)  / MATCHED LOCATIONS
TEST BROKER1 (55555) View Summary: <ul style="list-style-type: none"> ■ Broker ■ Investment Adviser 	DUAL BROKER1	TEST ADVISER FIRM1 (5) <ul style="list-style-type: none"> ■ 1K ST, WASHINGTON DC 20001 ■ 10K ST, WASHINGTON DC 20001 TEST BROKER FIRM1 (55)
TEST ADVISER 1 (11111) View Summary: <ul style="list-style-type: none"> ■ Investment Adviser 	TEST BROKER 2	TEST ADVISER FIRM2 (555) <ul style="list-style-type: none"> ■ 24NW, WASHINGTON DC 20001

Search Results – Firms

Current

FINRA Home | About FINRA | Newsroom | Search

Investors Tools & Calculators | Contacts | Subscriptions

Protect Yourself | Smart Investing | Market Data

Investors > Tools & Calculators > FINRA BrokerCheck > Search > Search Results

FINRA BrokerCheck - Search Results

List View

Below is a list of all possible matches that were returned based on the search criteria you provided. Review the information below to determine the brokerage firm or individual broker you would like to view. Select the brokerage firm or individual broker to view the information available on BrokerCheck.

Results 1 to

Matched Name ▲ (CRD#)	Legal Name	Business Name (If Different)	FINRA Status
DUAL FIRM 1 (1)	LEGAL NAME 1	BUSINESS NAME 1	Active
BROKER FIRM 1 (1111)	LEGAL NAME 2	BUSINESS NAME 2	Inactive

New Search

New (no ZIP Code)

FINRA BrokerCheck - Search Results

Below is a list of all possible matches that were returned based on the search criteria you provided. Review the information below to determine the brokerage firm or individual broker you would like to view. Select the brokerage firm or individual broker to view the information available on BrokerCheck.

Results

LEGAL NAME (CRD/ IARD#) ⓘ SUMMARY INFORMATION	OTHER NAMES ⓘ	SEC# ⓘ
DUAL FIRM 1 (1) View Summary: <ul style="list-style-type: none"> Broker Investment Adviser 		801-#### 8-####
IA FIRM 1 (11) View Summary: <ul style="list-style-type: none"> Investment Adviser (IA - Inactive) 		801-####
IA FIRM 2 (111) View Summary: <ul style="list-style-type: none"> Investment Adviser 		801-####
BROKER FIRM 1 (1111) View Summary: <ul style="list-style-type: none"> Broker (FINRA - Inactive) 	BROKER FIRM 2	8-####





Search Results – Firms (continued)

New (with ZIP Code)

FINRA BrokerCheck - Search Results

Below is a list of all possible matches that were returned based on the search criteria you provided. Review the information below to determine the brokerage firm or individual broker you would like to view. Select the brokerage firm or individual broker to view the information available on BrokerCheck.

Results

LEGAL NAME (CRD/ IARD#) 	OTHER NAMES 	SEC# 	MATCHED LOCATIONS 
SUMMARY INFORMATION DUAL FIRM 1 (1) View Summary: <ul style="list-style-type: none"> ■ Broker ■ Investment Adviser 		801-##### 8-#####	<ul style="list-style-type: none"> ■ 1 MAIN STREET, SF211MN-05-305, SAN FRANCISCO, CA 94105 ■ 12 CALIFORNIA ST., SAN FRANCISCO, CA 94105 ■ 11 FREMONT STREET, SAN FRANCISCO, CA 94105
IA FIRM 1 (11) View Summary: <ul style="list-style-type: none"> ■ Investment Adviser (IA - Inactive) 		801-#####	<ul style="list-style-type: none"> ■ 1 MAIN ST, SF211MN-05-305, SAN FRANCISCO, CA 94105
IA FIRM 2 (111) View Summary: <ul style="list-style-type: none"> ■ Investment Adviser 		801-#####	<ul style="list-style-type: none"> ■ SAN FRANCISCO, CA
BROKER FIRM 2 (1111) View Summary: <ul style="list-style-type: none"> ■ Broker (FINRA - Inactive) 	DUAL FIRM 2	8-#####	<ul style="list-style-type: none"> ■ 1 MAIN STREET SAN FRANCISCO, CA

919B Study “Intermediate-Term” Recommendation

- **Analyze the feasibility and advisability of expanding BrokerCheck/IAPD to include information currently available in CRD, as well as the method and format of publishing that information.**
 - Implications:
 - Seek additional investor and other BrokerCheck user feedback
 - Consider additional ways to raise the profile of BrokerCheck
 - Consider additional methods of/formats for publishing BrokerCheck data
 - Consider, in light of feedback, changes to FINRA rules

Private Fund Reporting Depository (PFRD)

Release 2012.2

Tentative Deployment Date: April 30, 2012



PFRD Release Information

■ Timeline

- RAD Release 2012.2 is scheduled to deploy April 30, 2012.
 - Please note that both the timing and content of the release are subject to change.
- XML documentation will available in March 2012.

■ User Testing

- March – April 2012
- If your firm would like to participate, please send an email to:
UAT.RAD@finra.org

■ Release Notes

- Release Notes will be made available approximately 30 days prior to deployment on the FINRA website at: www.finra.org/crd/releasenotes

Private Fund Reporting Depository (PFRD)

- A new system called the Private Fund Reporting Depository (PFRD) is being created to submit and view Form Private Funds (PF) information.

CRD Main IARD Main PFRD Main		
Site Map		
PFRD Main		Forms
User Info		Form Filing
FAQ		New/Draft Filing
Release Notes		Generate a Private Fund Identification Number
Recommended Hardware/Software		Historical Filing
Send Comments		Filing Upload
Admin Tools		Manual Upload
Account Administration		
Change Password/Change Account Profile		

Form PF

- **The Form PF will provide the SEC with detailed financial information for all private funds that meet the Form PF reporting thresholds.**
- **Only SEC-registered advisers will be entitled to submit the Form PF.**
- **Private fund information is required to be added to Form ADV Schedule D, Section 7.B.(1) prior to being filed on the Form PF.**
 - Commodity Pools that are not private funds may be reported on the Form PF. These funds will be treated as Hedge Funds on the Form PF.
- **Related persons may (but are not required to) report on a single Form PF information with respect to all such related persons and the private funds they advise.**
- **There will be a filing fee for the Form PF.**
 - Annual Filers – \$150 per year
 - Quarterly Filers – \$150 for each quarterly filing (\$600 per year)
 - Please see SEC Release IA-3297 for details:
www.sec.gov/rules/other/2011/ia-3297.pdf

Enterprise Web Security (EWS)

External Certification – Deployed November 2011
Release 2011.4

Adaptive Authentication – Tentative Deployment September 2012
Release 2012.3



EWS Release 2011.4 – External Certification

- **In November 2011, FINRA introduced a new annual certification process that requires an organization’s Super Account Administrator (SAA) to “certify” once a year that all user accounts for all FINRA systems that entitle via EWS are valid.**
- **Emails were sent to firm SAAs at the start of the certification period.**
 - The certification period began in early November 2011.
 - SAAs were given 30 calendar days to certify and reminder emails were periodically sent during the certification period.
- **The SAA and all of their Account Administrators lost their ability to create or edit user accounts if an organization did not comply by the due date.**

EWS Release 2012.3 – Adaptive Authentication

■ Background/Current State

- EWS provides a secure way to access participating Web-based FINRA systems with a shared entitlement service.
- Today, authorized users can access entitled FINRA systems with a single user ID and password combination.

■ Proposed New Security Feature

- Adaptive Authentication (AA) will require entitled users to answer a user generated “challenge” question(s), when accessing an EWS entitled system from an unrecognized web-enabled device (PC, laptop, etc.).
- This new security measure will be in addition to providing a user ID and password.
- The implementation of an additional level of security will provide users with an additional safe-guard against unauthorized access to FINRA applications.
 - The solution is non-intrusive and has been widely adapted throughout the financial services industry.

Questions?

2012 ARM National Conference

FINRA

**RAD Testing, Continuing Education & Disclosure
Updates and Member Relations Update**

January 24, 2012 - Sarasota, FL



Topics of Discussion

■ Testing & Continuing Education

- Operations Professional Update
- Series 7 Content Outline Revisions
- Limited English Proficiency Accommodations Requests
- Qualification Examination Fee Filing with the SEC
- CE Program Redesign Update

■ Member Relations Update

- FINRA Contact System Update
- Firm Compliance Resources & Tools

■ Regulatory Review & Disclosure Updates

- Disclosure Reminders
- Disclosure Filing Tips
- BrokerCheck Dispute Process

Operations Professional Registration Update

■ Registrants – approximately 35,000 have requested

- Qualify using a preexisting registration – approximately 27,000
- Qualify by taking the Series 99 exam – approximately 8,000

■ Exam Introduction process

■ Finalization of exam and passing score – 68% correct

■ A little more than 100 candidates have taken the exam

Series 7 Exam Revision

- **The Series 7 exam was revised effective November 7, 2011 (see Regulatory Notice 11-45).**
- **The revision was based on a job analysis study that involved committees of industry representatives reviewing the exam program and data collected on the current activities performed by a general securities registered representative and the underlying knowledge required to perform those activities (e.g., product knowledge and rule knowledge).**
- **The Series 17, 37 and 38 exam programs have also been similarly revised.**
- **The exam content outline describes five major job functions, 28 tasks and the underlying knowledge required to perform the functions and tasks.**

Five Major Job Functions of the Series 7 Exam

Job Functions	%	#
Seeks Business for the Broker-Dealer through Customers and Potential Customers	27%	68
Evaluates Customers' Other Security Holdings, Financial Situation and Needs, Financial Status, Tax Status, and Investment Objectives	11%	27
Opens Accounts, Transfers Assets, and Maintains Appropriate Account Records	11%	27
Provides Customers with Information on Investments and Makes Suitable Recommendations	28%	70
Obtains and Verifies Customer's Purchase and Sales Instructions, Enters Orders and Follows Up	23%	58
TOTAL	100%	250

What has changed on the Series 7 Exam?

- Some new topics have been added/emphasized and a few have been removed/de-emphasized
- The number of questions assessing various product knowledge covered on the exam has changed
- Decrease in the number of municipal securities questions
- Decrease in the number of options questions
- Increase in the number of questions addressing other products (e.g., equities, packaged securities and other fixed income products)
- The scaled score required to pass the exam has been increased from 70% to 72%

Municipal Securities Activities and the Revised Series 7 Exam

- To engage in municipal securities sales activities an individual must pass either the Series 7 exam or the Series 52 exam.
- The Series 7 exam will qualify an individual as a “municipal securities sales limited representative.” This is a subcategory of municipal securities representative. An individual in this category is limited exclusively to sales to, and purchases from, customers of municipal securities.
- To engage in municipal securities underwriting activities and other municipal securities activities that are beyond the scope of sales activities, individuals must pass the Series 52 exam.
- The Series 52 exam qualifies an individual as a “municipal securities representative.” An individual in this category is qualified to engage in municipal securities underwriting activities and sales to, and purchases from, customers of municipal securities.

Municipal Securities Activities and the Revised Series 7 Exam (continued)

- Individuals who passed the Series 7 prior to November 7, 2011, and have maintained this registration will qualify as full municipal securities representatives.
- These individuals will have met the pre-requisite for the Series 53 exam.
- The revised Series 7 exam will not be accepted as a prerequisite for the Series 53 (Municipal Securities Principal) exam. Such persons will need to pass the Series 52 exam prior to taking the Series 53 exam.

Limited English Proficiency (LEP) Accommodation Requests

■ Current Process

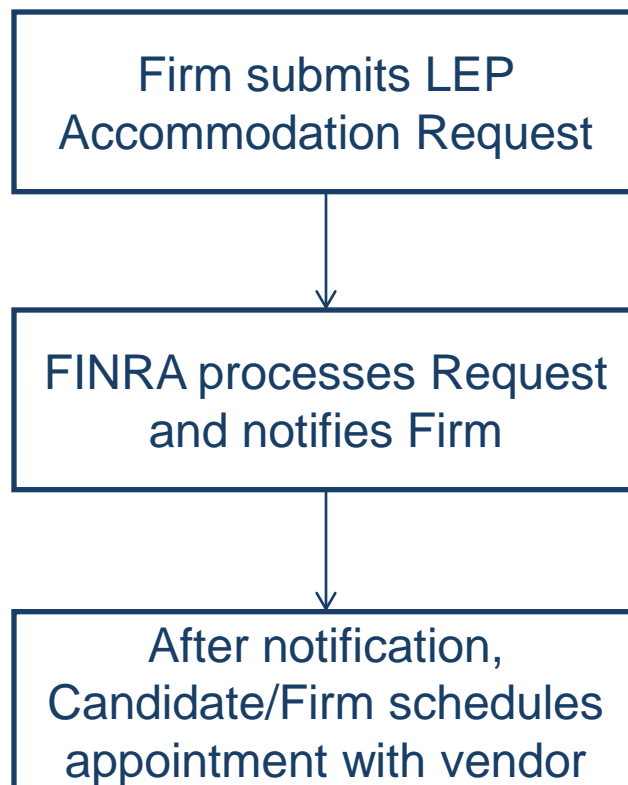
- When scheduling with one of FINRA's delivery vendors (Pearson VUE or Prometric), candidates for whom English is not their primary language may request additional time. Appointments must be made through one of our vendor's call centers.
- A candidate may schedule an appointment with additional testing time:
 - An additional 30 minutes for exams with test times up to 2 hours.
 - An additional 60 minutes for exams with test times greater than 2 hours.
- On the day of testing, the member firm sends a letter with the candidate to the Testing Center confirming the need for additional time.

LEP Accommodation Requests (continued)

■ New Process:

- Candidate and principal at the firm would complete and submit a FINRA LEP Request Form on behalf of candidates who qualify for the LEP accommodation.
- Both the individual and firm would represent and attest that the candidate is LEP eligible.
- After FINRA accepts the Request Form, the candidate's record will be flagged in PROCTOR to make him/her eligible for extra time.
- FINRA would maintain the Forms electronically for five years pursuant to FINRA's record retention policy.

LEP Accommodation Request Process



Qualification Examination Fee Changes

- **FINRA staff completed the annual evaluation of Qualification examination expenses and revenue**
- **A rule filing proposing increases to FINRA's qualification examination fees will soon be filed with the SEC**
- **Proposed fee increases range from \$10 to \$25 per examination**

Continuing Education (CE) Redesign Project Update

- Two years ago, FINRA rolled out the revised S101 and S106 programs.
- Results have been very good and feedback from the industry continues to be positive.
- The redesigned S201 (or the Supervisor's) program was rolled out at the beginning of this month.

CE S201 Redesign

- Program was redesigned using the same principles used for the S101 and S106 programs.
- Increased focus on learning objectives and education.
- Inclusion of resource materials available throughout the entire case.
- Assessment activities that are focused on the learning objectives and material presented.
- Individuals must show proficiency in each module to successfully complete the CE requirement.

Learning Objectives

GLOSSARY

Upon successfully completing this case, you should be able to show proficiency in the activities that relate to the following Learning Objectives:

Recognize the features of the following equity and debt products:

- Preferred Stock
- Common Stock
- Bonds

Define the following types of preferred stock:

- Cumulative
- Non-cumulative

Identify the following features of a preferred stock:

- Convertible
- Callable
- Participating

TIP -- The Rollovers and Resources should be used to enhance your understanding of the subject matter and help you to complete the activities.

PREV

NEXT



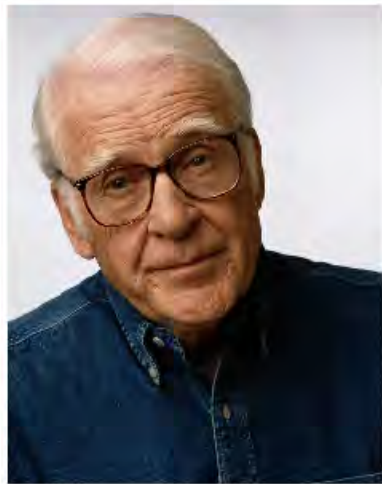
Scene 1 Meet The Characters



Lou Baskin
Client



Bill
FP



INTRODUCING
Lou Baskin
Client

Lou is a client of Bill Pierce. He's been retired for two years and is currently living on his investments and pension.

Scene 1

Roll your cursor over the photo for more information.



Lou Baskin
Client

Bill
RR

GLOSSARY

- Participating Preferred
- Callable Preferred
- Convertible preferred
- Suitability

RESOURCES

- Non-cumulative
- Cumulative
- Common stock
- Bonds
- Preferred stock

ACTIVITY INSTRUCTIONS

Sequence the answer choices in chronological order, from what should happen first (1) to last (4), by sliding your selections into the gray slots in the middle. You may change your selections prior to clicking Submit. When you have finished, click the Submit button and the answers will be revealed and explained.

If a public company goes into bankruptcy, in what order would the debtors be paid?

	Place Answers Here	Items to Sequence
Owners of preferred stock	<input type="text"/>	<input type="text"/>
Vendors/Contractors	<input type="text" value="1"/>	<input type="text" value="2"/>
Bond holders	<input type="text"/>	<input type="text" value="3"/>
Owners of common stock	<input type="text"/>	<input type="text" value="4"/>

PREV NEXT SUBMIT

CE S201 Redesign (continued)

■ Module Structure

- Module A - Supervision & Control
- Module B - Customer Accounts, Trade & Settlement Practices
- Module C - New & Secondary Offerings
- Module D - Product Knowledge

■ Case Structure (same as S101 and S106)

- Main Scenario
- Vignette 1
- Vignette 2

■ Each case presents three opportunities to demonstrate proficiency

■ Maximum of two cases presented in each module

CE S201 Redesign (continued)

- Strongly recommend that individuals review the new content outline, new format and a sample case at:

cedemo.finra.org

2

Member Relations Update



FCS Update and Resources

- **FINRA Contact System (FCS) was redesigned and incorporated into the Firm Gateway in April 2011.**
 - System Enhancements
 - New Functionality

- **FINRA gives firms access to a wealth of information, resources and tools to help them achieve their compliance goals.**
 - Firm Gateway®
 - Resources
 - Compliance Resource Providers
 - Firm Profile
 - Branch
 - Registered Representatives

My Firm Information

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FINRA Contact System

[Annual Review](#) **DUE**
[Roles](#)
[Contacts](#)
[Reports](#)

The following Contacts are currently associated with roles at your firm. Please review each Contact's information and update any role assignments as appropriate. From this page you can perform the following actions:

- Associate a Contact to a role, select "Assign"
- Remove the association between the Role and the Contact, select "Remove"
- Reassign the role to a different Contact, select "Replace"
- Associate an additional Contact to a Role, select "Add"
- Update Contact's details, select the Contact's name
- Access a detailed description of a Role, select the Role label

Note: You can also filter this page by Role Type or Contact Name by selecting the appropriate radio button and viewing the dropdown.

 Filter by Role Type

 Filter by Name

Role Type	Name	Contact Information	Assigned Date	Actions
Required Roles				
<u>Chief Executive Officer (CEO) or Partner*</u>	<u>DOE JOHN</u>	555-555-5555 jdoe@somebrokerdealer.com 111-111-1111 john.doe@homeemail.com	10/21/2010	Replace Remove
<u>Executive Representative (ER)*</u>	<u>DOE JANE</u>	555-555-1111 janedoe@somebrokerdealer.com	12/14/2011	Replace Remove
<u>Designated Assistant for ER</u>	<u>DOE JON</u>	555-555-0000 jondoe@somebrokerdealer.com	05/04/2007	Replace Remove
<u>Anti-Money Laundering Compliance Contact(AML)- Primary*</u>	<u>DOE JON</u>	555-555-0000 jondoe@somebrokerdealer.com	06/25/2010	Replace Remove
<u>Anti-Money Laundering Compliance Contact(AML) - Alternate</u>	<u>DOE JANE</u>	555-555-1111 janedoe@somebrokerdealer.com	06/25/2010	Replace Remove Add

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FINRA Contact System

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Edit Contact: JANE DOE

From this page you can:

- Update a contact's details, select the "Edit" button
 - Delete the contact from FCS and remove all associated roles, select the "Delete" button
 - To transfer the roles associated with this contact to another contact, select the "Transfer Roles" button.
- Note: This option is only available when the contact is currently assigned to a role.

[Add Contact](#)

Edit

[Delete](#)

[Transfer Roles](#)

Select Contact

Last Name Starts with:

ALL

DOE JANE

DOE JOHN

DOE JON

SMITH JANE

Contact Person

CRD#:	1111111
Salutation:	Ms.
First Name:*	JANE
Middle Name:	
Last Name:*	DOE
Suffix:	
Position Title:*	Director of Compliance

Phones

Primary Phone:*	555-555-1111
Secondary Phone:	
Fax:*	555-555-1123

E-mails

Primary E-mail:*	janedoe@somebrokerdealer.com
Secondary E-mail:	

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Annual Review **DUE**

Roles

Contacts

Reports

Edit Contact: JANE DOE

Please perform all the required changes on the information below and select "Save".

Add Contact

Save

Cancel

Select Contact

Last Name Starts with:

ALL ▼

DOE JANE

DOE JOHN

DOE JON

SMITH JANE

Contact Person

CRD#:	1111111
Salutation:	Ms. ▼
First Name:*	JANE
Middle Name:	
Last Name:*	To report a name change for this Contact person, please file a Form U4 in CRD. DOE
Suffix:	▼
Position Title:*	Director of Compliance

Phones

Primary Phone:*	555-555-1111
Secondary Phone:	
Fax:*	555-555-1123

E-mails

Primary E-mail:*	janedoe@somebrokerdealer.com
Secondary E-mail:	

Address

From the Current Address drop down, select one of the addresses currently used by your firm or select "Add new address", to add a new address to the system.

Current Address:	213 Main Street Rockville Maryland 20878 UNITED STATES ▼
Country:*	Add new address
Street Line 1:*	213 Main Street Rockville Maryland 20878 UNITED STATES
Street Line 2:	456 Towncenter Road Bethesda Maryland 20814 UNITED STATES
Street Line 2:	5th Floor
City:*	Rockville

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FINRA Contact System

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 - To transfer the roles associated with this contact to another contact, select the "Transfer Roles" button.
- Note: This option is only available when the contact is currently assigned to a role.

Select Contact

Last Name Starts with:

ALL

- DOE JANE**
- DOE JOHN
- DOE JON
- SMITH JANE

Transfer Role x

First select role(s) below to transfer from **JANE DOE**

Current Assigned Roles:

Select All

Emergency Contact - (BCP) Primary
 Continuing Education
 Regulatory Inquiries

Anti-Money Laundering Compliance Contact(AML)-Primary
 CRD Renewals
 Designated Assistant for ER

Next select an individual from the Eligible Contacts list to transfer the selected roles to.

<p>Eligible Contacts</p> <div style="border: 1px solid gray; padding: 2px;"> DOE JOHN DOE JON SMITH JANE REP REGGIE </div>	<p>Contact Information</p> <p>Name: JANE SMITH Position Title: Operations Supervisor Primary Phone: 555-555-3333 Secondary Phone: Fax: 555-555-3356 Primary E-mail: janesmith@somebrokerdealer.com Secondary E-mail: Address: 213 Main Street Rockville, Maryland 20878 UNITED STATES</p>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

City: * Rockville

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FINRA Contact System

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- Report by Role
- Report by Name
- Snapshot Report
- Annual Review Report

Report by Name

The Report by Name provides the history of the changes made to a specific Contact based on the dates provided. This report will only display information for individuals that currently have or previously had a record in FCS.

To request a report, enter a "From Date" (MM/DD/YYYY) and a "To Date" (MM/DD/YYYY), then enter the Contact's name (full or partial), then select "Go."

From Date:*

To Date:*

Search Name:*

[Go](#)

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To request a report, enter a "From Date" (MM/DD/YYYY) and a "To Date" (MM/DD/YYYY), then enter the Contact's name (full or partial), then select "Go."

From Date:* To Date:*

Search Name:*

Changes for the Contact: smith

Date	Contact Name	Details	User ID
05/01/2011	SMITH JANE	Removed SMITH DOE JANE CRD# 2222222 from CRD Renewals	jdое2
01/04/2010	SMITH JANE	Contact Information changed Changed Secondary Email from jdsmith@somebrokerdealer.com to janesmith@somebrokerdealer.com Changed Street Address from 213 Main Street Rockville to 456 Towncenter Road Bethesda	jdое2
01/04/2010	SMITH JANE	Associated SMITH DOE JANE CRD# 2222222 to CRD Renewals	jdое2
01/04/2010	SMITH JANE	Contact Information changed Changed Position Title from Ops Lead to Operations Supervisor	jdое2
07/14/2008	SMITH JANE	Contact Information changed Changed Street Address from 999 South Faraway Drive Rockville to 213 Main Street Rockville	jdое2

Compliance Resource Providers

- **FINRA seeks to assist firms' compliance efforts by finding, reviewing and making third-party tools and services available at discounted prices or with additional features.**

- **Current services are:**
 - Message Archiving – Global Relay Communications, Inc.
 - Electronic Fingerprint Submission – Business Information Group (BIG), Inc.
 - Insurance Program – Seabury & Smith, Inc.

- **For more information on Compliance Resource Providers program: *www.finra.org/complianceresourceproviders***

Industry Professionals

Tools | Contacts | Subscriptions

Regulation | Compliance | Education | Enforcement

Regulation

FINRA Rules | Rule Filings | Notices | Requests for Comments | Guidance

Compliance

Registration | Regulatory Filings | Report Center | Market Transparency | Continuing Education | Compliance Exams

Education

Conferences & Events | Compliance Boot Camps | Online Learning | University Programs

Enforcement

Sanction Guidelines | Adjudication | Disciplinary Actions

REGISTRATION RENEWAL



2012 Renewal Program
Payment due 12.12.11
[View detailed information](#)

What's New

Testimony

Vice Chairman Stephen Luparello Before the Subcommittee on Securities, Insurance, and Investment

Regulatory Notice

Electronic Blue Sheet (EBS) Submissions

Podcast

Senior Designations – Part 2

Email to Firms

Update: FINRA Board of Governors Meeting

Regulatory Notice

Short Interest Reporting Requirements

Testimony

Vice Chairman Stephen Luparello Before the Committee on Agriculture

REGULATORY RESPONSE



Office of the Whistleblower
[Learn more >>](#)

Industry Issues

- Advertising
- Anti-Money Laundering
- Breakpoints
- Business Continuity Planning
- Customer Information Protection
- Mergers, Acquisitions and Business Transfers
- Senior Investors
- Supervisory Control
- Variable Annuities

[More Issues >](#)

More Resources

- Small Firms Information
- Content Licensing
- E-Bill
- International
- Regulatory Services
- Order Printed Publications
- Arbitration & Mediation

FIRM GATEWAY [SIGN IN](#)

Most Viewed

- FINRA BrokerCheck
- OFAC Search Tool
- FINRA Disciplinary Actions Online Database
- FINRA Registration and Examination Requirements
- Regulatory Element Training Resources
- FINRA E-Learning Courses
- Central Registration Depository (CRD®)
- Qualification & Exams
- Web CRD and Related System Links
- Current Uniform Registration Forms for E-Filing (Web CRD)
- Qualifications
- Qualifications Cancellation and Reschedule Policy

CRD Individual Search

CRD#, SSN# or Name

Jane Doe	1111111
Jane Doe Smith	2222222
John Doe	4444444
Jon Doe	5555555
Jack Doe	9999999

CRD Renewal Account

(as of 12/16/2011)

Assessed Amount	\$35,906.00
Payments Recd.	\$0.00
Amount Due	\$35,906.00
Due Date	12/12/2011

[View the Renewal Program Calendar](#)

My Quicklinks

[Edit](#)

- Update Broker Info (U4)
- Request CRD Reports
- FINRA Contact System
- Withdraw/Terminate Broker (U5)
- View CRD Daily Account



You have **1 alert(s)** in your contact list in the **FINRA Contact System**
 The Annual Review of contacts is **Due** in the **FINRA Contact System**
 Note: Changes may be reflected within one business day

Alerts (as of 12/16/2011)
 4530 Application, Short Filings, Reg-T, 3012 Claim for Exception, FCS Review, 2711 Information Requests.

[Firm Filings](#)

[Filing](#)

[Add To Calendar](#)

[due 2711 Certification filings.](#)

01/17/2012

[Customer Complaints](#)



The list above does not include all the filing responsibilities of your firm. FOCUS filing reminders are currently available only for firms that previously filed with NASD.

[Filing Due Dates on FINRA.org](#)

[Want to know more?](#)

CRD Queues

Individual CRD Queues | [Edit](#) Total

[Approaching CE Requirement \(in next 7 days\)](#) - 1 minute ago 1

[Disclosure Review](#) - 1 minute ago 0

[Inactive Registrations Due to Missing Fingerprint Cards](#) - 1 minute ago 0

Organization CRD Queues | [Edit](#) Total

[Current Deficiencies](#) - 1 minute ago 0

[Branch Deficiencies](#) - 1 minute ago 0

[Click here](#) to setup your e-mail notification preferences.

Resources

[FINRA Rules](#)

[Notices](#)

[Compliance Tools](#)

[Compliance Resource Providers](#)

[Industry Issues](#)

[FINRA BrokerCheck](#)

[Arbitration Awards Online](#)

[Apply to be an Arbitrator](#)

[Education](#)

[New Member Information](#)

[Continuing Member Application](#)

Do you have a question?

General technical support

Call Center: **301-869-6699**

Common support links

[FINRA Entitlement Process](#)

[Submitting a payment via E-Pay](#)

[Renewal program information](#)

[Current CRD Fees](#)

FINRA Coordinator

Eddie Examiner

E-mail:

Phone: (777) 555-5555

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General Information

The General Information below is reported on your firm's Form BD. The displayed information is current as of the previous day. If it is no longer accurate, your firm should amend your Form BD through Web CRD. [Click here to amend Form BD](#)

Name & Address	
Name	LISA'S BROKER DEALER CO.
Main Office Address	213 MAIN STREET 5TH FLOOR ROCKVILLE, MD UNITED STATES 20850
Mailing Address	213 MAIN STREET 5TH FLOOR ROCKVILLE, MD UNITED STATES 20850
Main Phone Number	301 555 5555

Website Address	
This field contains your firm's main website. Click here to change your firm's main website	
Website	http://www.websitename.com

Regulatory Coordinator	
Regulatory Coordinator	Eddie Examiner
Phone	(777) 555-5555
E-mail	

Identifiers	
CRD Number	00000
BD SEC Number	8-0000
IA SEC Number	
MSRB Number	
MPID	ABCD, WXYZ

Registration Information	
FINRA	APPROVED - 03/14/1999
SEC	APPROVED - 02/27/1999
Other SROs and Jurisdictions	65

Statistics	
Number of Open FINRA Branches	4
Number of BD FINRA Only Registered Individuals	70
Number of IA Only Registered Individuals	0



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Branch Information

The Branch Information below is a list of open FINRA branches reported on Web CRD. The displayed information is current as of the previous day. If the information is no longer accurate, your firm should file a Form BR to update a branch's information through Web CRD. [Click here to file a Form BR](#)

CRD Branch #	Location	Telephone	Deficiency Status	
111111 (OSJ)	ROCKVILLE,MD 20850	123-456-7890	Clear	View Reps / Supervisors
222222 (OSJ)	BETHESDA,MD 20491	777-555-0000	Clear	View Reps / Supervisors
333333	GREAT FALLS,VA 20739	111-999-0000	Clear	View Reps / Supervisors
444444	ALEXANDRIA, VA 21516	222-444-0000	Clear	View Reps / Supervisors



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Registered Representatives

The Registered Representative roster below is reported via Web CRD. The displayed information is current as of the previous day. If the information is no longer accurate, your firm should file a Form U4 Amendment to update a representative's information through Web CRD. [Click here to file a Form U4](#)

Branch:	Name (contains):	Current Disclosures:	Current Deficiencies:	CE Status:	Outside Bus.Act.:
BETHESDA - 222222	<input type="text"/>			All	
					Go Reset

Total number of Registered Reps: 70 Filtered results: 6

Name	CRD#	Current Disclosure(s)	Current Deficiencies	CE Status	Outside Bus. Activities	Rep Highlights
DOE, JANE	1111111	Yes	0	SATISFIED	No	
DOE, JOHN	4444444	No	0	NOCESTATUS	No	
DOE, JOH	5555555	No	0	SATISFIED	Yes	
PUBLIC, JOHN Q	7777777	Yes	0	SATISFIED	No	
REP, REGGIE	3333333	Yes	0	REQUIRED	No	
SMITH DOE, JANE	2222222	Yes	0	SATISFIED	No	



- My Firm Information**
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 - [Business Activities](#)
 - [Control Affiliates](#)
 - [Owners & Executive Officers](#)
 - [FINRA Contact System](#)
 - [Branch Information](#)
 - [Registered Representatives](#)**
 - [Financial Information](#)
 - [Clearing Details](#)

Registered Representatives

The Registered Representative roster below is reported via Web CRD. The displayed information is current as of the previous day. If the information is no longer accurate, your firm should file a Form U4 Amendment to update a representative's information through Web CRD. [Click here to file a Form U4](#)

Branch:
Name (contains):
Current Disclosures:
Current Deficiencies:
CE Status:
Outside Bus.Act.:

Total number of Registered Reps: 70 Filters

Name	CRD#
DOE, JANE	11111
DOE, JOHN	44444
DOE, JON	55555
PUBLIC, JOHN Q	77777
REP, REGGIE	33333
SMITH DOE, JANE	22222

Rep Highlights Go Reset

DOE, JANE
CRD# 111111 [View Individual](#)

SRO Registrations

SRO	Category	Status	Date
FINRA	General Securities	Approved	04/01/2006

Jurisdictions

State/Territory	Category	Status	Date
MD	Agent	Approved	04/04/2006

Disclosures

Disclosure Counts				SD?
Criminal	Regulatory Action	Customer Complaint	Other	
0	2	0	0	No

Questions or Suggestions

- If you have questions, suggestions or want to provide feedback, email Member Relations: ***memberrelations@finra.org***

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Regulatory Review & Disclosure Updates

Regulatory Review & Disclosure Updates

- RR&D continues to monitor firms' late disclosure rates. Firms should utilize the standard "Individual - Disclosure Download" report for following up on previously reported matters with a pending status.
- Check the firm's Report Center monthly to gauge your performance over the previous month and against industry averages.
- RR&D compares 4530 quarterly statistical filings against CRD[®] for U4/U5 disclosures. If a determination is made that 4530 filing does not meet the criteria for reporting on U4/U5, firms should enter a comment (e.g., not U4/U5 reportable) in the 4530 notation field. This will eliminate unnecessary CRD inquiry letters.

Regulatory Review & Disclosure Updates (continued)

- **RR&D continues to redact sensitive information submitted on DRPs to ensure that information is not released through BrokerCheck®. As a reminder, firms should not include:**
 - Customer's name on any section other than item #1 of the DRP, which is designed specifically for this data.
 - Any third party names (e.g., prosecuting judge or arresting police officer) on DRPs.
 - Any sensitive information (e.g., Social Security Numbers, bank or credit card account numbers) on DRPs. On financial disclosure DRPs, remember to mark the appropriate box if the case number is derived from personal confidential information.
- **When providing explanations for reasons for term, firms must provide enough information so the reader can understand the conduct that led to the RR's termination. For example, "Violation of Firm Policy" or "Non-Compliance, Non-Sales Practice related" are insufficient.**

Most Common U4/U5 Disclosure Filing Errors

- **Arbitration or litigation details for named parties reported in section 7C of a Customer Complaint DRP (intended for “subject of” arbitrations/litigations).**
 - Should be provided in item 12.
 - ‘Subject of’ arbitration details also sometimes disclosed in 12 instead of 7.
- **Failure to report settlements where the representative is dismissed as part of a settlement agreement (and not prior to it) or inaccurately reporting the disposition as “dismissed” or “pending” when it has been settled.**
 - Settlement must be reported. Refer to *Form U4 and U5 Interpretive Questions and Answers* for additional information. This is particularly true when the RR is seeking a recommendation for expungement, which does not negate the requirement to update the arbitration disclosure with the disposition.

Most Common U4/U5 Disclosure Filing Errors (continued)

- **Reporting the firm's outcome, not the outcome regarding the RR, on a U5 customer complaint DRP.**
 - For example: Award against firm only, claim against RR denied.
 - When possible, details should be provided as to the *individual representative*.
- **Failure to review U4 summary questions for accuracy, especially regarding 24-month customer complaints, which may have expired since the last filing.**
 - There is a “completeness check” in CRD that prevents a Sec. 14 ‘yes’ answer unless there is a corresponding DRP type in ‘current disclosure’; however, due to the continued ability to edit archived historic complaints, that completeness check was relaxed.

Most Common U4/U5 Disclosure Filing Errors (continued)

- **Providing state statutes *only* on a Criminal DRP. DRP instructions require that a description of the charge be provided.**
 - For example, VC 23152 is insufficient detail.
 - VC 23152- DUI; Driving Under the Influence; or DUI would be acceptable.
- **Providing details on a Criminal DRP that are incomplete or inconsistent with court documentation submitted in support of the disclosure.**
 - Verify dates charged and status dates on the DRP with documentation. (These dates are often inadvertently provided in reverse, as they appear that way on the DRP.)
 - Confirm the case number with documentation (when available) before submitting.

Most Common U4/U5 Disclosure Filing Errors (continued)

- **Submitting duplicate disclosure, particularly on archived bankruptcy and customer complaint disclosures.**
 - Review “Reg. Arc. And Z Records” *as well as* Current Disclosures to determine if a DRP has already been created before creating a new one.
 - Since bankruptcies are only reportable for 10 years, a Bankruptcy DRP with a filing date over 10 years (outside of the 14K question) will cause an error message. If such DRP requires amendment, call Disclosure Review to discuss the options available.
 - “Historic complaint” DRPs (See Regulatory Notice 10-34 and/or R.8312(b)(2)(G) for definition) are now available for editing in CRD although archived. This does NOT include *all* customer complaints. Even if a complaint continues to be ‘pending’ and archives after 24 months, a firm should update the DRP with the disposition once reached.
 - It is not necessary to call and re-open an historic complaint to edit. If the firm needs to amend a complaint which does not appear available for editing, it may be necessary to contact Disclosure Review through the Gateway Call Center to temporarily remove the occurrence from archive so that it can be amended.
- **Failure to respond to *all* applicable section 14 disclosure questions, particularly for Regulatory Action disclosures. Multiple “yes” responses may apply.**

Disclosure Filing Tips

- **Familiarize yourself with the following on the FINRA website:**
 - “Form U4 and U5 Interpretive Questions & Answers” link available from this Web page: www.finra.org/RegulatorySystems/CRD/FilingGuidance
 - “Explanation of Terms” used in the instructions on Forms U4/U5: www.finra.org/crd/formterms
- **Answer all applicable disclosure questions on Forms and DRPs. Also, be clear—vague wording or disclosure inconsistent from other sources may delay approval.**
- **Deliver periodic in-house training to employees whose day-to-day activity may encounter situations triggering a reporting obligation (e.g., Human Resources, Security Dept., Litigation Dept.).**
- **Make sure outside counsel is aware of the disclosure requirements.**
- **Firms should provide periodic reminders to RRs educating them as to the types of events that require disclosure.**
- **Firms should check their queues regularly. Disclosure obligations may be triggered by events occurring away from the firm (i.e., U5 or U6).**
- **Track and follow-up on disclosures with “pending” dispositions and check the firm’s Report Center to monitor performance.**

BrokerCheck Dispute Process

- **Active RRs will be expected to update their Forms U4, in lieu of any Dispute Form.**
- **Former RRs who are currently registered as “IARs-Only” should also update their Forms U4.**
- **Former RRs may dispute factual information available in FINRA BrokerCheck, not information that is subjective in nature or only providing commentary surrounding information.**
- **Upon receipt and verification of documentation that the status of a previously reported event (involving a former RR) becomes inaccurate, RAD staff will submit a correction filing.**
 - Events that might be eligible for correction generally include, but are not limited to:
 - Open employment status.
 - Outside business activities.
 - Disclosure events wherein the final disposition of the event was never captured (either the firm neglected to file the update or the update occurred subsequent to the RR leaving the industry).

Questions?

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