

2016 Risk Control Assessment

The Risk Control Assessment (RCA) is an important component of FINRA's risk-based surveillance and examination programs. The information collected improves our understanding of firms' businesses and scope of operations, so examiners can develop risk-focused examination plans and limit the reviews to key areas of potential concern, thus limiting time spent onsite.

A few notes to help you navigate through the survey:

- As you complete survey questions, we ask that you use your best judgment when responding. In this regard, your responses should seek to describe the material aspects of your business rather than immaterial activities. For additional guidance on materiality, please review the FAQs.
- Your firm only needs to respond to the survey sections which represent a material aspect of your business. See the next page for additional information.
- Questions marked with red asterisks (*) are required.
- Additional instructions have been provided throughout the survey prompting you to skip certain questions or sections that do not pertain to your firm.
- At your discretion, clarify your firm's responses using the provided comment boxes.
- To route the survey to other departments within your organization, please save a copy of your in-progress survey and email it to the appropriate resources(s).

Please complete the survey and email it to RCA@finra.org as an attachment by **June 29, 2016**.

For more information, including FAQs, instructions and a Glossary, please review the resources on the RCA page on FINRA's website, email RCA@finra.org, or contact the FINRA Help Desk at (301) 869-6699.

Please input your information below:

Name:

Firm Name:

Firm CRD #:

Email Address:

Phone Number:

All member firms are asked to complete the Customer Profile, Cybersecurity, and Anti-Money Laundering sections of the RCA. The business-specific survey sections you will be asked to complete are indicated by the check marks below. Check boxes that have been pre-filled are driven by either your previous RCA responses or revenue lines as reported in your firm's Supplemental Statement of Income (SSOI) filings over the last 12 months. Please select any additional business lines that apply to your firm.

***1. What are your major business lines? Please note that fund distributors and wholesale brokers should be classified as Commission-based brokerage(*Required)**

Select all that apply.

- ☐ Commission-based brokerage
- ☐ Asset management
- ☐ Investment Banking and/or Research
- ☐ Trading and/or Execution and/or Clearing
- ☐ None of the above are material

Additional information on Business Line Definitions

Commission-Based Brokerage This section is intended to help us better understand the customer and product mix associated with your commission-based brokerage, variable annuities or wholesale fund distribution business. Please also respond to this section if your firm reported revenue in fiscal year 2015 in the "Commissions" and/or "Revenue from Sale of Insurance Based Products" sections of the Supplemental Statement of Income (SSOI) - line items 13940 or 11029) and/or if these represent a material aspect of your overall business.

Asset Management Please respond to this section if your firm reported revenue in fiscal year 2015 in the "Investment Advisory" section of SSOI line items 13975, 11099, or 11100), and/or if this represents a material aspect of your overall business.

Trading, and/or Execution, and/or Clearing This section is intended to help us better understand the products and services associated with your trading, clearing and execution business. Please respond to this section if your firm reported revenue in fiscal year 2015 in the "Gains or Losses on Derivative Trading Desks" and/or "Net Gains or Losses on Principal Trades" and/or "Capital Gains (Losses) on Firm Investments and/or "Execution Services" and/or the "Clearing Services" sections of SSOI line items 13950 or 13952 or 11096 or 11097 respectively), and/or if these represent material aspects of your overall business.

Investment Banking/Research Please respond to this section if your firm reported revenue in fiscal year 2015 in the "Investment Banking / M&A Advisory" and/or the "Underwriting" and/or "Research" sections of the SSOI line items 11091 or 13955 or 13980 respectively), and/or if these represent material aspects of your overall business.

Finally, if a majority of your revenue is from fees earned from affiliated entities (SSOI line 11090), please use the main business of those entities to select your business lines.

This section helps identify the characteristics of your firm's customer base

***2. Which of the following customer types do you serve?(*Required)**

Select all that apply.

- ☐ Retail - not including high-net-worth individuals
- ☐ High-net-worth individuals
- ☐ Institutional (Other broker dealers, corporations, other wholesale customers) *Please answer question 2.1*
- ☐ We do not have any customers
- ☐ Other: please specify:

2.1 Does your firm have municipal entities as customers?

Select one.

- ☐ Yes
- ☐ No

2.2 What percent of your firm's open non-institutional accounts are IRA accounts?

2.3 Does your firm advise any ERISA plans?

Select one.

- ☐ Yes
- ☐ No
- ☐ N/A

This section is intended to help us better understand the types of cybersecurity threats faced by the industry, as well as the cybersecurity risk controls in place to mitigate these threats.

***3. Does your firm, or any of its third party providers, manage or store any customer personally identifiable information (PII), i.e. any information that can be used to distinguish or trace an individual's identity such as name, social security number, birth date or place(*Required)**

Select one.

- ☐ Yes
- ☐ No
- ☐ N/A

3.1 Optional comments:

4. Do any of the firm's third party vendors manage or store firm sensitive data?

Select one.

- ☐ Yes
- ☐ No

***5. Which of the following elements/activities does your cybersecurity program include?(*Required)**

Select all that apply.

- ☐ Defined cybersecurity governance structures and policies
- ☐ Controls at Branch Locations
- ☐ Staff training and awareness
- ☐ Cloud computing Standards
- ☐ Data Loss Prevention controls (Data security and Encryption standards)
- ☐ Vendor management
- ☐ Incident response planning
- ☐ 3rd party penetration testing
- ☐ Cyber intelligence and information sharing
- ☐ Other (Specify):

- ☐ None of the above

6. Which of the following disruption scenarios does your firm's incident response plan cover? (select all that apply)

Select all that apply.

- ☐ A threat to public safety or life.
- ☐ A threat to sensitive (PII) data
- ☐ A threat to computer systems e.g. Denial of Service (DoS)
- ☐ A disruption of firm services
- ☐ None of the above
- ☐ Other (Please Specify):

7. How frequently does your firm report to executive management on the implementation and effectiveness of the firm's Cyber Security program?

Select one.

- ☐ Annually
- ☐ Semi-annually
- ☐ Quarterly
- ☐ Monthly
- ☐ When needed
- ☐ Other (Please specify):

8. Has your firm performed a cybersecurity risk assessment in the past year to identify key cybersecurity risks (this can include a risk assessment performed at the enterprise level that includes the broker-dealer)?

Select one.

- ☐ Yes
- ☐ No *(Please skip questions 9-11)*
- ☐ Don't know/unsure

9. How many critical risks, if any, did the risk assessment identify? ("Critical" refers to the highest risk category in the risk assessment.)

Select one.

- ☐ 0
- ☐ 1-5
- ☐ 6-9
- ☐ 10+

10. Was this assessment performed by a third party or the firm itself?

Select all that apply.

Third Party

Firm

11. Did the risk assessment include vendor systems?

Select one.

- ☐ Yes
- ☐ No
- ☐ Don't know/unsure

***12. Does your firm plan to perform a cybersecurity risk assessment within the next twelve months?(*Required)**

Select one.

- ☐ Yes
- ☐ No
- ☐ Other (please specify):

The next few questions address the specifics of the loss event and type of information breached.

***13. Has your firm experienced successful cyber-attack(s) in the past 24 months i.e., a situation in which digitally stored customer personally identifiable information (PII) or confidential firm information stored was compromised (compromised refers to a loss of confidentiality, integrity, or availability), or an individual customer's funds or securities were misused?(*Required)**

Select one.

- ☐ Yes
- ☐ No *(Please skip questions 14-16)*
- ☐ Don't know/unsure *(Please skip questions 14-16)*
- ☐ N/A *(Please skip questions 14-16)*

14. Please categorize the event type as follows:

Select all that apply.

	<i>Personally identifiable information (PII)</i>	<i>Confidential firm information</i>
Loss of confidentiality (e.g., data stolen)	<input type="checkbox"/>	<input type="checkbox"/>
Loss of integrity (e.g., data damaged/corrupted)	<input type="checkbox"/>	<input type="checkbox"/>
Loss of availability (e.g., data unavailable due to DDOS or other attack.	<input type="checkbox"/>	<input type="checkbox"/>

15. Please categorize the cause of the event as follows:

Select all that apply.

	<i>Personally identifiable information (PII)</i>	<i>Confidential firm information</i>
An external attacker	<input type="checkbox"/>	<input type="checkbox"/>
An insider	<input type="checkbox"/>	<input type="checkbox"/>

16. Did the loss event involve the misappropriation of customer funds or securities?

Select all that apply.

- ☐ Customer Funds
- ☐ Securities
- ☐ Other - Please specify:

17. Does your firm provide on-line account access to retail customers?

Select one.

- ☐ Yes
- ☐ No (Please skip questions 18-19)

18. Which level of on-line account access is provided to retail customers?

Select one.

- ☐ View-only
- ☐ Customers can conduct securities transactions or transfer funds
- ☐ Other - Please specify:

19. What type of authentication does the firm use for granting customer access to on-line retail account information?

Select all that apply.

- ☐ Single-factor authentication (e.g. user-ID/password)
- ☐ Dual-factor authentication (e.g. hardware or software key fobs/secure ID/tokens)
- ☐ Adaptive authentication (e.g. challenge questions posed for risky or abnormal logins)
- ☐ Other (Please specify):

20. Does your firm provide retail customers access to their accounts through a mobile application or device?

Select one.

- ☐ Yes
- ☐ No

***21. Does your firm have **cyber insurance**?(*Required)**

Select all that apply.

- ☐ Yes, integrated with physical (tangible) insurance
- ☐ Yes, separate from physical insurance
- ☐ No, not at this time

22. Against which frameworks or standards does your firm model its cybersecurity program?

Select all that apply.

- ☐ ISO 27001/27002
- ☐ COBIT (Control Objectives for Information and related Technology)
- ☐ NIST Cybersecurity Framework v1.0
- ☐ Payment Card Industry Data Security Standards (PCI DSS)
- ☐ SANS Top 20
- ☐ We use our own framework/security standards
- ☐ Do not know
- ☐ Other (Please specify):

23. Does your firm maintain an inventory of critical assets covering its hardware, software and/or data assets?

Select all that apply.

- ☐ Hardware
- ☐ Software
- ☐ Data
- ☐ No
- ☐ Other (Please describe):

24. Which of the following core functions are fully or partially outsourced by your firm? (Check all that apply)

Select all that apply.

- ☐ General Ledger
- ☐ Payroll
- ☐ Trade processing - execution through settlement
- ☐ Internal audit
- ☐ Website support by an ISP
- ☐ Denial of service providers
- ☐ Technology platform provided by a parent or an affiliate
- ☐ Data Center Co-location facilities
- ☐ Third party vendors for electronic storage media
- ☐ None of the Above
- ☐ Other: please specify:

***25. What tools does the firm employ to conduct the necessary due diligence and risk assessment of providers of outsourced services?(*Required)**

Select all that apply.

- ☐ Vendor provided reports
- ☐ Discussions with vendor
- ☐ Discussions with other clients
- ☐ Independent analysis
- ☐ Other (Please Specify):

***26. What is the timeframe for deprovisioning terminated employees, contractors, and/or 3rd parties at your firm?(*Required)**

Select one.

- ☐ Same business day
- ☐ 1 - 2 business days
- ☐ 3 - 7 business days
- ☐ Greater than 1 week

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Anti-Money Laundering

This section is intended to help us better understand the risks and mitigating controls associated with money laundering.

***27. Does your firm conduct business with any of the following?(*Required)**

Select at least 1 choice.

- ☐ Foreign individuals or entities
- ☐ Charitable organizations
- ☐ Politically exposed persons
- ☐ Customers who trade micro-cap securities
- ☐ Financial institutions
- ☐ None of the above *(Please skip questions 28-35)*

28. With which of the following customer types does your firm conduct business (select all that apply)?

Select all that apply.

	Cash	DVP/RVP	Prime Brokerage	Custodial Accounts
Domestic banks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Domestic broker-dealers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Domestic charitable organizations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Domestic hedge funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign banks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign broker-dealer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign charitable organizations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign government-controlled banks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign hedge funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign mutual funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign individuals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign operating companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign personal holding/investment companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Politically exposed persons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

29. Does your firm permit customers to use or engage in the following activities within their accounts (select all that apply)?

Select all that apply.

- ☐ Use of an ATM card
- ☐ Check writing
- ☐ Use of a debit card
- ☐ Receiving securities from third parties
- ☐ Receiving third-party wires
- ☐ Sending securities to third parties
- ☐ Sending third-party wires
- ☐ Executing third-party journals
- ☐ Placing/structuring EB-5 investments

29.1 Optional Comments:

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30. Which of the following systems or processes does your firm use to monitor for suspicious activity within customer accounts (select all that apply)?

Select all that apply.

- ☐ Automated surveillance system provided by vendor
- ☐ Exception reports provided by our clearing firm(s)
- ☐ Manual reviews
- ☐ Proprietary automated surveillance system
- ☐ Proprietary exception reports
- ☐ None of the above
- ☐ Other (please specify):
- ☐ N/A

30.1 Optional Comments:

***31. Which of the following programs does your firm have in place to manage AML risk?(*Required)**

Select at least 1 choices.

- ☐ Transaction Monitoring
- ☐ Risk-based Customer Identification Program
- ☐ Suspicious Activity Reporting (SAR)
- ☐ Enhanced Due Diligence
- ☐ OFAC Risk Assessment
- ☐ Enhanced customer and transaction review for High Risk jurisdictions and/or high risk customers
- ☐ Customer name screening against published watch lists (e.g.: OFAC or sanctions list)
- ☐ Optimization and Calibration of transaction monitoring patterns and rules
- ☐ Independent Testing of the AML program
- ☐ None of the above
- ☐ Other - Please specify:

32. How often does the firm conduct testing and calibration of transaction monitoring systems or exception reports?

Select one.

- ☐ Yearly
- ☐ As Needed
- ☐ Other - please specify::

33. Are there situations in which a risk-based decision may be made to exclude certain customer transactions from one or more aspects of AML surveillance?

Select one.

- ☐ Yes
- ☐ No

34. Does your firm record and store the rationale for the decision?

Select one.

- ☐ Yes
- ☐ No

35. What types of factors are taken into account when assessing whether transactions are suspicious?

Select all that apply.

- ☐ Customer demographic information
- ☐ Transaction business purpose
- ☐ Customer anticipated business activity
- ☐ Customer historical account activity over the past year
- ☐ Customer historical account activity over the past three years
- ☐ Customer historical account activity over the past five years or more

Other - please specify:

35.1 Optional Comments:

36. Over the past year, has the firm paid transaction-related compensation to non-registered foreign persons or finders?

Select one.

- ☐ Yes
- ☐ No

37. Does the compliance function have a role in approving new business opportunities (new products, new customers, or new channels)?

Select one.

- ☐ Yes
- ☐ No

(Please skip question 38)

38. How would you describe the role of the compliance function in approving new business opportunities?

Select one.

- ☐ The compliance function has full authority to independently reject new business opportunities
- ☐ The compliance function has some control over a group decision to approve new business opportunities
- ☐ The compliance function's opinion is presented to the decision makers
- ☐ Other - please specify::

***39. Does your firm engage in any business activities involving virtual currencies (e.g., Bitcoin)?(*Required)**

Select one.

- ☐ Yes
- ☐ No *(Please skip question 40)*

40. With respect to virtual currencies, does your firm:

Select all that apply.

- ☐ trade or invest in virtual currencies in your firm's accounts?
- ☐ have any affiliated entities that trade or invest in virtual currencies?
- ☐ raise money for an investment vehicle where the proceeds are intended to be used to invest in virtual currencies or any derivatives of virtual currencies?
- ☐ have any affiliated entities that raised money for an investment vehicle where the proceeds are intended to be used to invest in virtual currencies or any derivatives of virtual currencies?
- ☐ issue virtual currencies and have the authority to redeem such virtual currencies?
- ☐ permit customers to trade or invest in virtual currencies?
- ☐ permit customers to pay for any products or services using virtual currencies as a payment method?
- ☐ provide customers with the ability to purchase virtual currencies?
- ☐ provide a mechanism for customers to exchange virtual currencies for U.S. or foreign currencies, and vice-versa?
- ☐ provide a mechanism for customers to exchange virtual currencies for funds, and vice-versa?
- ☐ provide a mechanism for customers to exchange virtual currencies for other virtual currencies?

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Commission Based Brokerage Business

This section is intended to help us better understand the customer and product mix associated with your commission-based brokerage business. This includes full-service retail brokerage, discount retail brokerage, high-net-worth retail brokerage, Institutional brokerage, and wholesale brokerage firms, This section is also intended for variable annuities and wholesale fund distribution firms.

Please respond to this section if your firm reported revenue in fiscal year 2015 in the "Commissions" and/or "Revenue from Sale of Insurance Based Products" sections of the Supplemental Statement of Income (line items 13940 or 11029 respectively) and/or if these represent a material aspect of your overall business.

***41. Please indicate which of the following businesses you engage in within your commission-based brokerage business (select all that apply):(*Required)**

Select at least 1 choices.

- ☐ Full service retail brokerage
- ☐ Discount retail brokerage
- ☐ High net worth retail brokerage
- ☐ Institutional brokerage
- ☐ Wholesale brokerage
- ☐ Other (please specify):

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Commission Based Brokerage Business

42. Through which of the following distribution channels do you interact with your customers in each of your commission-based brokerage businesses?

Select all that apply.

	<i>Branch</i>	<i>Phone</i>	<i>Web</i>	<i>Integrated Voice Response (IVR)</i>	<i>Electronic Communications (email/text messaging/etc.)</i>	<i>Account Relationship Manager or similar</i>
Full-service retail brokerage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discount retail brokerage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
High-net-worth retail brokerage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Institutional brokerage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Wholesale brokerage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

43. What approximate percentage of your firm's **gross commission revenue (rounded to the nearest whole number between 0 and 100) did each of the following business lines contribute?**

For additional guidance on this question, please see the [Instructions](#).

Full-service retail brokerage:	<input type="text"/>
Discount retail brokerage:	<input type="text"/>
High-net-worth retail brokerage:	<input type="text"/>
Institutional brokerage:	<input type="text"/>
Wholesale brokerage:	<input type="text"/>
Other:	<input type="text"/>
Total:	100

***44. Choose all the Product Categories in which your firm conducts business. Based on your selection(s), you will then be asked to select specific products in follow-up questions. (* Required)**

Select all that apply.

- ☐ Equities
- ☐ Investment Company Products
- ☐ Debt
- ☐ Securitized Products
- ☐ Derivatives
- ☐ Exchange Traded Products
- ☐ Alternative Investment
- ☐ Insurance Products and Annuities
- ☐ Structured Products
- ☐ Proprietary/Affiliated Products
- ☐ Other: Please specify:

Please answer questions 45-62 based on the product categories within which your firm conducts business

Commission Based Brokerage Business

Select all that apply.

[illegible]

46. Optional comments/Other Equities Products:

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***47. Investment Company Products(*Required)**

Select all that apply.

	<i>Full- service retail brokerage</i>	<i>Discount retail brokerage</i>	<i>High-net- worth retail brokerage</i>	<i>Institutional brokerage</i>	<i>Wholesale brokerage</i>	<i>N/A</i>
*529 Plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Business development companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Closed-end funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Commodities futures funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Money market mutual funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Mutual funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Alternative Mutual Funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Unit investment trusts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

48. Optional comments/Other Investment Company Products:

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Commission Based Brokerage Business

*49. Debt(*Required)

Select all that apply.

	<i>Full- service retail brokerage</i>	<i>Discount retail brokerage</i>	<i>High-net- worth retail brokerage</i>	<i>Institutional brokerage</i>	<i>Wholesale brokerage</i>	<i>N/A</i>
*U.S. government debt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Municipal securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Foreign sovereign debt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Investment- grade corporate debt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*High-yield corporate debt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Auction rate securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Baby bonds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Certificates of deposit (CD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Commercial paper	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Leveraged loan products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Church bonds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Variable Rate Demand Obligations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Unregistered, Private Debt Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

49.1 Optional comments/Other Debt Products:

Commission Based Brokerage Business

Select all that apply.

[illegible]

51. Optional comments/Other Securitized Products:

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***52. Derivatives(*Required)**

Select all that apply.

	<i>Full- service retail brokerage</i>	<i>Discount retail brokerage</i>	<i>High-net- worth retail brokerage</i>	<i>Institutional brokerage</i>	<i>Wholesale brokerage</i>	<i>N/A</i>
*Commodity swaps	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Credit default swaps	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Currency swaps	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Forex (options, forwards or futures)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Interest rate swaps	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Futures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Listed options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Over-the-counter options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

53. Optional comments/Other Derivatives Products:

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Commission Based Brokerage Business

Select all that apply.

[illegible]

55. Optional comments/Other Exchange Traded Products:

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***56. Alternative Investment(*Required)**

Select all that apply.

	<i>Full- service retail brokerage</i>	<i>Discount retail brokerage</i>	<i>High-net- worth retail brokerage</i>	<i>Institutional brokerage</i>	<i>Wholesale brokerage</i>	<i>N/A</i>
*Fund of funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Hedge funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Precious metals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Private equity funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Managed Futures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

56.1 Optional comments/Other Alternative Investments Products:

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Commission Based Brokerage Business

*57. Insurance Products and Annuities(*Required)

Select all that apply.

	<i>Full- service retail brokerage</i>	<i>Discount retail brokerage</i>	<i>High-net- worth retail brokerage</i>	<i>Institutional brokerage</i>	<i>Wholesale brokerage</i>	<i>N/A</i>
*Equity-indexed annuities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Fixed annuities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Variable annuities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Life settlement / viaticals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Structured Annuities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Variable Life Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Variable Universal Life Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

58. Optional comments/Other Insurance Products and Annuities

Commission Based Brokerage Business

Select all that apply.

[illegible]

60. Optional comments/Other Structured Products:

*61. Proprietary Products(*Required)

Select all that apply.

	<i>Full- service retail brokerage</i>	<i>Discount retail brokerage</i>	<i>High-net- worth retail brokerage</i>	<i>Institutional brokerage</i>	<i>Wholesale brokerage</i>	<i>N/A</i>
*Direct Participation Plans (DPPs) - Public, registered	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Direct Participation Plans (DPPs) - Private Unregistered	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

62. Optional comments/Other Proprietary Products

Please complete this section of the survey if your firm has a Retail Full-Service Brokerage Business. The following survey sub-sections includes questions related to Firm Product Development procedures, Seniors and Vulnerable Investors, Registered Representative Hiring and Oversight, Registered Representative Account Monitoring, Exception reporting, and Other Products and Services.

Firm Product Development

***63. Does your firm have Written Supervisory Procedures (WSP's) documented for introduction of all new or modified products?(*Required)**

Select one.

- ☐ Yes
- ☐ No
- ☐ Other: Please specify:
- ☐ N/A

Seniors and Vulnerable Investors

64. Does your firm have a specialized, centralized unit that coordinates the firm's responses to senior investor issues?

Select one.

- ☐ Yes
- ☐ No
- ☐ Other (Please Specify):
- ☐ N/A

***65. Does your firm utilize specialized monitoring for senior investors?(*Required)**

Select one.

- ☐ Yes
- ☐ No
- ☐ Other (Please Specify):
- ☐ N/A

66. Does your firm track and verify Power of Attorney (POA) status for senior investors and related accounts?

Select one.

- ☐ Yes
- ☐ No
- ☐ N/A

Registered Representative Hiring and Oversight

***67. Beyond a basic background check, what procedures does your firm follow when hiring new brokers?(*Required)**

Select all that apply.

- ☐ Broker CRD check
- ☐ Credit check
- ☐ Verify employment with previous employers
- ☐ Academic history check
- ☐ None of the Above
- ☐ Other - please specify:

- ☐ N/A

68. Does your firm have specific criteria (number of complaints, disclosures, or other matter) that would disqualify a prospective broker hire?

Select one.

- ☐ Yes (Answer question number 68.1.)
- ☐ No
- ☐ N/A

68.1 Can these criteria be waived?

Select one.

- ☐ Yes
- ☐ No
- ☐ Other: Please specify:

69. Has your firm put any brokers for any reason on heightened supervision in the last 24 months?

Select one.

- ☐ Yes
- ☐ No
- ☐ N/A

70. How often are complaints about registered representatives addressed?

Select one.

- ☐ Daily
- ☐ Weekly
- ☐ Monthly
- ☐ Every Quarter
- ☐ Other - Please Specify:

- ☐ N/A

70.1 Optional comments

71. How does your firm monitor and certify the status of Outside Business Activities (OBA) conducted by your Registered Representatives?

Select all that apply.

- ☐ Questionnaires
- ☐ Surveys
- ☐ No current process in place
- ☐ Other - please specify:

- ☐ N/A

***72. Does your firm have a documented process for 'de-provisioning' registered representatives who are involuntarily terminated, e.g. terminated for fraudulent activities?(*Required)**

Select one.

- ☐ Yes
- ☐ No
- ☐ N/A

Registered Representative Account Monitoring
--

***73. Do your firm's procedures include the monitoring of unauthorized money movements by registered representatives (e.g., identification of scenarios where a registered representative is terminated and on the same day funds are transferred from client account(s) to an outside account)?(*Required)**

Select one.

- ☐ Yes
- ☐ No
- ☐ N/A

74. How does your firm monitor accounts for potentially suspicious activity by registered representatives (e.g., large withdrawal from a firm or client account to RR's bank or securities account)

Select all that apply.

- ☐ Included in supervisory procedures
- ☐ Exception reports
- ☐ Other - Please Specify:
- ☐ N/A

75. How does your firm monitor required disclosure events of registered representatives? An example would be one of your firm's RR's who has previously declared bankruptcy.

Select all that apply.

- ☐ Third party search of public records
- ☐ Exception reporting
- ☐ Other - please specify:
- ☐ N/A

76. How often does your firm review required disclosure activities by registered representatives?

Select one.

- ☐ Monthly
- ☐ Quarterly
- ☐ Yearly
- ☐ Based on business process
- ☐ Other - please specify:

- ☐ N/A

***77. How does your firm train registered representatives on obligations to document and report their Financial Disclosures?(*Required)**

Select all that apply.

- ☐ Initial RR training
- ☐ Ongoing RR training
- ☐ Internal group education sessions
- ☐ Other - please specify:

- ☐ N/A

Exception Reporting

***78. From which sources does your firm receive exception reports (or alerts) regarding customer transaction data?(*Required)**

Select all that apply.

- ☐ Firm generates its own reports
- ☐ Clearing Firm
- ☐ 3rd party vendor
- ☐ Other - please specify:

- ☐ N/A

Please skip question 79

79. How often are exception reports generated?

Select one.

- ☐ Daily
- ☐ Weekly
- ☐ Monthly
- ☐ Quarterly
- ☐ Other - please specify:
- ☐ N/A

Questions Related to Other Products and Services

80. What 401k/403b/457 plan services does your firm provide?

Select all that apply.

- ☐ Sell plans to plan sponsors
- ☐ Provide recordkeeping services
- ☐ Provide transfer agent services
- ☐ Provide custody services
- ☐ Provide trade execution
- ☐ Provide advice to plan participants
- ☐ None of the above

81. Does your firm offer or operate any of the following?

Select all that apply.

- ☐ Alpha Capture Systems (Answer question number 81.1.)
- ☐ Funds that invest in pre-IPO companies and/or participation agreements linked to such securities
- ☐ Securities Backed Lines of Credit
- ☐ ETF Model Portfolios
- ☐ 401(k) Brokerage Windows
- ☐ None of the above

81.1 Which Alpha Capture systems do you use?

Select all that apply.

- ☐ Firm Proprietary System
- ☐ Third Party Vendor
- ☐ Institutional Investors' systems
- ☐ Other - please specify:
- ☐ N/A

82. Does your firm employ Desk Analysts (i.e. analysts that sit on the trading desk and produce written commentary for customers)?

Select one.

- ☐ Yes
- ☐ No
- ☐ N/A

2016 Risk Control Assessment

Asset Management

This section is intended to help us better understand the risks and mitigating controls associated with your investment advisory or asset management business. Please respond to this section if your firm reported revenue in fiscal year 2015 in the "Investment Advisory" section of the Supplemental Statement of Income (line items 13975, 11099, or 11100), and/or if this represents a material aspect of your overall business.

83. Over the past 12 months, has your firm transitioned broker-dealer clients to managed accounts where your firm acts as an Investment Advisor?

Select one.

- ☐ Yes
- ☐ No

84. Over the past 12 months, has your firm made referrals to affiliated or non-affiliated asset managers?

Select one.

- ☐ Yes
- ☐ No

***85. Does your firm provide consolidated supplemental reports and/or account statements to your clients?(*Required)**

Select one.

- ☐ Yes
- ☐ No

Please skip questions 86-95

***86. What system does your firm use to create the consolidated reports?(*Required)**

Select one.

- ☐ Reports are produced in-house using internally developed reporting systems
- ☐ Reports are produced in-house using third party software
- ☐ An external vendor produces the reports (Optional: please specify name of vendor):
- ☐ Other - please specify:

86.1 Optional: please specify the name of the vendor used to produce the reports

86.2 Optional: please specify the name of the third party software used to produce the reports

***87. Does your firm have pre-approved formats for the consolidated reports?(*Required)**

Select one.

- ☐ Yes
- ☐ No

Please skip questions 88-95

88. Does your firm allow the format of these reports to be changed?

Select one.

- ☐ Yes
- ☐ No

***89. Does your firm allow outside assets to be added to these reports?(*Required)**

Select one.

- ☐ Yes
- ☐ No *Please skip question 90*

90. Does your firm audit the valuation of these assets on a regular basis?

Select one.

- ☐ Yes
- ☐ No

***91. Do these reports reflect historical performance of client assets?(*Required)**

Select one.

- ☐ Yes
- ☐ No *Please skip next two questions*

***92. Do the reports include a comparative index or benchmark?(*Required)**

Select one.

- ☐ Yes
- ☐ No *Please skip next question*

93. Is there a process in place to identify outliers and prioritize those investments for a deeper review and analysis?

Select one.

- ☐ Yes
- ☐ No

***94. Do your firm's registered representatives create and distribute customized consolidated reports to customers?(*Required)**

Select one.

- ☐ Yes
- ☐ No *Please skip next question*

95. Is there a formal process in place to review these reports?

Select one.

☐ Yes

☐ No

☐ Other (please specify):

***96. Does your firm allow registered representatives to act as independent investment advisors, where transactions for their advisory accounts are executed through another broker-dealer?(*Required)**

Select one.

☐ Yes

☐ No *Please skip next two questions*

97. How does the firm supervise these outside transactions?

Select all that apply.

☐ There is a formal internal system in place that supervises all outside transactions

☐ The firm spot checks a few transactions periodically

☐ The firm conducts a thorough review when it completes a branch examination

☐ Other (please specify):

98. Does your firm record these transactions on its books and records?

Select one.

☐ Yes

☐ No

Trading, Execution and Clearing

This section is intended to help us better understand the risks and mitigating controls associated with your Trading, Execution, and/or Clearing business. Please respond to this section if your firm reported revenue in fiscal year 2015 in any of the following areas:

- “Gains or Losses on Derivative Trading Desks”
- “Net Gains or Losses on Principal Trades”
- Capital Gains (Losses) on Firm Investments and/or “Interest/Rebate/Dividend Income”
- “Execution Services” and/or the “Clearing Services” sections of the Supplemental Statement of Income (line items 13960 or 13950 or 13952 or 11069 or 11096 or 11097 respectively)
- if these represent material aspects of your overall business

This section has also been categorized into 12 brief subsections.

***99. Which products does your firm trade?(*Required)**

Select all that apply.

	<i>Traded As Principal</i>	<i>Traded As Agency</i>	<i>We do not trade this product</i>
*Equities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Futures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Foreign Exchange	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Fixed Income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

99.1 Optional comments/additional products?:

Trading, Execution and Clearing

100. During the past 12 months has your firm changed compliance systems, trading platforms, or performed other technological enhancements?

Select one.

- ☐ Yes
- ☐ No *Please skip question 100.1*

100.1 When changing to new compliance systems, trading platforms, and other technological enhancements, how does the firm ensure that these new changes will continue to promote compliance with FINRA, SEC and other Exchange/SRO rules?

Select all that apply.

- ☐ Validation or review by a control function (e.g. Internal Audit, Compliance, Risk, etc.)
- ☐ Creation, testing and usage of exception reports
- ☐ Usage of other compliance tools, including report cards and peer group analysis
- ☐ Vendor provided compliance reports/tools
- ☐ Other: Please discuss:

Subsection 1: Monitoring of trading positions, P&L, credit risk

***101. Does an individual/department independent of the trading desk monitor the daily profit-and-loss (P&L) fluctuations at the desk level?(*Required)**

Select one per row.

	Yes	No	N/A
*Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Fixed Income	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

***102. Does your firm have explicit credit **limits** established with respect to the total exposure across all product classes to an individual counterparty?(*Required)**

Select one.

- ☐ Yes
- ☐ No
- ☐ N/A

102.1 Optional comments:

***103. Does your firm have explicit **limits** established with respect to the total exposure on a desk level?(*Required)**

Select one.

- ☐ Yes
- ☐ No
- ☐ N/A

103.1 Optional comments:

***104. Does your firm have explicit **limits** established with the total market exposure at an individual trader level?(*Required)**

Select one.

- ☐ Yes
- ☐ No
- ☐ N/A

104.1 Optional comments:

Subsection 2: Monitoring of Trading Practices

105. What supervisory controls does the firm employ to monitor for manipulative trading activity including but not limited to front-running, wash sales, layering, marking the close, etc.?

Select all that apply.

- ☐ System Controls
- ☐ Policies and Procedures
- ☐ Account Monitoring
- ☐ Email/IM Monitoring
- ☐ Exception Report Reviews
- ☐ Not monitored
- ☐ Other - Please specify:
- ☐ N/A

106. How does the firm supervise for customer accounts trading on material non-public information?

Select all that apply.

- ☐ Physical Barriers
- ☐ Electronic Barriers
- ☐ Policies and Procedures
- ☐ Account Monitoring
- ☐ Email/IM Monitoring
- ☐ Exception Report Reviews
- ☐ No Controls
- ☐ Other - Please specify:
- ☐ N/A

107. During the past 12 months, how many times has the firm detected use of material non-public information by customers?

Select one.

- ☐ Never
- ☐ 1-5 incidents
- ☐ 6-10 incidents
- ☐ More than 10 incidents
- ☐ Other: Please specify:

- ☐ N/A

108. Does the firm trade the same product across multiple markets?

Select one.

- ☐ Yes (Answer question number 108.1, 108.2.)
- ☐ No

108.1 What types of supervisory controls does the firm utilize to review for manipulation across different markets?

Select all that apply.

- ☐ Vendor Provided tools and reports
- ☐ Real time monitoring
- ☐ Firm generated exception reports
- ☐ None
- ☐ Other: Please specify:

108.2 Optional comments

109. What types of supervisory controls does the firm utilize to review for manipulation involving different products, including across different markets?

Select all that apply.

- ☐ Vendor provided tools and reports
- ☐ Real time monitoring
- ☐ Firm generated exception reports
- ☐ Not Applicable - we only trade one product
- ☐ None
- ☐ Other: Please specify:

110. Optional Comments

Subsection 3: Aggregation Units

***111. Along which of the following dimensions does your firm have the ability to aggregate daily current exposure (select all that apply)?(*Required)**

Select at least 1 choices.

- ☐ Counterparty
- ☐ Desk
- ☐ Position
- ☐ Trader
- ☐ Other (please specify):

- ☐ The firm does not have the ability to aggregate daily current exposures

Trading, Execution and Clearing

112. Does your firm maintain multiple desks that trade equities?(*Required)Select one per row.*

	Yes	No	N/A
*Agency	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Principal	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

112.1 Optional comments:***113. Does your firm maintain multiple desks that trade options?(*Required)***Select one per row.*

	Yes	No	N/A
*Agency	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Principal	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

113.1 Optional comments:

Subsection 4: Market Access Questions

114. Does your firm provide market access services?*Select one.*

- ☐ Yes (Go to question number 115.)
- ☐ No (Go to question number 120.)

2016 Risk Control Assessment

Trading, Execution and Clearing

***115. Does your firm provide market access to your clients or other broker-dealers?(*Required)**

Select one per row.

	Yes	No	N/A
*Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Fixed Income	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

***116. Does your firm receive market access from other parties or broker-dealers?(*Required)**

Select one per row.

	Yes	No	N/A
*Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Fixed Income	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

117. How does the firm monitor for manipulative activity in customer accounts that have been provided market access?

Select all that apply.

- ☐ System Controls
- ☐ Policies and Procedures
- ☐ Account Monitoring
- ☐ Email/IM Monitoring
- ☐ Exception Report Reviews
- ☐ No Monitoring
- ☐ Other - Please specify:
- ☐ N/A

118. Does the firm review erroneous activity in customer accounts that have been provided market access?

Select one.

- ☐ Yes
- ☐ No

119. Does the firm provide quotation information to its customers for NMS securities?

Select one.

- ☐ Yes (Answer question number 119.1.)
- ☐ No

119.1 What type of quotation information is provided to customers?

Select all that apply.

- ☐ Market/Exchange specific quoting information
- ☐ Consolidated Quotation across all markets
- ☐ Other: Please specify:

Subsection 5: Order Routing and Marking

120. Does the firm's order marking take into account the following?

Select all that apply.

- ☐ Executed Buy Orders
- ☐ Executed Sell Orders
- ☐ Open (unexecuted) Buy Orders
- ☐ Open (unexecuted) Sell Orders
- ☐ Canceled Orders
- ☐ None of the above

121. Does the firm receive rebates from Exchanges for routing orders there?

Select one.

- ☐ Yes
- ☐ No
- ☐ N/A

122. What tools does the firm employ to regularly and rigorously assess the quality of executions received for its routed customer orders?*Select all that apply.*

- ☐ Best Execution Committee
☐ Execution Reports
☐ Vendor Provided Reports
☐ Exception Reports
☐ None
☐ Other - Please Specify:
☐ N/A

123. Does your firm maintain agreements to pay other broker-dealer entities for order flow (with either cash or non-cash compensation)?(*Required)Select one per row.*

	Yes	No	N/A
*Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Fixed Income	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

124. Does your firm maintain [reciprocal order flow arrangements](#) (in which the firm sends orders to another member in exchange for order flow from the other member)?(*Required)Select one per row.*

	Yes	No	N/A
*Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Fixed Income	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

***125. Does your firm maintain agreements to send its orders to other broker-dealers for which the firm receives payment for order flow (with either cash or non-cash compensation)?(*Required)**

Select one per row.

	Yes	No	N/A
*Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Fixed Income	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

***126. Does your firm receive payment from other broker-dealers for being a liquidity provider?(*Required)**

Select one.

- ☐ Yes
- ☐ No
- ☐ N/A

***127. Does your firm maintain agreements to pay other broker-dealer entities to provide liquidity?(*Required)**

Select one.

- ☐ Yes
- ☐ No
- ☐ N/A

128. If the firm routes to affiliate(s), what resource(s) does the firm utilize to assess the quality of execution provided to such orders?

Select all that apply.

- ☐ Best Execution Committee
- ☐ Vendor provided reports
- ☐ Real time monitoring
- ☐ Firm generated exception reports
- ☐ Rule 605 Execution statistics
- ☐ Not Applicable
- ☐ None
- ☐ Other-Please Specify:

129. Has the firm transferred any part of its best execution obligations for customer executions to another party?

Select one.

- ☐ Yes (Answer question number 129.1.)
- ☐ No

129.1 Please describe to whom and under which circumstances your firm transfers part of its best execution obligations to another party

130. How does the firm conduct its best execution reviews?

Select one.

- ☐ On an Order-by-Order basis
- ☐ Periodic Regular and Rigorous Review
- ☐ Both
- ☐ None of the Above

131. If the firm conducts periodic Regular and Rigorous Review for execution quality, how frequently does it conduct this review?

Select one.

- ☐ Daily
- ☐ Weekly
- ☐ Monthly
- ☐ Quarterly
- ☐ Every 6 months
- ☐ Yearly
- ☐ Other-Please Specify:

132. Does the firm employ “filters”, which restrict the counter-parties/exchanges to whom it routes customer order flow?

Select one.

- ☐ Yes
- ☐ No

132.1 If Yes, please discuss below the circumstances and reasons for this.

133. How are payments for order flow and other rebates received for routing customer order flow factored into the firm’s best execution reviews?

Select all that apply.

- ☐ Firm does not factor in payment for order flow and rebates in its best execution reviews
- ☐ Via Best Execution Committee discussions
- ☐ Via vendor provided reports
- ☐ Via real time monitoring
- ☐ Via firm generated exception reports
- ☐ Via Rule 605 Execution statistics
- ☐ Other means-specify:

134. If the firm receives payment for order flow or rebates for routing orders, does the firm share this with its customers?

Select one.

- ☐ Yes (Answer question number 134.1.)
- ☐ No

134.1 If Yes, please discuss below how this is done.

135. Optional comments about order routing and marking:

Subsection 6: Options Trading

Please answer the questions in this sub-section if your firm trades U.S. listed options

***136. Does your firm solicit customer option orders?(*Required)**

Select one.

- ☐ Yes (Answer question number 136.1.)
- ☐ No
- ☐ N/A

136.1 How does the firm supervise solicited customer option orders?

Select all that apply.

- ☐ System Controls
- ☐ Policies and Procedures
- ☐ Account Monitoring
- ☐ Email/IM Monitoring
- ☐ Exception Report Reviews
- ☐ No Monitoring
- ☐ Other - Please specify:
- ☐ N/A

***137. Does your firm receive solicitations for option orders?(*Required)**

Select one.

- ☐ Yes (Answer question number 137.1.)
- ☐ No
- ☐ N/A

137.1 How does the firm supervise received solicited option orders?

Select all that apply.

- ☐ System Controls
- ☐ Policies and Procedures
- ☐ Account Monitoring
- ☐ Email/IM Monitoring
- ☐ Exception Report Reviews
- ☐ No Monitoring
- ☐ Other - Please specify:
- ☐ N/A

***138. Does your firm facilitate customer option orders from a proprietary account?(*Required)**

Select one.

- ☐ Yes (Answer question number 138.1.)
- ☐ No
- ☐ N/A

138.1 How does the firm supervise facilitated customer option orders?

Select all that apply.

- ☐ System Controls
- ☐ Policies and Procedures
- ☐ Account Monitoring
- ☐ Email/IM Monitoring
- ☐ Exception Report Reviews
- ☐ No Monitoring
- ☐ Other - Please specify:
- ☐ N/A

139. Does the firm use Qualified Contingent Cross (QCC) orders?

Select one.

- ☐ Often, when eligible
- ☐ On some occasions
- ☐ Never
- ☐ Other: Please explain:

- ☐ N/A

140. How does the firm confirm and document that an order was announced/made public prior to effecting any hedging or other transactions in related securities?

Select all that apply.

- ☐ Rely on broker representation
- ☐ Wait a certain period of time (Answer question number 140.1.)
- ☐ Doesn't confirm
- ☐ Other: Please specify:

- ☐ N/A

140.1 How much time does the firm wait prior to effecting hedging or other transactions in related securities?

141. Under what scenario does the firm determine to trade a conventional option as opposed to a standardized option with the same or similar terms?

142. Please quantify what percent of the total U.S. listed options trades were executed with the following types of counterparties during the past year?

Internalize or facilitate trade:	<input type="text"/>
Trade with market makers:	<input type="text"/>
Trade with non-client third parties:	<input type="text"/>
Other:	<input type="text"/>
Total:	100

143. Please explain if you used "other" type of counterparty in the previous question

144. When there is limited pricing information for certain transactions, how does the firm determine the appropriate pricing spread?

Select all that apply.

- ☐ Internal pricing methods
- ☐ Solicit third party interest in the orders, such as other clients or specific counterparties
- ☐ Introduce the order to general market participants
- ☐ Other: Please specify:
- ☐ N/A

145. How often does the firm conduct an order-by-order review/audit of the trading and execution of options transactions?

Select one.

- ☐ Intra-Day
- ☐ Daily
- ☐ Weekly
- ☐ Monthly
- ☐ Other – Please specify:

Subsection 7: Held Orders, Manual Orders, "Net" Orders

146. Does your firm accept held customer orders?(*Required)Select one per row.*

	Yes	No	N/A
*Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Fixed Income	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

146.1 Optional comments:***146.2 What approximate percentage of your firm's equity orders are handled as held customer orders?(*Required)***Select one.*

- ☐ 0-25%
- ☐ 26-50%
- ☐ 51-75%
- ☐ 76-100%
- ☐ N/A

146.3 Optional comments:

***147. Does your firm handle manual option orders?(*Required)**

Select one.

- ☐ Yes
- ☐ No
- ☐ N/A

148. Optional comments:

Subsection 8: Algorithmic Trading

***149. Does the firm or any of its desks/traders employ automated trading strategies?(*Required)**

Select one.

- ☐ Yes
- ☐ No (Please skip this sub-section and go to question 165)

150. What types of automated trading strategies or tools does the firm employ?

Select all that apply.

- ☐ VWAP/TWAP/Percent of Volume
- ☐ Implementation Shortfall
- ☐ Electronic market making
- ☐ Delta neutral hedge
- ☐ Pairs trading
- ☐ Smart order router
- ☐ Liquidity seeking
- ☐ Arbitrage
- ☐ Other: Please specify:

150.1 Optional Comments

151. How many employees does the firm employ for the automated trading unit/business?

152. Please describe the roles of these employees and please indicate the number of employees in each role (e.g. Algorithmic Developers, Traders, Supervisors, Quantitative Strategists, Risk Management, Back Office, etc.)

153. Does the firm service any customers, broker-dealers, or affiliates that employ automated trading strategies?

Select one.

- ☐ Yes
- ☐ No

154. Optional Comments:

Trading, Execution and Clearing

***155. Are automated trading algorithms material to your business in any of the following areas (select all that apply)?(*Required)**

Select one per row.

	Yes	No	N/A
*Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Fixed Income	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

155.1 Please specify Other securities that are traded using automated trading algorithms

***156. Does your firm make its proprietary algorithms available to its customers and/or other broker-dealers?(*Required)**

Select one.

- ☐ Yes (Answer question number 156.1, 156.2.)
- ☐ No
- ☐ N/A

156.1 What types of proprietary algorithms or tools are made available to customers and/or broker-dealers?

Select all that apply.

- ☐ VWAP/TWAP/Percent of Volume
- ☐ Implementation Shortfall
- ☐ Electronic market making
- ☐ Delta neutral hedge
- ☐ Pairs trading
- ☐ Smart order router
- ☐ Liquidity seeking
- ☐ Arbitrage
- ☐ Other: Please specify:

156.2 Optional Comments

*157. Are the algorithms that underpin your firm's automated trading strategies clearly documented at a trading strategy level?(*Required)

Select one.

- ☐ Yes
- ☐ No
- ☐ Other - Please specify:

158. Have your firm's trading algorithms been tested under various stress scenarios?(*Required)Select one per row.*

	Yes	No	N/A
*Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Fixed Income	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

159. Are the development, testing, deployment, and modification of new and existing technologies conducted by the same individual?*Select one.*

- ☐ Yes
☐ No
☐ N/A

159.1 Optional Comments:**160. How does the firm test and validate its trading technology initiatives, including but not limited to new algorithms, vendors, software, hardware, and other trading tools prior to rolling them into production?***Select all that apply.*

- ☐ User Acceptance Testing (UAT)
☐ Offline testing
☐ Testing under non-normal market conditions
☐ Unit testing
☐ Exception reports
☐ Other - Please specify:

161. How often does the firm conduct testing of its algorithms in production to ensure they are functioning as intended?

Select all that apply.

- ☐ Daily
- ☐ At each software release
- ☐ Weekly
- ☐ Monthly
- ☐ Quarterly
- ☐ Other - Please specify:
- ☐ N/A

162. How does the firm supervise for abusive/manipulative trading by users of its algorithms?

Select all that apply.

- ☐ System Controls
- ☐ Policies and Procedures
- ☐ Account Monitoring
- ☐ Email/IM Monitoring
- ☐ Exception Report Reviews
- ☐ Other - Please specify:

163. Which users of this technology do the supervisory reviews cover?

Select all that apply.

- ☐ Traders
- ☐ Customers
- ☐ Employees
- ☐ Ownership
- ☐ Affiliates
- ☐ Other - Please specify:

164. Does the firm have liquidity planning and controls which factor in market events and other factors that could create liquidity challenges for the firm?

Select one.

- ☐ Yes
- ☐ No
- ☐ N/A

164.1 Optional Comments

Subsection 9: Alternative Trading System (ATS)

165. Does your firm operate an Alternative Trading System?

Select one.

- ☐ Yes
- ☐ No *(Please skip the questions in this sub-section and go to question 169)*

166. Please provide a breakdown of ATS subscribers:

Retail %::	<input type="text"/>
Institutional %::	<input type="text"/>
Broker Dealers %::	<input type="text"/>
Affiliates %::	<input type="text"/>
Total:	100

167. Please provide a breakdown of automated trading strategy order flow within the ATS:

Internal traders %::	<input type="text"/>
External traders/firms/individuals %::	<input type="text"/>
Total:	100

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Trading, Execution and Clearing

Select one per row.

	Yes	No	N/A
*Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Fixed Income	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

N/A

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Subsection 10: Clearing Services

Select one per row.

	Yes	No
*Equities	<input type="radio"/>	<input type="radio"/>
*Options	<input type="radio"/>	<input type="radio"/>
*Fixed Income	<input type="radio"/>	<input type="radio"/>
*Other	<input type="radio"/>	<input type="radio"/>

No

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Trading, Execution and Clearing

***169.2 In which of the following clearing-related activities does your firm engage (select all that apply)?(*Required)**

Select at least 1 choices.

- ☐ Collateral transformation services
- ☐ Correspondent clearing services
- ☐ Securities lending
- ☐ Other (please specify):
- ☐ N/A

Subsection 11: Execution Services

***170. Does your firm have an **execution** business?(*Required)**

Select one per row.

	Yes	No
*Equities	<input type="radio"/>	<input type="radio"/>
*Options	<input type="radio"/>	<input type="radio"/>
*Fixed Income	<input type="radio"/>	<input type="radio"/>
*Other	<input type="radio"/>	<input type="radio"/>

170.1 Optional comments:

170.2 Does your firm provide Execution Consulting services for institutional customers?

Select one.

- ☐ Yes
- ☐ No

171. In which of the following execution-related activities does your firm engage (select all that apply)?(*Required)Select all that apply.*

	<i>Equities</i>	<i>Options</i>	<i>Fixed Income</i>	<i>Other</i>	<i>N/A</i>
*Alternative trading system/dark pool	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Electronic communications network (ECN) / Electronic executions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Exchange market maker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Exchange non-floor broker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Execution on an agency basis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Execution on a principal basis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Execution on a proprietary basis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Floor broker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Intermediary for foreign brokers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Market access	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*OTC/OTCBB market maker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Sponsored access	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

171.1 Please describe any selections in the "Other" category.

Subsection 12: Other Questions

172. Does your firm trade leveraged loans?*Select one.*

- ☐ Yes
- ☐ No

173. Which of the following roles does your firm provide or perform?

Select all that apply.

- ☐ Authorized Participant for exchange traded products such as ETFs
- ☐ Market maker for exchange-traded products such as ETFs

Please answer the following question if you trade fixed income products:

174. How do you price fixed income products?

Select all that apply.

- ☐ Internal system
- ☐ We use one third party service (Answer question number 174.1.)
- ☐ We use multiple third party services (Answer question number 174.1.)
- ☐ N/A

174.1 Please indicate name or names of third party service used to price fixed income products.**175. Optional Comments**

Investment Banking and/or Research

This section is intended to help us better understand the products and services associated with your investment banking and/or Research business. Please respond to this section if your firm reported revenue in fiscal year 2015 in the "Investment Banking / M&A Advisory" and/or the "Underwriting" sections of the Supplemental Statement of Income (line items 11091 or 13955 or 13980 respectively), and/or if these represent material aspects of your overall business.

For additional guidance on materiality, please see the FAQs.

***176. Which of the following apply to your firm's Investment Banking / Research business ?(*Required)**

Select one.

- ☐ We do both Investment Banking and Research (Go to question number 177.)
- ☐ We do Investment Banking, but not Research (Go to question number 177.)
- ☐ We only do research (Go to question number 187.)
- ☐ Other: Please specify: Go to end of chapter

***177. What approximate percentage of your firm's gross investment banking and/or M&A advisory revenue in the last 4 quarters (rounded to the nearest whole number between 0 and 100) did each of the following business lines contribute?(*Required)**

M&A Advisory:	<input type="text"/>
Financing Advisory:	<input type="text"/>
Municipal Advisory:	<input type="text"/>
Financing:	<input type="text"/>
Private Placement:	<input type="text"/>
Underwriting:	<input type="text"/>
Others:	<input type="text"/>
Total:	100

Total: 100

Total: 100

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Investment Banking and/or Research

***181. Which of the following industry sectors represent a **core focus** of your investment banking business?(*Required)**

Select all that apply.

	<i>M&A, financing, valuation advisory</i>	<i>Financing</i>	<i>Underwriting</i>	<i>N/A</i>
*Energy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Materials	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Capital Goods	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Commercial & Professional Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Transportation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Automobiles & Components	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Consumer Durables & Apparel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Consumer Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Media	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Retailing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Food & Staples Retailing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Food, Beverage & Tobacco	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Household & Personal Products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Health Care Equipment & Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Pharmaceuticals, Biotechnology & Life Sciences	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Banks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Diversified Financials	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Real Estate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Software & Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Technology Hardware & Equipment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Semiconductors & Semiconductor Equipment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Telecommunication Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Utilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other Please Specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

181.1 Other - Please Specify Industry/Focus***182. Does your firm serve as any of the following for the issuer of any securities that the firm is also underwriting or offering for sale?(*Required)***Select one per row.*

	Yes	No	N/A
*Administrator	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Custodian	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Investment banking adviser	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Registered investment adviser	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

183. Does your firm provide any of the following services to municipal entity clients?(*Required)Select one per row.*

	Yes	No	N/A
*Underwriter	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Financial Advisor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Guaranteed Investment Contract Broker	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Third-party marketer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Brokerage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Placement agent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Solicitor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Finder	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Swap advisor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

184. In the last 3 years (2013-2015), approximately what percent of the deals were cancelled as a result of your due diligence reviews. Please specify

185. Do any of the issuers for which your firm acted as an underwriter in an IPO meet the definition of an “Emerging Growth Company” as defined in Section 3(a)(80) of the Exchange Act?

Select one.

- ☐ Yes
- ☐ No
- ☐ N/A

***186. Is the research department physically separated from all other business operations (e.g., investment banking, sales and trading)?(*Required)**

Select one.

- ☐ Yes
- ☐ No
- ☐ N/A

187. Does your firm publish research material on firms in which it holds a financial interest?

Select one.

- ☐ Yes
- ☐ No
- ☐ N/A

188. Does your firm publish research on the following?

Select one.

- ☐ Equity Securities
- ☐ Debt Securities
- ☐ Both Equity and Debt

189. Please describe the process by which your firm distributes research reports:

Select all that apply.

- ☐ Mail
- ☐ Via e-mail/thread dissemination
- ☐ Via automated system administered by third-party vendor
- ☐ Other – Please describe:

190. Does the firm distribute Third Party Research?

Select one.

- ☐ Yes (Answer question number 190.1.)
- ☐ No
- ☐ N/A

190.1 Please describe who publishes the third party research (i.e.: affiliates or independent organizations)?

Select all that apply.

- ☐ Affiliates
- ☐ Independent organizations
- ☐ Other - Please Describe

191. Does the firm have Legal and/or Compliance personnel dedicated exclusively to the investment banking department?

Select one.

- ☐ Yes
- ☐ No
- ☐ N/A

192. Does your firm provide research on corporations?

Select one per row.

	Yes	No	N/A
Issuers for which it provides investment banking services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Issuers for which it has served or intends to serve as an underwriter of securities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Issuers or debt securities for which it also engages in principal trading activity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

193. If the firm conducts an investment banking business, as a matter of policy, will the research department initiate coverage on all underwriting clients?

Select one.

- ☐ Never
- ☐ In some circumstances
- ☐ Often
- ☐ Always
- ☐ Other: Please specify:

194. Do research analysts conduct vetting / due diligence of potential investment banking clients?

Select one.

- ☐ Yes
- ☐ No
- ☐ N/A

195. Does your firm have a Commission Sharing Agreement or Soft Dollar Agreement?

Select one.

- ☐ Yes
- ☐ No

196. How frequently does your firm monitor communications between the research department and revenue-generating business lines, or external parties? (select all that apply)

Select all that apply.

	<i>Daily</i>	<i>Weekly</i>	<i>Monthly</i>	<i>Quarterly</i>
Monitor correspondence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monitor electronic communications	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monitor phone communications	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monitor instant messaging	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

196.1 Other: Please specify

197. By whom is the communication monitored? (select all that apply)

Select all that apply.

- ☐ Third party vendor
- ☐ Supervisor
- ☐ Compliance department
- ☐ Other: Please specify:

198. Who reviews communication between the subject company and the research analysts to ensure that subject companies do not perform a pre-publication review of research reports other than a verification of facts? (select all that apply)

Select all that apply.

- ☐ Supervisor
- ☐ Compliance
- ☐ Other: Please specify:

199. Which of the following factors are taken into account when determining compensation for research analysts? (select all that apply)

Select all that apply.

- ☐ Accuracy of research forecasts
- ☐ Quality of research reports
- ☐ Productivity of the analyst
- ☐ Contribution to the Investment Banking business
- ☐ Other: Please specify:

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None of the Above Firms

You have reached this section of the survey because you chose "None Of the Above" as your business line. In order to improve our understanding of your firm, please use this section to describe your main business activities.

***200. Please describe your business(*Required)**

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Survey Feedback

The following questions are optional and are intended to help FINRA improve the risk control assessment survey in the future.

201. Please indicate whether you agree or disagree with the statements below.

Select one per row.

[illegible]

202. Optional comments: