The Three Lines of Defense: Risk Management Supervision, Compliance and Internal Audit
Monday, May 21
3:00 p.m. – 4:00 p.m.

Compliance and business supervision roles are becoming difficult to differentiate. Join FINRA staff and industry practitioners as they discuss how their firms are defining the roles of supervisors and compliance personnel. Panelists discuss the three lines of defense and how their firms are applying the model within their organizations.

Moderator:  
Donald Lopez 
Senior Vice President and Regional Director 
FINRA West Region

Panelists:  
Tracy Calder 
Managing Director and Chief Risk Officer 
LPL Financial, LLC

David Greene 
District Director, Sales Practices 
FINRA Los Angeles District Office

Alexander Schneble 
Director of Private Wealth Management Compliance 
Robert W. Baird & Co. Inc.
The Three Lines of Defense: Risk Management Supervision, Compliance and Internal Audit
Panelist Bios:

Moderator:

Don Lopez is Senior Vice President and Regional Director of FINRA’s West Region. The West Region consists of the District Offices located in Denver, Los Angeles and San Francisco. The West Region is responsible for conducting examinations, investigations and ongoing surveillance of broker-dealers and registered persons located in the western half of the United States. Previously, Mr. Lopez was the District Director of the FINRA San Francisco District Office. Prior to joining the San Francisco Office, he was a Director of FINRA’s Examination Programs Group (EPG), located in Washington, DC. EPG, among other things, authored and maintained examination policies and procedures used by FINRA’s examination staff, coordinated national special projects and initiatives, and oversaw the national examination program—the regulated firm-focused examination and surveillance activities conducted by FINRA’s Member Regulation Department. Mr. Lopez began his career as an Examiner in NASD’s Denver District Office in 1992 and after serving as Supervisor in the Denver District Office, joined the Washington, DC office in September 2003. He graduated from the University of Colorado at Boulder with a B.S. degree in Accounting, and received his MBA from the University of Colorado at Denver.

Panelists:

Tracy Calder is Managing Director and Chief Risk Officer for LPL Financial. She is responsible for company-wide risk management processes and controls, and oversees key compliance, risk and supervisory functions, including Brokerage and Advisory Compliance, Financial Crimes, Business Risk Management, and Enterprise Risk Management. Additionally, Ms. Calder has responsibility for regulatory inquiries and exams. She also serves as chair of the Firm’s Risk Oversight Committee. Prior to joining LPL in January 2016, Ms. Calder worked for J.P. Morgan Securities, where she served as managing director, chief compliance officer. Earlier in her career, Ms. Calder served as senior vice president responsible for Wells Fargo Advisors’ retail compliance program, and held a variety of legal and compliance roles at UBS Financial Services Inc., including head of legal for the Wealth Management Advisor Group, and chief compliance officer. Ms. Calder earned a Bachelor of Arts from Fordham University and a Juris Doctor from the University Of North Carolina School Of Law.

David Greene is District Director of FINRA’s Los Angeles District 2 Office. He served in the same role at NASD before its 2007 consolidation with NYSE Member Regulation, which resulted in the formation of FINRA. In his capacity as District Director, Mr. Greene oversees the sales practice oversight process of FINRA-regulated securities firms based in District 2, as well their employees, with responsibility for ongoing surveillance, examinations and investigations. In January 2000, Mr. Greene joined FINRA (then NASD) as a regional counsel for FINRA’s Enforcement Department, and was based in the Los Angeles District Office. For two-and-a-half years preceding his appointment as Director, Mr. Greene served as the Deputy Regional Chief Counsel, FINRA Enforcement Western Region, where his responsibilities included managing enforcement attorneys in FINRA district offices of Los Angeles, San Francisco, Denver and Seattle; developing and overseeing FINRA’s national non-summary proceedings programs; as well as his own enforcement docket. Among the significant cases Mr. Greene handled were those involving mutual fund share classes, gifts and gratuities, market timing, brokered certificates of deposit, sales practice violations and operational compliance issues. Prior to joining FINRA, Mr. Greene was associated with a law firm in Los Angeles for 10 years. Mr. Greene received his undergraduate degree from Pepperdine University and his law degree from Southwestern University School of Law. Mr. Greene is licensed to practice law in California, and is admitted to practice before various federal courts. He is an executive committee liaison of the Los Angeles County Bar Association Business & Corporations Law Section and is frequently a speaker at securities industry events. Mr. Greene is also designated as a Certified Regulatory and Compliance Professional™ through the FINRA Institute at Wharton.

Alexander “Alex” Schneble has been the Director of Private Wealth Management Compliance at Robert W Baird (“Baird”) since 2013. Mr. Schneble leads the compliance program for the firm’s retail brokerage and advisory business. He originally started at Baird in 2000 and in 2002, he transitioned to Northwestern Mutual Investment Services (“NMIS”) where he established firm policy for the new broker-dealer and investment adviser, helped shape the firm’s brokerage and advisory programs and was one of the key individuals responsible for building NMIS’ supervisory system. Mr. Schneble rejoined Baird in 2011 as
the Director of Regulation and Policy responsible for assessing new regulations, industry trends and disciplinary actions. Upon transitioning to Private Wealth Management Compliance in 2013, he led the effort to redesign Baird's supervisory system to strengthen its capabilities so it could continue to support the firm's substantial growth and diverse product offerings.
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May 21 – 23, 2018 • Washington, DC

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Moderator
- Donald Lopezi, Senior Vice President and Regional Director, FINRA West Region

Panelists
- Tracy Calder, Managing Director and Chief Risk Officer, LPL Financial, LLC
- David Greene, District Director, Sales Practices, FINRA Los Angeles District Office
- Alexander Schneble, Director of Private Wealth Management, Compliance, Robert W. Baird & Co. Inc.
To Access Polling

- Under the “Schedule” icon on the home screen,
- Select the day,
- Choose The Three Lines of Defense: Risk Management Supervision, Compliance and Internal Audit session,
- Click on the polling icon:
Polling Question 1

1. My firm has the following number of registered persons:
   a. < 100
   b. 100 - 500
   c. 501 - 1000
   d. >1000
Polling Question 2

2. My firm has the following number of branch office locations:
   a. 1-25
   b. 26-100
   c. 100 – 250
   d. >250
Polling Question 3

3. My firm utilizes the following type of supervisory system:
   a. Centralized
   b. Local (De-Centralized)
   c. Both Centralized and Local
Polling Question 4

4. At my firm, the following has a decision making role in the hiring process:
   a. Supervision
   b. Compliance
   c. Both Compliance and Supervision
Polling Question 5

5. At my firm, the following departments are involved in the new product vetting, approval and onboarding process:
   a. Supervision
   b. Compliance
   c. Both Compliance and Supervision
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Resources

Securities Industry and Financial Markets Association (SIFMA)

- SIFMA, the SIFMA Compliance & Legal Society, and SIFMA’s Compliance and Regulatory Policy Committee’s White paper on The Evolving Role of Compliance (March 11, 2013)
  
  www.sifma.org/resources/submissions/the-evolving-role-of-compliance/

Securities and Exchange Commission (SEC)

- Frequently Asked Questions About Liability of Compliance and Legal Personnel at Broker-Dealers under Sections 15(b)(4) and 15(b)(6) of the Exchange Act – Division of Trading and Markets (September 30, 2013)
  
  www.sec.gov/divisions/marketreg/faq-cco-supervision-093013.htm