Creating an Effective Records Management and Retention Program (B2BC Track)
Tuesday, May 22
3:00 p.m. – 4:00 p.m.

This session is designed for compliance professionals who are new to the financial services industry. This Back to Basics Compliance session covers the fundamentals of recordkeeping obligations, issues to consider when deciding whether to outsource recordkeeping functions, record retention requirements relating to electronic communications, and the use of electronic storage and encryption. This session also highlights timely issues facing compliance professionals in this area, including the use of social media, Web conferencing and cloud storage. Join panelists as they identify requirements for member firms under FINRA and SEC rules, and share effective practices to help firms in their compliance efforts.

Moderator:  
Joseph Sheirer  
District Director, Sales Practice  
FINRA New Jersey District Office

Panelists:  
Darla Bartkowiak  
Managing Director and Chief Compliance Officer  
Amherst Pierpont Securities, LLC

John Weitzer  
Managing Director and Head of Regulatory Compliance, Global Banking and Markets  
HSBC Securities (USA) Inc.

Mary Ellen Williams  
Chief Financial Officer and Chief Compliance Officer  
Lieblong & Associates, Inc.
Creating an Effective Records Management and Retention Program (B2BC Track) Panelist Bios:

Moderator:

**Joseph J. Sheirer** is Director of FINRA’s New Jersey District Office. Mr. Sheirer oversees the Surveillance, Cycle Examination, and Cause Investigation Programs for member firms and associated persons located in New Jersey and New York (outside of the five boroughs of New York City and Long Island). Mr. Sheirer previously developed and oversaw FINRA’s national Membership Application Program group and worked in varying capacities in a number of other FINRA departments including Risk Oversight & Operational Regulation, Continuing Education, Testing, and Qualifications & Registration. Mr. Sheirer is a graduate of Brooklyn Law School and Drew University and is a member of the Bars of the States of New York and New Jersey.

Panelists:

**Darla K. Bartkowiak** is Managing Director and Chief Compliance Officer for Amherst Pierpont Securities LLC. She also serves as an officer and director of Amherst Pierpont International Ltd. Ms. Bartkowiak joined predecessor, Amherst Securities Group in 2002 as the firm’s Chief Compliance Officer where she also served on the firm’s Board of Directors. She began her career in the financial industry 38 years ago with the most recent 29 years being primarily focused on compliance initiatives. During this time she was also the CCO of an affiliated registered investment advisor for six years; the President and board member of AccessBroker.com; a Senior Compliance Examiner with the FINRA Dallas District Office; and the Head of Compliance at a Dallas based clearing firm. In addition to holding multiple industry registrations, she currently serves on the FINRA New York Regional Committee. She also served on the FINRA District 6 Committee for six years and served a term on the FINRA Regulatory Advisory Committee. Ms. Bartkowiak graduated with honors from Amberton University with a Bachelor of Science Degree in Human Relations and Business.

**John Weitzer** is Managing Director and Americas Head of Regulatory Compliance, Global Banking and Markets, at HSBC. Prior to joining HSBC, Mr. Weitzer served as Managing Director and Chief Compliance Officer for RBC Capital Markets, covering the Firm’s investment banking, research, sales and trading activities. Mr. Weitzer has more than 20 years of industry and regulatory experience, including various senior compliance positions at Barclays Capital and Lehman Brothers. He began his career as an examiner for the New York Stock Exchange which merged with the NASD in 2007 to form FINRA. He is a member of the FINRA New York Region Committee as well as a Board member of “You Gotta Believe”, the only NYC Metro organization that exclusively focuses on finding permanent families for older youth in foster care.

**Mary Ellen Williams** is Chief Financial Officer and Chief Compliance Officer of Lieblong & Associates, Inc. in Little Rock, AR. Lieblong & Associates is a full service, independent broker/dealer and SEC-registered investment advisory firm. Ms. Williams serves as the firm’s FINOP and General Securities Principal in addition to overseeing the compliance programs for both the broker/dealer and investment advisory businesses. Ms. Williams began her career in retail banking prior to joining Lieblong & Associates in 2002. She received her Bachelor of Science in Business Administration degree with a major in Finance from the University of Arkansas and her Master’s Degree in Business Administration from the University of Central Arkansas. She is a current member of FINRA’s South Region Committee and previously served on FINRA’s District 5 committee. Ms. Williams holds the Series 7, 24, 27 and 63 securities licenses.
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Moderator
- Joseph Sheirer, District Director, Sales Practice, FINRA New Jersey District Office

Panelists
- Darla Bartkowiak, Managing Director and Chief Compliance Officer, Amherst Pierpont Securities, LLC
- John Weitzer, Managing Director and Head of Regulatory Compliance, Global Banking and Markets, HSBC Securities (USA) Inc.
- Mary Ellen Williams, Chief Financial Officer and Chief Compliance Officer, Lieblong & Associates, Inc.
To Access Polling

- Under the “Schedule” icon on the home screen,
- Select the day,
- Choose the Creating an Effective Records Management and Retention Program (B2BC Track) session,
- Click on the polling icon:
Program Overview

- Introduction
- Regulatory Requirements
- Deciding on Firm Records Management Approach
- Exam Considerations & Cases
- Data Protection & Cybersecurity
- Resources
### Polling Question 1

1. The number of registered persons at my firm is:

   a. 1-10
   b. 11-50
   c. 51 – 150
   d. 151 – 500
   e. 501 or more
Regulatory Requirements

- SEA Rules
  - Business as such
  - Keep current
  - Readily Accessible

- FINRA Rule 4511 (General Requirements)

- Other Agencies’ Rules
Regulatory Requirements (cont’d)

- **Required Books and Records (High Level)**
  - Trade blotters, order tickets, confirmations
  - Financial records – asset and liability ledgers, income and expense ledgers, capital account ledgers
  - Customer account ledgers, account information
  - Securities records
  - Associated persons’ records
  - Communications

- **Identification of Responsible Persons**
Polling Question 2

2. My firm’s approach to records maintenance generally consists of:
   a. Primarily using in-house processes/systems
   b. Largely using vendors or outsourcing
   c. Partially using vendors or outsourcing while also using in-house systems
Polling Question 3

3. The portion of records for which my firm outsources retention is:
   a. Electronic Communications
   b. Financial Records
   c. Blotters/Statements/Confirms
   d. All of the above
   e. None of the above
Deciding on Firm Records Management Approach

Considerations

- Manual versus systemic/automated
- Efficacy of existing arrangements
  - Accuracy & Availability
  - Impairment or improvement of business processes
- Integrity of records
- Cost
Deciding on Firm Records Management Approach (cont’d)

**D.I.Y. or Outsource**

- **Due Diligence**
  - Ability to deliver on needs
  - Firm policies re: Cyber, Data Protection
- **Access to Records – During & After Outsourcing Arrangement**
- **ESM Notification**
- **User Experience**
- **Cost**
Polling Question 4

4. My firm’s experience with record retention reviews during exams has been:
   
a. Exams have included a primary focus on systems and controls around books and records
   
b. Review of record retention has been tangential, with reviews more focused on the underlying activity
   
c. The firm hasn’t been subject to an exam
Exam Considerations & Cases

- Reliability and Availability of Records
  - Manual versus Automated
  - Persons Creating/ Access Management
  - Accurate; Unalterable
  - Produced Timely

- Intersection with Supervision & Controls
  - Accuracy of Exception Reports/ Tools
  - Evidence of reviews conducted
  - Changes in volume on reports – any underlying data or report issues
Data Protection & Cybersecurity

- Regulation S-P
- Insider Threat
- Access/ Rights Management
- Vulnerability Assessments
Resources

- [www.finra.org/industry/books-records](http://www.finra.org/industry/books-records)
- [www.finra.org/industry/books-records-checklist](http://www.finra.org/industry/books-records-checklist)
- [www.finra.org/industry/notices/11-39](http://www.finra.org/industry/notices/11-39)
- [www.finra.org/industry/finra-disciplinary-actions-online](http://www.finra.org/industry/finra-disciplinary-actions-online)
- [www.finra.org/industry/disciplinary-actions](http://www.finra.org/industry/disciplinary-actions)
- [www.finra.org/industry/cvd](http://www.finra.org/industry/cvd)
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Resources

FINRA Resources

- FINRA Regulatory Notice 11-39, Social Media Websites and the Use of Personal Devices for Business Communications, Guidance on Social Networking Websites and Business Communications (August 2011)
  
  [www.finra.org/industry/notices/11-39](www.finra.org/industry/notices/11-39)

- FINRA Webpage: Books and Records
  
  [www.finra.org/industry/books-records](www.finra.org/industry/books-records)

- FINRA Webpage: Broker-Dealer Books and Records: New and Amended Recordkeeping Requirements Checklist
  
  [www.finra.org/industry/books-records-checklist](www.finra.org/industry/books-records-checklist)

- FINRA Webpage: FINRA Disciplinary Actions Online: Search Function
  
  [www.finra.org/industry/finra-disciplinary-actions-online](www.finra.org/industry/finra-disciplinary-actions-online)

- FINRA Webpage: Filter Disciplinary Actions
  
  [www.finra.org/industry/disciplinary-actions](www.finra.org/industry/disciplinary-actions)

- FINRA Webpage: Compliance Vendor Directory
  
  [www.finra.org/industry/cvd](www.finra.org/industry/cvd)