

CRCP Week I: Foundation | July 21 - 26, 2019

Session Descriptions and Learning Objectives

Certified Regulatory and Compliance Professional (CRCP)[®] Program



GEORGETOWN
UNIVERSITY
McDonough
SCHOOL of BUSINESS
EXECUTIVE EDUCATION

CRCP Week I: Foundation

Session Descriptions and Learning Objectives

July 21 – 26, 2019

Note: This schedule is subject to change.

Day 1	Sunday
5:00 p.m. – 7:00 p.m.	Registration and Welcome Reception
Day 2	Monday
7:45 a.m. – 8:45 a.m.	Breakfast
8:45 a.m. – 9:00 a.m.	Program Introductions and Logistics
9:00 a.m. – 10:30 a.m.	SESSION 1: Fundamentals of Financial Regulation
10:30 a.m. – 10:45 a.m.	Break
10:45 a.m. – 12:15 p.m.	SESSION 2: Securities Exchange Act I
12:15 p.m. – 1:30 p.m.	Lunch & Group Photo
1:30 p.m. – 3:00 p.m.	SESSION 3: Securities Exchange Act II
3:00 p.m. – 3:15 p.m.	Break
3:15 p.m. – 4:45 p.m.	SESSION 4: Market Structure
4:45 p.m. – 5:00 p.m.	Break
5:00 p.m. – 6:00 p.m.	Group Exercise
6:00 p.m. – 8:00 p.m.	Off-Campus Dinner
Day 3	Tuesday
8:00 a.m. – 9:00 a.m.	Breakfast
9:00 a.m. – 10:30 a.m.	SESSION 5: Exempt Offerings and Resales I
10:30 a.m. – 10:45 a.m.	Break
10:45 a.m. – 12:15 p.m.	SESSION 6: Exempt Offerings and Resales II
12:15 p.m. – 1:30 p.m.	Lunch
1:30 p.m. – 3:00 p.m.	SESSION 7: Public Offerings and Civil Liabilities I
3:00 p.m. – 3:15 p.m.	Break
3:15 p.m. – 4:45 p.m.	SESSION 8: Public Offerings and Civil Liabilities II
4:45 p.m. – 5:00 p.m.	Break
5:00 p.m. – 6:00 p.m.	Group Exercise
6:30 p.m. – 8:00 p.m.	Dinner and Speaker: Robert Cook, President and Chief Executive Officer, FINRA

Day 4	Wednesday
8:00 a.m. – 9:00 a.m.	Breakfast
9:00 a.m. – 10:30 a.m.	SESSION 9: Broker-Dealer Regulation: Suitability in a Best Interest World
10:30 a.m. – 10:45 a.m.	Break
10:45 a.m. – 12:15 p.m.	SESSION 10: Broker-Dealer Regulation: Books, Records, Reports and Sales Practice Compliance
12:15 p.m. – 1:30 p.m.	Lunch
1:30 p.m. – 3:00 p.m.	SESSION 11: Broker-Dealer Regulation: Financial Responsibility and Managing Risks (Net Capital)
3:00 p.m. – 3:15 p.m.	Break
3:15 p.m. – 4:45 p.m.	SESSION 12: Leadership: Effective Communications Within the Firm
4:45 p.m. – 5:00 p.m.	Break
5:00 p.m. – 6:00 p.m.	Group Exercise
6:00 p.m. – 8:00 p.m.	Dinner
Day 5	Thursday
8:00 a.m. – 9:00 a.m.	Breakfast
9:00 a.m. – 10:30 a.m.	SESSION 13: Communications With the Public: Advertising and Social Media
10:30 a.m. – 10:45 a.m.	Break
10:45 a.m. – 12:15 p.m.	SESSION 14: Broker-Dealer Regulation: Supervision
12:15 p.m. – 1:30 p.m.	Lunch
1:30 p.m. – 3:00 p.m.	SESSION 15: Broker-Dealer Regulation: Best Execution in Equities and Fixed Income
3:00 p.m. – 3:15 p.m.	Break
3:15 p.m. – 4:45 p.m.	Session 16: Leadership: Building an Effective as well as Cost-Effective Compliance Culture
4:45 p.m. – 5:00 p.m.	Break
5:00 p.m. – 6:00 p.m.	Group Exercise
6:00 p.m. – 8:00 p.m.	Dinner
Day 6	Friday
8:00 a.m. – 9:00 a.m.	Breakfast
9:00 a.m. – 10:30 a.m.	Session 17: FinTech 101
10:30 a.m. – 10:45 a.m.	Break
10:45 a.m. – 12:15 p.m.	Session 18: Pro-Active Management: Emerging Trends in Financial Markets and Regulation
12:15 p.m. – 1:00 p.m.	Lunch
1:00 p.m. – 3:30 p.m.	Assessment

Session Descriptions

This intensive week-long program takes place at Georgetown University’s McDonough School of Business executive education facility in Washington, DC. Taught by business and law school professors from Georgetown University and expert faculty drawn from other universities, financial industry professionals and securities industry regulators, this foundational program leverages case studies, lectures and interactive discussions to foster a broad understanding of the financial services industry and regulations. Following are detailed descriptions, learning objectives and instructor information for each Week I session.

<p>Session 1</p>	<p>Fundamentals of Financial Regulation</p>	
	<p>This session provides an overview of the basic reasons for financial regulation and an overview of the legal framework for securities regulation. The laws highlighted include the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940 and the Investment Advisers Act of 1940. The session also covers the basic structure and purpose of the U.S. government agencies (e.g., SEC, CFTC, OCC, FDIC, Federal Reserve) and self-regulatory organizations (e.g., FINRA, Exchanges) responsible for overseeing the financial services industry.</p>	
	<p>Learning Objectives</p> <p>After completing this session, you will be able to:</p> <ul style="list-style-type: none"> ▶ understand basic reasons for financial regulation; <ul style="list-style-type: none"> • importance of information asymmetries; fraud prevention; • consumer protection; • economic growth and stability; • law enforcement; ▶ understand basic structure and purpose of U.S. financial regulatory agencies; <ul style="list-style-type: none"> • SEC, CFTC, OCC, FDIC, Federal Reserve; • SROs (FINRA, Exchanges); ▶ understand basic legal framework; <ul style="list-style-type: none"> • Securities Act of 1933; • Securities Exchange Act of 1934; • Investment Company Act of 1940; and • Investment Advisers Act of 1940. 	<p>Instructor</p> <p>James Angel</p> <p>Associate Professor, Georgetown University’s McDonough School of Business, CRCP® Academic Director</p>
<p>Sessions 2, 3</p>	<p>Securities Exchange Act I and II</p>	
	<p>The Securities Exchange Act of 1934 is a broad and sweeping statute that mainly seeks to promote integrity in process by which shares trade after having been issued. These sessions cover (1) basic corporate disclosure requirements; (2) the many additional requirements (internal controls, audit committees, etc.) imposed by the Sarbanes-Oxley Act in 2002; (3) the creation of strong anti-manipulation and antifraud prohibitions that reach well beyond the issuer community; (4) Regulation FD’s restrictions on selective disclosure; (5) the disclosure and substantive regulation imposed on investors who take large beneficial ownership positions in public companies; and (6) proxy regulation. As time permits, the session also will explore the surprisingly difficult questions involved in assessing whether an instrument is a security in the first place.</p>	
	<p>Learning Objectives</p> <p>After completing these sessions, you will be able to:</p> <ul style="list-style-type: none"> ▶ have an appreciation of the SEC as a regulatory agency and the important background into the process of disclosure by public companies and its associated infrastructure; and ▶ “connect the dots” in terms of the ways that the SEC’s approach to disclosure affects the day-to-day work of broker-dealers and other securities professionals. 	<p>Instructor</p> <p>Donald C. Langevoort</p> <p>Thomas Aquinas Reynolds Professor of Law, Georgetown Law School</p>

Session 4	Market Structure	
	<p>This session provides an overview of the structure and regulatory framework for the U.S. securities markets, including their history and how they have evolved. The session also explores the impact of innovation on the markets, such as high-frequency trading and dark pools, including how such innovation can affect market access and capitalization. In addition, the session analyzes how the increasing globalization of the U.S. securities markets have impacted investor protection.</p>	
	<p>Learning Objectives</p> <p>After completing this session, you will be able to:</p> <ul style="list-style-type: none"> ▶ Understand the regulatory structure of the national market system; ▶ Discuss the impact of advances in technology on trading practices, market access and capitalization; and ▶ Describe how the internationalization of the securities markets affects how investors are protected against market manipulation and fraud. 	<p>Instructor</p> <p>James Angel</p> <p>Associate Professor, Georgetown University McDonough School of Business, CRCP® Academic Director</p>
Sessions 5, 6	Exempt Offerings and Resales I and II	
	<p>These sessions cover exempt securities offerings and transactions, specifically focusing on Sections 3 and 4 of the Securities Act of 1933, Regulation D exemptions, Regulations A and A+, Regulation S and intrastate offerings. The discussion includes an analysis of the regulatory concept of an accredited investor and how the JOBS Act changes the rules concerning general solicitation in private placements. The sessions also cover the sale of restricted and controlled securities, specifically focusing on the requirements for resale pursuant to SEC Rules 144 and 144A.</p>	
	<p>Learning Objectives</p> <p>After completing these sessions, you will be able to:</p> <ul style="list-style-type: none"> ▶ differentiate between the various types of exempt offerings and transactions; ▶ summarize the requirements of private placement and offering exemptions; and ▶ analyze restricted and controlled securities and determine when unregistered securities are eligible for resale. 	<p>Instructor</p> <p>Lisa Fairfax</p> <p>Leroy Sorenson Merrifield Research Professor of Law, George Washington University Law School</p>
Session 7, 8	Public Offerings & Civil Liabilities I and II	
	<p>These sessions cover the implications of the Securities Act of 1933's requirement that every offer and sale of securities be registered. The sessions focus primarily on the initial public offering process, but also discuss secondary offerings and shelf offerings. The sessions also cover the underwriting process, disclosure and form filing requirements, prospectuses and requirements for dealers. Finally, the sessions cover civil liabilities under the securities laws, including under Sections 11, 12 and 17 of the Securities Act of 1933 and under section 10 of the Securities Exchange Act of 1934. In doing so, the sessions focus on who may be held liable, what actions expose offering participants to liability, and what is the extent of liability in registered securities offerings.</p>	

	<p>Learning Objectives</p> <p>After completing these sessions, you will be able to:</p> <ul style="list-style-type: none"> ▶ summarize and apply select securities statutes and rules pertaining to the distribution of securities; ▶ explain the registration process, including requirements for delayed and unallocated shelf offerings; ▶ understand disclosure obligations and review the contents of the prospectus and registration statements; and ▶ explain the scope of civil liability under securities laws. 	<p>Instructor</p> <p>Urška Velikonja</p> <p>Professor of Law, Georgetown Law School</p>
Session 9	Broker-Dealer Regulation: Suitability in a Best Interest World	
	<p>This session examines FINRA’s suitability rule as it applies to investment recommendations to both retail and institutional customers. The session reviews the basic elements of the suitability rule, including the concept of recommendation and the three main suitability obligations. The session also covers current areas of FINRA focus and concern regarding the suitability rule and recommended practices in this area. After acknowledging that the Securities Exchange Act of 1934 also imposes a suitability obligation upon brokers, the session contrasts FINRA’s suitability rule with the respective fiduciary standards under the SEC’s Regulation Best Interest, the Investment Advisers Act, and state fiduciary law, among others, and then considers, from a policy perspective, the strengths and weaknesses of the various rules governing a broker-customer relationship.</p>	
	<p>Learning Objectives</p> <p>After completing this session, you will be able to:</p> <ul style="list-style-type: none"> ▶ understand the basic elements of FINRA’s suitability rule; ▶ understand current areas of FINRA focus and concern as to suitability and best practices; and ▶ have a basic understanding of the statutory basis for the suitability obligation and a familiarity with the current policy debate on the appropriate standard of conduct for an investment professional with respect to a customer. 	<p>Instructors</p> <p>James Fanto</p> <p>Gerald Baylin Professor of Law, Brooklyn Law School</p> <hr/> <p>James Wrona</p> <p>Vice President and Associate General Counsel, Office of General Counsel, FINRA</p>
Session 10	Broker-Dealer Regulation: Books, Records, Reports and Sales Practice Compliance	
	<p>This session covers the requirements of broker-dealers to make and keep current books and records relating to the firm’s business under SEC and FINRA rules. It addresses recordkeeping requirements that are tied to specific broker-dealer activities and reporting obligations and that serve as the basis for supervision and regulation of a firm and its associate persons, particularly as to their sales practices. The session also considers the required retention formats for books and records and developments in this area in light of recordkeeping technology. Where possible, the session explores the policies behind the regulatory requirements and their evolution.</p>	
	<p>Learning Objectives</p> <p>After completing this session, you will be able to:</p> <ul style="list-style-type: none"> ▶ understand the kinds of books and records that must be made and maintained under SEC and FINRA rules, the acceptable retention formats for them and their connection to reporting requirements; ▶ understand the impact of recent technological trends on recordkeeping formats; and ▶ understand the origin of, and policies behind, the recordkeeping rules and ideas for reform of them. 	<p>Instructors</p> <p>James Fanto</p> <p>Gerald Baylin Professor of Law, Brooklyn Law School</p>

Session 11	Broker-Dealer Regulation: Financial Responsibility and Managing Risks	
	<p>This session covers the broker-dealer financial responsibility rules, with an emphasis on the net capital and customer protection rules. The session also explores the U.S. approach to broker-dealer management of financial and operational risks and how that differs from the approach taken by U.S. banking and foreign financial regulators.</p>	
	<p>Learning Objectives</p> <p>After completing this session, you will be able to:</p> <ul style="list-style-type: none"> ▶ understand the purpose and elements of the net capital rule, follow and understand issues in the computation of net capital and appreciate the ways in which the SEC and FINRA watch for firms experiencing difficulties in meeting their obligations under the rule; ▶ understand the purpose and elements of the customer protection rule and its relationship to SIPC; and ▶ appreciate the value of risk management in broker-dealers today, understand basic best practices in this domain and be aware of regulatory areas of interest. 	<p>Instructor</p> <p>James Fanto Gerald Baylin Professor of Law, Brooklyn Law School</p> <hr/> <p>Bonnie Gauch Senior Special Counsel, Office of Chief Counsel, Trading and Markets, U.S. Securities and Exchange Commission</p>
Session 12	Leadership: Effective Communications Within the Firm	
	<p>This session explores how the ubiquitous presence of mobile devices makes focusing messages directly towards the needs of your audience critical. Creating concise and targeted messages that communicate the why and how of compliance contributes to creating a culture of compliance. This session also discusses strategic communication and message development and explores frameworks for developing audience-focused messages and compelling stories.</p>	
	<p>Learning Objectives</p> <p>After completing this session, you will be able to:</p> <ul style="list-style-type: none"> ▶ provide a framework for organizing and planning messages quickly; ▶ identify a core statement that is audience-focused that can be used to build effective messaging; and ▶ recognize the critical elements necessary for telling an effective story. 	<p>Instructor</p> <p>Jeanine Turner Associate Professor, Georgetown University Communication, Culture, and Technology</p>
Session 13	Communications With the Public: Advertising and Social Media	
	<p>How does FINRA regulate broker -dealers’ marketing communications, within the Securities Exchange Act of 1934’s statutory framework? What must broker-dealers do to supervise social media, text messages, and other digital communications? This session covers FINRA, SEC and MSR standards that govern retail and institutional communications, as well as correspondence, and provides guidance on the regulatory interpretations related to advertising and social media content. The session will also address communications content concerns, approval, supervision, and recordkeeping requirements. Where possible, the session also highlights how regulation addresses the inappropriate uses of psychological pressures in marketing communications.</p>	

	<p>Learning Objectives</p> <p>After completing this session, you will be able to:</p> <ul style="list-style-type: none"> ▶ understand the statutory background to advertising regulation; ▶ understand FINRA requirements governing retail and institutional communications and correspondence under Rule 2210; ▶ understand the advertising regulation issues posed by social media and digital communications, as well as effective practices in these areas; and ▶ have a basic framework for facing new issues in advertising regulation. 	<p>Instructors</p> <p>James Fanto Gerald Baylin Professor of Law, Brooklyn Law School</p> <hr/> <p>Amy C. Sochard Senior Director, Advertising Regulation, FINRA</p>
Session 14	Broker-Dealer Regulation: Supervision	
	<p>In this session, participants review the legal framework that requires firms to supervise their employees' activities, including the Exchange Act statutory framework and FINRA's supervision and supervisory control rules. Participants also review supervisory tasks and systems, with an emphasis on practical implementation, and tackle issues surrounding the role of compliance and "the supervisor" in relation to other organizational stakeholders. Emphasis is given to practical considerations and takeaways, but some consideration is given to the social and psychological justifications for compliance and supervision.</p>	
	<p>Learning Objectives</p> <p>After completing this session, you will be able to:</p> <ul style="list-style-type: none"> ▶ understand the Exchange Act statutes governing supervision and their background ▶ understand FINRA's rules governing supervision and supervisory controls; ▶ outline effective supervisory practices; and ▶ explain the role of compliance in supervision and understand the definition of a supervisor. 	<p>Instructors</p> <p>James Fanto Gerald Baylin Professor of Law, Brooklyn Law School</p> <hr/> <p>Patricia Albrecht, CRCP® Senior Director, Member Relations and Education, FINRA</p>
Session 15	Broker-Dealer Regulation: Best Execution in Equities and Fixed Income	
	<p>This session highlights standards and practices to meet best execution requirements in equities and fixed income products, with a focus on receiving, routing, handling and executing customer transactions to ensure that reasonable care is taken to execute a customer's order in a manner that is the most advantageous for the customer. Also discussed are factors that should be considered as part of a firm's best execution analysis, the SEC's requirements regarding best execution and payment of order flow, FINRA's rule 5310 and other issues related to automated execution.</p>	
	<p>Learning Objectives</p> <p>After completing this session, you will be able to:</p> <ul style="list-style-type: none"> ▶ understand Best Execution Requirements under FINRA Rule 5310; <ul style="list-style-type: none"> • understand methods for achieving and demonstrating best execution for equity securities; • understand methods for achieving and demonstrating best execution for fixed-income securities; • understand impact of payment for order flow on best execution; and ▶ understand SEC Rules 605 and 606. 	<p>Instructor</p> <p>James Angel Associate Professor, Georgetown University's McDonough School of Business, CRCP® Academic Director</p>

Session 16	Leadership: Building an Effective as Well as Cost-Effective Compliance Culture	
	<p>The session explores how to increase understanding of what is required to incline groups to “play by the rules” and act with integrity. The session uses exercises to help participants identify risk factors indicating potential non-compliant behavior and recognize leadership opportunities and strategies that firms may use to develop a cost-effective compliance culture.</p>	
	<p>Learning Objectives</p> <p>After completing this session, you will be able to:</p> <ul style="list-style-type: none"> ▶ identify risk factors that indicate potential non-compliant behavior; and ▶ outline appropriate leadership opportunities and leadership strategies to foster an organization-wide cost-effective compliance culture. 	<p>Instructor</p> <p>Ed Soule</p> <p>Associate Professor, Georgetown University’s McDonough School of Business</p>
Session 17	FinTech101	
	<p>This session provides an overview of financial technology (FinTech) and blockchain evolution and uses case studies to explore how businesses are using new technologies. In addition, the session provides an overview of applicable privacy, security, legal and regulatory issues, including those surrounding the use of Smart Contracts.</p>	
	<p>Learning Objectives</p> <p>After completing this session, you will be able to:</p> <ul style="list-style-type: none"> ▶ describe the types of technologies the term FinTech encompasses; ▶ understand how businesses may incorporate FinTech into their operation infrastructures; and ▶ outline relevant privacy, security and regulatory issues applicable to different FinTech initiatives. 	<p>Instructor</p> <p>John Jacobs</p> <p>Executive Director and Distinguished Fellow, Center for Financial Markets and Policy, Georgetown University’s McDonough School of Business</p>
Session 18	Pro-Active Management: Emerging Trends in Financial Markets and Regulation	
	<p>This session builds on material from previous sessions to provide an overview of emerging trends in the ever-changing financial services industry and how those trends may affect the financial markets in the near future and over time. The session also highlights regulators’ responses to emerging trends, including rulemaking and legislative initiatives.</p>	
	<p>Learning Objectives</p> <p>After completing this session, you will be able to:</p> <ul style="list-style-type: none"> ▶ synthesize material from previous sessions to identify likely future regulatory initiatives; ▶ understand the SEC’s current rulemaking agenda; and ▶ build awareness of U.S. and E.U. legislative initiatives. . 	<p>Instructor</p> <p>James Angel</p> <p>Associate Professor, Georgetown University’s McDonough School of Business, CRCP® Academic Director</p>



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