



2019 Advertising Regulation Conference

October 24—25 | Washington, DC

General Brokerage and Supervision

Thursday, October 24, 2019

1:45 p.m. – 2:45 p.m.

Join FINRA staff and industry practitioners as they discuss advertising compliance and sales practice issues applicable to general brokerage firms and their registered representatives. Industry panelists explore advertising compliance challenges and how they address the advertising rules with respect to dually registered representatives, marketing materials created by third parties, and new investment products. This panel also covers current areas of interest such as private placements and consolidated reports.

Moderator: Stephanie Gregory
Principal Analyst, Advertising Regulation
FINRA Advertising Regulation

Speakers: Mark Bleich
Principal Analyst, Advertising Regulation
FINRA Advertising Regulation

Joseph Fleming
Senior Vice President and Advice and Wealth Management Chief Compliance Officer
Ameriprise Financial

Cameron Hellewell
General Counsel
Orchard Securities, LLC

General Brokerage and Supervision Panelist Bios:

Moderator:

Stephanie Gregory is Principal Analyst in FINRA's Advertising Regulation Department on the Complex Review Team. Prior to joining FINRA in 2004, Ms. Gregory worked in compliance and advertising review with a member firm. Ms. Gregory received a bachelor's degree in Economics and Political Science from Boston University, and her law degree from Pennsylvania State University Dickinson School of Law.

Speakers:

Mark Bleich is Principal Analyst in FINRA's Advertising Regulation Department and has served in this role since 2001. Mr. Bleich began his career in securities regulation as an Analyst in NASD's Market Regulation Department in 1995. Prior to joining the organization, Mr. Bleich was employed by the federal government in the background investigation and security clearance fields. He has a B.A. from the University of Maryland and an M.A. from George Washington University. He also completed the Certified Regulatory and Compliance Professional™ (CRCP™) program through the FINRA Institute at Wharton.

Joe Fleming is Chief Compliance Officer for Advice and Wealth Management, joining Ameriprise in that role in October 2017. He is responsible for the overall strategy and operation of AWM Compliance, including Compliance Policy and Training, Broker-Dealer Operations and Financial Compliance Oversight, Surveillance, AML/Anti-Fraud, Field Office Inspections, Products and Services Compliance, and Licensing and Registration Compliance. Prior to joining Ameriprise, Mr. Fleming was Head, Business Risk (2017) and Chief Compliance Officer (2005-2016) for RBC Wealth Management. While at RBC, he also served in several other lead compliance roles, including for RBC US' mutual fund company, trust company and private bank. Prior to RBC, Mr. Fleming was Chief Compliance Officer for Piper Jaffray Companies/US Bancorp Piper Jaffray (1999-2005), where he also served as Director of Compliance for US Bancorp Asset Management, and US Bancorp Investments, its bank broker-dealer. He has the following securities licenses: Series 7, 63, 24, 4, 65, 8, 14, and 3, and a Minnesota insurance license (expired). Mr. Fleming frequently serves on FINRA and SIFMA committees, currently serving on FINRA's Membership Committee and SIFMA's Compliance and Regulatory Policy Committee, and previously serving on the FINRA/Securities Industry Council on Continuing Education, including one year as its Chair. He is a regular presenter at SIFMA and FINRA conferences. He is also an adjunct professor at the University of St. Thomas Law School, and a member of its Ethics and Compliance Program Advisory Committee. He previously taught at William Mitchell College of Law, and the Wharton School of Business / NASD Certificate Program for Compliance and Regulatory Professionals.

As General Counsel of Orchard Securities, LLC, **Cameron Hellewell's** responsibilities focus on working with Orchard's sponsor clients and its broker-dealer selling group members in connection with the offer and sale of securities, including alternative investments through both publicly-registered, non-traded programs and private placements. He also assists Orchard's Chief Compliance Officer with respect to Orchard's regulatory compliance, and works closely with Orchard's outside counsel and the legal counsel to sponsors on a wide range of issues. Prior to joining Orchard, Mr. Hellewell's professional experience includes working for an international commercial real estate company, and a commercial real estate development company that developed assisted living centers, retail projects and office buildings. Mr. Hellewell earned his bachelor's degree from the University of Utah and his juris doctorate from the Case Western Reserve University School of Law. He is also a member of the Utah State Bar, the District of Columbia Bar, and the American Bar Association.



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Moderator: Stephanie Gregory
Principal Analyst
FINRA Advertising Regulation

Panelists: Mark Bleich
Principal Analyst
FINRA Advertising Regulation

Joe Fleming
Chief Compliance Officer, Advice and Wealth Management
Ameriprise Financial

Cameron Hellewell
General Counsel
Orchard Securities

- I. Introduction
- II. General Firm Compliance
 - a. Overview of Firm and Structure of Compliance Department
 - b. Development of Marketing Material and Campaigns
 - c. Compliance Involvement in the Marketing Process
 - d. Lifecycle of a Communication
 - e. Compliance ChallengesUnique Communications
 - a. Complex Product Review—What to look for?
 - b. Biggest Obstacles
 - c. Staff training
- III. Dually Registered Broker-Dealer/Investment Advisor Representatives
 - a. Biggest challenges
 - b. SupervisionSocial Media
 - a. Personal and/or Business Use

- b. Supervision

Seminars and Radio Shows

- a. Content Control
- b. Scripted vs. Unscripted
- c. Training and Supervision

IV. Consolidated Reports

- a. Efficient Practices
- b. Areas of Concern

Registered Representative Considerations

- a. Designations
- b. Awards
- c. Titles and Business Group Names

Foreign Language Communications

- a. Certified Translation
- b. Offering Document

V. Wrap-up/Questions



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Panelists

■ Moderator

- **Stephanie Gregory, Principal Analyst, Advertising Regulation, FINRA Advertising Regulation**

■ Panelists

- **Mark Bleich, Principal Analyst, Advertising Regulation, FINRA Advertising Regulation**
- **Joseph Fleming, Senior Vice President and Advice and Wealth Management Chief Compliance Officer, Ameriprise Financial**
- **Cameron Hellewell, General Counsel, Orchard Securities, LLC**

General Compliance – The Firm's Perspective

- Overview of Firm and Structure
- Development of Marketing Material and Campaigns
- Compliance Involvement in the Marketing Process
- Lifecycle of a Communication
- Importance of Proper Supervision
- Compliance Challenges

Unique Communications

- **Complex Product Review—What to look for?**
- **Biggest Obstacles**
- **Staff Training**

Dually Registered BD / IA Representatives

- Review and Approval Process
- Regulatory Challenges
- Supervision

Social Media

- **Registered Representatives' Use of Social Media**
- **Process for Reviewing, Supervising, and Approving**
- **Biggest Firm Concerns and Challenges**
- **Record Retention**
- **Registered Representative Websites**

Seminars and Radio Shows

■ Content Control

- Providing Pre-Approved Content
- Registered Representative Created Content

■ Scripted vs. Unscripted

■ Considerations for Client Events

■ Training and Supervision

Consolidated Reports

■ How Consolidated Reports are Created

- In House
- Outsourced
- Software

■ Effective Practices

■ Areas of Concern

Registered Representative Considerations

■ How Registered Representatives Promote Themselves

- Designations
- Awards
- Titles
- Business Group Names

Foreign Language Communications

- **The Firm Process**
- **Supervision and Review**
- **Certified Translation**
- **Offering Document**



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Questions and Answers



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Resources

FINRA Regulatory Notices

- FINRA Regulatory Notice 19-31, *Disclosure Innovations in Advertising and Other Communications* (September, 2019)
www.finra.org/rules-guidance/notices/19-31
- FINRA Regulatory Notice 17-18, *Social Media and Digital Communications, Guidance on Social Networking Websites and Business Communications* (April 2017)
www.finra.org/sites/default/files/notice_doc_file_ref/Regulatory-Notice-17-18.pdf
- FINRA Regulatory Notice 15-50, *BrokerCheck, SEC Approves Rule Requiring Members' Websites to Include a Readily Apparent Reference and Hyperlink to BrokerCheck* (December, 2015)
www.finra.org/sites/default/files/Notice_Regulatory_15-50.pdf
- FINRA Regulatory Notice 15-32, *Regulation A Offerings, Filing Requirements and Review of Regulation A Offerings* (September, 2015)
www.finra.org/sites/default/files/notice_doc_file_ref/Regulatory-Notice-15-32.pdf
- FINRA Regulatory Notice 15-31, *Debt Research. SEC Approves Rule to Address Conflicts of Interest Relating to the Publication and Distribution of Debt Research Reports* (August 2015)
www.finra.org/sites/default/files/Regulatory-Notice-15-31_0.pdf
- FINRA Regulatory Notice 15-30, *Equity Research. SEC Approves Consolidated Rule to Address Conflicts of Interest Relating to the Publication and Distribution of Equity Research Reports* (August 2015)
www.finra.org/sites/default/files/notice_doc_file_ref/Regulatory-Notice-15-30.pdf
- FINRA Regulatory Notice 15-02, *Values of DPP and Unlisted REIT Securities, SEC Approves Amendments to FINRA Rule 2310 and NASD Rule 2340 to Address Values of Direct Participation Program and Unlisted Real Estate Investment Trust Securities* (April, 2016)
www.finra.org/sites/default/files/notice_doc_file_ref/Notice_Regulatory_15-02.pdf
- FINRA Regulatory Notice 13-45, *Rollovers to Individual Retirement Accounts, FINRA Reminds Firms of Their Responsibilities Concerning IRA Rollovers* (December 2013)
www.finra.org/sites/default/files/NoticeDocument/p418695.pdf

- *FINRA Regulatory Notice 13-23, Brokerage and Individual Retirement Account Fees, FINRA Provides Guidance on Disclosure of Fees in Communications Concerning Retail Brokerage Accounts and Individual Retirement Accounts* (July 2013)
www.finra.org/sites/default/files/NoticeDocument/p304670.pdf
- *FINRA Regulatory Notice 13-18, Communication With the Public, FINRA Provides Guidance on Communications With the Public Concerning Unlisted Real Estate Investment Programs* (May 2013)
www.finra.org/sites/default/files/NoticeDocument/p253836.pdf
- *FINRA Regulatory Notice 12-29, Communications with the Public, SEC Approves New Rules Governing Communications With the Public* (June 2012)
www.finra.org/sites/default/files/NoticeDocument/p127014.pdf
- *FINRA Regulatory Notice 12-03, Complex Products, Heightened Supervision of Complex Products* (January 2012)
www.finra.org/sites/default/files/NoticeDocument/p125397.pdf
- *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, Guidance on Social Networking Websites and Business Communications* (August 2011)
www.finra.org/sites/default/files/NoticeDocument/p124186.pdf
- *FINRA Regulatory Notice 10-52, Application of Rules on Communications With the Public and Institutional Sales Material and Correspondence to Certain Free Writing Prospectuses* (October 2010)
www.finra.org/sites/default/files/NoticeDocument/p122310.pdf
- *FINRA Regulatory Notice 10-51, Commodity Futures-Linked Securities, Sales Practice Obligations for Commodity Futures-Linked Securities* (October 2010)
www.finra.org/sites/default/files/NoticeDocument/p122289.pdf
- *FINRA Regulatory Notice 10-19, Consolidated Reports, FINRA Reminds Firms of Responsibilities When Providing Customers With Consolidated Financial Account Reports,* (April 2010)
www.finra.org/sites/default/files/NoticeDocument/p121253.pdf
- *FINRA Regulatory Notice 10-09, Reverse Convertibles, FINRA Reminds Firms of Their Sales Practice Obligations With Reverse Exchangeable Securities (Reverse Convertibles)* (February 2010)
www.finra.org/sites/default/files/NoticeDocument/p120920.pdf
- *FINRA Regulatory Notice 10-06, Social Media Web Sites, Guidance on Blogs and Social Networking Web Sites* (January 2010)
www.finra.org/sites/default/files/NoticeDocument/p120779.pdf

- *FINRA Regulatory Notice 08-82, Cash Alternatives, FINRA Reminds Firms of Their Sales Practice Obligations with Regard to Cash Alternatives* (December 2008)
www.finra.org/sites/default/files/NoticeDocument/p117559.pdf
- *FINRA Regulatory Notice 08-81, High Yield Securities, FINRA Reminds Firms of Their Sales Practice Obligations with Regard to the Sale of Securities in a High Yield Environment* (December 2008)
www.finra.org/sites/default/files/NoticeDocument/p117558.pdf
- *FINRA Regulatory Notice 08-77, Customer Account Statements, FINRA Provides Guidance on Estimated Annual Income and Estimated Yield* (December 2008)
www.finra.org/sites/default/files/NoticeDocument/p117530.pdf
- *FINRA Regulatory Notice 08-27, The Obligation of Firms When Supervising their Registered Representatives' Use of Marketing Materials to Establish Expertise* (May 2008)
www.finra.org/sites/default/files/NoticeDocument/p038522.pdf
- *FINRA Regulatory Notice 07-43, FINRA Reminds Firms of Their Obligations Relating to Senior Investors and Highlights Industry Practices to Serve these Customers* (September 2007)
www.finra.org/sites/default/files/NoticeDocument/p036816.pdf
- *Notice to Members 05-59, Structured Products, NASD Provides Guidance Concerning the Sale of Structured Products* (September 2005)
www.finra.org/sites/default/files/NoticeDocument/p014997.pdf
- *Notice to Members 04-30 Sales Practice Obligations, FINRA Reminds Firms of Sales Practice Obligations In Sale of Bonds and Bond Funds* (April 2004)
www.finra.org/sites/default/files/NoticeDocument/p003130.pdf

Investor Alerts

- *The IRA Rollover: 10 Tips to Making a Sound Decision* (January 2014)
www.finra.org/investors/alerts/ira-rollover-10-tips-making-sound-decision
- *Municipal Bonds—Important Considerations for Individual Investors* (April 2013)
www.finra.org/investors/alerts/municipal-bonds-important-considerations-individual-investors
- *Duration What an Interest Rate Hike Could Do to Your Bond Portfolio* (February 2013)
www.finra.org/investors/alerts/duration-what-interest-rate-hike-could-do-your-bond-portfolio
- *Exchange-Traded Notes—Avoid Unpleasant Surprises* (July 2012)
www.finra.org/investors/alerts/exchange-traded-notes-avoid-unpleasant-surprises

- *The Grass Isn't Always Greener Chasing Return in a Challenging Investment Environment* (July 2011)
www.finra.org/investors/alerts/grass-isnt-always-greener-chasing-return-challenging-investment-environment
- *Structured Notes With Principal Protection: Note the Terms of Your Investment* (June 2011)
www.finra.org/investors/alerts/structured-notes-principal-protection-note-terms-your-investment
- *Reverse Convertibles – Complex Investment Vehicles* (February 2010)
www.finra.org/investors/alerts/reverse-convertibles-complex-investment-vehicles
- *"Free Lunch" Investment Seminars—Avoiding the Heartburn of a Hard Sell* (September 2007)
www.finra.org/investors/alerts/free-lunch-investment-seminars-avoiding-heartburn-hard-sell

Other Resources

- *FDIC Consumer News, Market-Linked CDs: Don't Let the Possibility of Higher Returns Cloud Your View of the Potential Risks* (Spring 2012)
www.fdic.gov/consumers/consumer/news/cnspr12/marketlinkedcds.html