

# 2015 CRCP Week II: Capstone

## Session Descriptions and Learning Objectives

Certified Regulatory and Compliance Professional™  
(CRCP™) Program

November 8 - 13, 2015



# Session Agenda

## Day 1 | Sunday

4:00 p.m. – 6:00 p.m. Registration and Reception

## Day 2 | Monday

7:30 a.m. – 8:00 a.m. Registration

7:30 a.m. – 8:30 a.m. Breakfast

8:30 a.m. – 9:00 a.m. Program Introductions and Logistics

9:00 a.m. – 10:30 a.m. **Session 1: Municipal Securities Regulation**

10:30 a.m. – 10:45 a.m. Break

10:45 a.m. – 12:15 p.m. **Session 2: Anti-Money Laundering Regulations**

12:15 p.m. – 1:15 p.m. Lunch

1:15 p.m. – 2:45 p.m. **Session 3: Dodd-Frank Act I**

2:45 p.m. – 3:00 p.m. Break

3:00 p.m. – 4:20 p.m. **Session 4: Broker-Dealer Litigation, Arbitration and Enforcement Proceedings**

4:20 p.m. – 5:00 p.m. Break

5:00 p.m. – 6:00 p.m. Homework

6:00 p.m. – 8:00 p.m. Dinner

## Day 3 | Tuesday

8:00 a.m. – 9:00 a.m. Breakfast

9:00 a.m. – 10:30 a.m. **Session 5: Dodd-Frank Act II**

10:30 a.m. – 10:45 a.m. Break

10:45 a.m. – 12:15 p.m. **Session 6: Crowdfunding**

12:15 p.m. – 1:30 p.m. Lunch

1:30 p.m. – 3:00 p.m. **Session 7: Insider Trading**

3:00 p.m. – 3:15 p.m. Break

3:15 p.m. – 4:45 p.m. **Session 8: Market Regulation**

4:45 p.m. – 5:00 p.m. Break

5:00 p.m. – 6:00 p.m. Homework

6:30 p.m. – 8:00 p.m. Dinner

## Day 4 | Wednesday

8:00 a.m. – 9:00 a.m. Breakfast

9:00 a.m. – 10:30 a.m. **Session 9: Communications with the Public, FINRA Rule 2210**

10:30 a.m. – 10:45 a.m. Break

10:45 a.m. – 12:15 p.m. **Session 10: Books, Records, Reports & Sales Practice Compliance**

12:15 p.m. – 1:30 p.m. Lunch

## Session Agenda | continued

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### Day 4 | Wednesday

continued

1:30 p.m. – 3:00 p.m.	<b>Session 11: Investment Adviser Regulations</b>
3:00 p.m. – 3:15 p.m.	Break
3:15 p.m. – 4:45 p.m.	<b>Session 12: Foreign markets &amp; Securities Regulation</b>
4:45 p.m. – 5:00 p.m.	Break
6:00 p.m. – 6:30 p.m.	Cocktail Reception
6:30 p.m. – 8:00 p.m.	Dinner/Speaker: John J. Brennan, Lead Governor, FINRA Board of Governors and Chairman Emeritus of the Vanguard Group, Inc.

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### Day 5 | Thursday

8:00 a.m. – 9:00 a.m.	Breakfast
9:00 a.m. – 10:30 a.m.	<b>Session 13: Conflicts of Interest</b>
10:30 a.m. – 10:45 a.m.	Break
10:45 a.m. – 12:15 p.m.	<b>Session 14: International Financial Regulation</b>
12:15 p.m. – 1:30 p.m.	Lunch
1:30 p.m. – 3:00 p.m.	<b>Session 15: Top Compliance Challenges</b>
3:00 p.m. – 3:15 p.m.	Break
3:15 p.m. – 4:45 p.m.	<b>Session 16: Advanced Suitability: Case Simulation</b>
4:45 p.m. – 5:00 p.m.	Break
5:00 p.m. – 6:00 p.m.	Homework/Assessment Prep
6:00 p.m. – 8:00 p.m.	Dinner

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### Day 6 | Friday

8:00 a.m. – 9:00 a.m.	Breakfast
9:00 a.m. – 10:30 a.m.	<b>Session 17: Business Ethics in the Financial Industry I</b>
10:30 a.m. – 10:45 a.m.	Break
10:45 a.m. – 12:15 p.m.	<b>Session 19: Business Ethics in the Financial Industry II</b>
12:15 p.m. – 1:30 p.m.	Lunch
1:30 p.m. – 3:30 p.m.	Assessment

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**Note:** This schedule is subject to change.

# Session Descriptions and Learning Objectives

## Session Descriptions and Learning Objectives

This intensive week-long program takes place at the Wharton School executive education facility in Philadelphia. Taught by business and law school professors from the University of Pennsylvania and expert faculty drawn from other universities, the securities industry, FINRA, the SEC and other regulators, this advanced 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 II session.

### Municipal Securities Regulation

This session provides an overview of the municipal securities markets, including the types of municipal securities and their regulatory structure. The session also covers current topics related to municipal securities, including continuing disclosure, the regulatory regime governing municipal advisers, transparency and trading and distressed municipalities.

#### Learning Objectives

After completing these sessions, you will be able to:

- ▶ distinguish between different types of municipal securities;
- ▶ understand the regulatory structure governing municipal securities; and
- ▶ discuss a variety of current topics related to municipal securities including continuing disclosure and the regulatory regime governing municipal advisers

#### Instructors

**Jessica Kane** Director, Office of Municipal Securities, Securities and Exchange Commission

**Michael Post** General Counsel-Regulatory Affairs, Municipal Securities Rulemaking Board

**Cynthia Friedlander** Director, Fixed Income Regulation, FINRA

### Anti-Money Laundering Regulation

This session provides an overview of the anti-money laundering (AML) compliance requirements of the Bank Secrecy Act, USA PATRIOT Act and related international laws governing money laundering. The session covers noteworthy AML cases related to correspondent and private banking due diligence failures and failure to report suspicious activities.

#### Learning Objectives

After completing this session, you will be able to:

- ▶ understand the intersection of U.S. and international laws governing money laundering;
- ▶ apply strategies to identify and assess money laundering risk areas;
- ▶ evaluate customer due diligence standards; and
- ▶ understand the suspicious activity reporting framework, including identifying suspicious activities and reporting requirements.

## 2014 Program Session Descriptions

### Instructors

<b>Sarah Green</b>	Senior Director, AML Compliance, FINRA Enforcement
<b>Tim O'Neal Lorah</b>	Senior Director, Global Investigations and Compliance Practice, Navigant

### Dodd-Frank Act I and II

These sessions provide an overview of one of the most comprehensive pieces of legislation reforming the financial industry, focusing on the Dodd-Frank Act's impact to broker-dealers and investment banks. The sessions outline the Dodd-Frank Act's main provisions, including oversight of systemically important non-banks, regulatory structure for swaps and derivatives and the Volcker Rule.

### Learning Objectives

After completing this session, you will be able to:

- ▶ discuss ways regulatory reform is intended to curtail systemic risk;
- ▶ understand rulemaking in the area of over-the-counter (OTC) derivatives and swaps; and
- ▶ analyze the complexities of the Volcker Rule.

### Instructor

<b>David Skeel</b>	S. Samuel Arsh Professor of Corporate Law, University of Pennsylvania Law School
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### Broker-Dealer Litigation, Arbitration & Enforcement Proceedings

This session provides an overview of the key types of proceedings in which brokers may face allegations of misconduct, including enforcement actions by the SEC and FINRA, private litigations and FINRA arbitration proceedings.

### Learning Objectives

After completing this session, you will be able to:

- ▶ identify the type of proceedings applicable to a specific situation and ways to limit potential liability exposure;
- ▶ highlight critical differences among litigation, arbitration and enforcement proceedings;
- ▶ understand recent investigations and actions; and
- ▶ describe arbitration procedures.

### Instructors

<b>Richard Berry</b>	Executive Vice President, FINRA Dispute Resolution
<b>Jill E. Fisch</b>	Perry Golkin Professor of Law and Co-Director, Institute for Law and Economics, University of Pennsylvania Law School

## 2014 Program Session Descriptions

### Crowdfunding

This session provides an overview of the crowdfunding provisions of the JOBS Act of 2012. The session also offers a regulatory update related to the SEC-proposed crowdfunding rules and funding portals provision. The class also explores how the industry has responded to the elimination of the ban on general solicitation.

#### Learning Objectives

After completing this session, you will be able to:

- ▶ understand provisions of the JOBS Act as it relates to the crowdfunding exemption and crowdfunding intermediaries; and
- ▶ examine aspects of the JOBS Act as it relates to lifting the ban on general solicitation.

#### Instructor

**Chris Brummer** Professor of Law and Faculty Director, Institute of International Economic Law, Georgetown Law

### Insider Trading

This session builds upon concepts introduced during Week I related to SEA Rule 10b-5. Professor Fisch covers the theories of insider trading liability and evidentiary thresholds via the exploration of high-profile cases. The session also addresses the disclosure requirements of Regulation FD (fair disclosure).

#### Learning Objectives

After completing this session, you will be able to:

- ▶ explain the theories of insider trading liability;
- ▶ understand how the theories work in the context of actual cases;
- ▶ identify situations that present particular risk for broker-dealers; and
- ▶ understand the requirements of Regulation FD and its relationship to insider trading.

#### Instructor

**Jill E. Fisch** Perry Golkin Professor of Law and Co-Director, Institute for Law and Economics, University of Pennsylvania Law School

### Market Regulation

This session surveys the equity securities markets, its history and participants and the effect regulations have had on the national market system. The session also examines enforcement efforts to combat market abuse and analyzes the public policy issues and regulatory response to contemporary market trends caused, in part, by the shift from manual trading to primarily automated trading. Lastly, the session focuses on the increasing prominence of high-frequency trading, dark pools of liquidity, order types and market access.

#### Learning Objectives

After completing this session, you will be able to:

- ▶ understand the regulatory structure of the national market system;
- ▶ examine the role regulation plays on the operation of the equities markets;
- ▶ analyze changes in trading technology and practices; and
- ▶ describe the relationship between enforcement and regulation and how this relationship affects market structure.

### Instructor

**Daniel M. Hawke**   Former Chief, Market Abuse Unit, Securities and Exchange Commission

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### FINRA Communications With the Public: FINRA Rule 2210

This session covers FINRA and SEC standards that govern correspondence and retail and institutional communications and provides guidance with regulatory interpretations. Communications content standards, approval, review and recordkeeping requirements are also discussed.

### Learning Objectives

After completing this session, you will be able to:

- ▶ contrast requirements governing correspondence, retail and institutional communications;
- ▶ discuss recordkeeping, suitability and content requirements for communications;
- ▶ describe supervisory obligations; and
- ▶ identify key considerations for marketing new products.

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### Instructor

**James Fanto**   Professor of Law, Brooklyn Law School

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### Books, Records, Reports and Sales Practice Compliance

This session covers the requirements of broker-dealers to make and keep current books and records relating to the firm's business and contrasts broker-dealer requirements from that of registered investment advisers. Professor Fanto also addresses reporting requirements related to disciplinary actions and customer complaints under FINRA Rule 4530 (Reporting Requirements) and Form U4 disclosures.

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### Learning Objectives

After completing this session, you will be able to:

- ▶ describe the types of records that must be made and maintained under SEC and FINRA rules;
- ▶ compare the different books and records obligations of a broker-dealer to those of an investment adviser; and
- ▶ understand requirements for reporting information associated with disciplinary actions and customer complaints.

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### Instructor

**James Fanto**   Professor of Law, Brooklyn Law School

## 2014 Program Session Descriptions

### Investment Adviser Regulation

This session focuses on investment adviser regulation, by first exploring the definition of investment adviser, and the types of advisers. The session also explores registration requirements under the Investment Advisers Act of 1940. In addition, the session provides a discussion of the fiduciary standard compared to FINRA's suitability rule, as well as a discussion of other related financial industry regulations.

#### Learning Objectives

After completing this session, you will be able to:

- ▶ understand the definition of an investment adviser, including hedge funds;
- ▶ understand investment adviser registration requirements;
- ▶ compare the fiduciary standard to FINRA's suitability rule requirements; and
- ▶ discuss related financial industry regulations.

#### Instructor

**Jim Angel**      Associate Professor, McDonough School of Business, Georgetown University

### Foreign Markets & Securities Regulation

This session surveys aspects of foreign securities and banking practices, including interaction of global securities markets, collaborative regulation and operation of stock markets in transition economies. The session also covers Regulation S transactions, U.S. broker-dealers operating in foreign jurisdictions and jurisdictional reach.

#### Learning Objectives

After completing this session, you will be able to:

- ▶ understand how the U.S. and foreign capital markets are evolving globally;
- ▶ evaluate international aspects of U.S. broker-dealers operating in foreign jurisdictions;
- ▶ examine foreign regulatory regimes, such as the E.U., Japan and China, and their impact on foreign capital market regulation; and
- ▶ analyze extraterritorial jurisdiction post the Morrison case and Dodd-Frank Act.

#### Instructor

**Jim Angel**      Associate Professor, McDonough School of Business, Georgetown University

## 2014 Program Session Descriptions

### Managing Conflicts of Interest

This session explores major types of conflicts of interest facing firms and examines the typical conflict management frameworks used to address those conflicts. In addition, the session provides practical insight regarding how firms can manage and mitigate conflicts.

#### Learning Objectives

After completing this session, you will be able to:

- ▶ identify major types of conflicts of interest firms face;
- ▶ learn how to manage and mitigate conflicts;
- ▶ understand how to stay abreast of emerging conflicts; and
- ▶ learn how to design a conflicts management framework.

#### Instructors

**Dan Sibears** Executive Vice President, Office of Shared Services, FINRA

**Victoria Bach-Fink** President and Chief Executive Officer, Wall Street Financial Group, Inc.

### International Financial Regulation

This session provides an overview of international finance and governance, including bank regulation, with an emphasis on understanding the Basel Accord.

#### Learning Objectives

After completing this session, you will be able to:

- ▶ identify issues related to international finance and governance; and
- ▶ discuss issues related to the Basel Accord.

#### Instructor

**Chris Brummer** Professor of Law and Faculty Director, Institute of International Economic Law, Georgetown Law

### Top Compliance Challenges

This session explores issues related to understanding compliance and identifying top compliance challenges. The session also explores the increase in the scope and complexity of compliance-related regulation, and discusses the role of the compliance officer and how it differs from the roles of general counsel or chief risk officer. In addition, the session surveys compliance challenges, such as hiring, gathering background and credit information, training, and PCAOB audit requirements. The session closes by examining what firms should do when compliance efforts fail.

#### Learning Objectives

After completing this session, you will be able to:

- ▶ evaluate and understand the increase in the scope and complexity of compliance-related regulation
- ▶ identify and discuss relevant compliance challenges ; and
- ▶ learn what to do when compliance fails.

### Instructor

**Geoffrey Parsons Miller** Stuyvesant P. Comfort Professor of Law and Director, Center for Financial Institutions, Faculty Co-Director, Program on Corporate Compliance and Enforcement and Center for Civil Justice, New York University School of Law

### Advanced Suitability: Case Simulation

This session covers suitability for modern times. The session begins with an overview of FINRA Rule 2111 (Suitability), including the rule's application to customer-specific suitability, product sales, and customer protection, and the concept of fiduciary duty. The session also uses a case study exercise to illustrate the nuances of the FINRA rule and compliance issues.

### Learning Objectives

After completing this session, you will be able to:

- ▶ discuss expectations regarding a customer's capability to evaluate investment decisions;
- ▶ compare and contrast the relationship between suitability and fiduciary duty;
- ▶ analyze examples of misapplied suitability; and
- ▶ outline rule applications and strategies concerning customer-specific suitability, product sales, customer protection, margin accounts, mutual fund switching, etc.

### Instructor

**Robert Mendelson** Attorney Fellow and Senior Advisor, FINRA

### Business Ethics in the Financial Industry I and II

These sessions highlight the theoretical foundation of business ethics and social responsibilities. The sessions also cover some noteworthy cases of high-profile misdeeds and ethical lapses.

### Learning Objectives

After completing these sessions, you will be able to:

- ▶ apply the ethical decision-making model to compliance;
- ▶ examine the integrative social contract theory and its application to businesses;
- ▶ evaluate high-profile instances of ethical lapses in business; and
- ▶ understand the correlation between moral behavior and profits.

### Instructor

**William Laufer** Julian Aresty Professor, Professor of Legal Studies and Business Ethics, Sociology and Criminology, and Director, the Carol and Lawrence Zicklin Center for Business Ethics Research, Wharton School of the University of Pennsylvania

**Djordjija Petkoski** Lecturer, Corporate Responsibility and Ethics, Wharton School of the University of Pennsylvania

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