Firm Element Training

Firm Element Training and Compliance Solutions

STC recognizes that managing your training program is as important as the course content itself. Our continuing education staff is uniquely qualified to help you navigate the complexities of compliance and training requirements.

Plan Writing Services

STC has written training plans for more than 300 broker-dealers, including retail, institutional, and investment advisory firms, banks, and insurance companies Our plan writing-services begin with a comprehensive Needs Analysis. Using a combination of methods including interviews, questionnaires, and surveys, we profile your organization lines of business, covered personal, business initiatives, and educational initiatives. The Needs Analysis concludes with recommendations for content, delivery methods, scheduling, administration, and evaluation of your program.

STC Interactive Online Tracking and Reporting

Our comprehensive record-keeping and reporting services lessen the burden of time-consuming tracking and documentation. Whether you choose workbook or online delivery, STC provides seamless tracking that keeps you in control of your training. Diagnostic reports and evaluations are easily retrievable from your desktop in just a few keystrokes and can be downloaded into Excel, Word, and Access formats.

Proprietary Content Hosting/Tracking

Do you have internal supervisory policies, ethical standards and conduct rules or other proprietary content you would like to have hosted in a software training format?

- STC can host your proprietary content and can combine it with one of our four software training formats.
- Personnel tracking is available along with single sign-on log-in from your main system to our STCi database.
- We can assist with all phases of content development including question writing and editing.

Brokerage Services and Markets

- Allocations And Distributions Of New Issues (FINRA Rule 5131)
- Asset Allocation
- Asset Allocation Tools And Strategies
- Business Continuation
- Controlling Market Volatility: Limit Up-Limit Down And Trading Pauses
- Custody Rules For Investment Advisers
- Estate Planning
- Forex Trading For Retail Investors
- Front-Running Block Transactions
- High-Frequency Trading And Market Regulations
- Investing in Foreign Markets
- Investment Adviser Representative in Theory and Practice
- Investment Banking
- Market Manipulation: Spoofing And Layering
- Markups For Fixed-Income Securities
- Master/Sub-Accounts
- Monitoring Investments for Seniors
- The Money Market
- The National Market System and Intermarket Sweep Orders
- OTC Markets
- Pension Rollover Training
- Regulation A+
- Retirement Planning for Business Owners
- Retirement Planning for Individuals
- Rules And Practices Institutional Traders Need To Know
- Selling Municipal Securities To Retail Customers
- Selling Securities in a Banking Environment
- Taxation and Tax Planning
- Trade Reporting
- Usting Stop Orders in Volatile Markets

Compliance and Sales Practices

- Advising Senior Investors
- Anti-Bribery Legislation
- Anti-Money Laundering–Customer Identification
- Anti-Money Laundering Core–Retail
- Anti-Money Laundering Core– Institutional
- Anti-Money Laundering 3.3—Retail
- Anti-Money Laundering 3.3—Institutional
- Anti-Money Laundering 3.4—Retail
- Anti-Money Laundering 3.4—Institutional
- Anti-Money Laundering 3.5—Retail
- Anti-Money Laundering 3.5—Institutional
- Anti-Money Laundering 3.6—Retail
- Anti-Money Laundering 3.6—Institutional
- Anti-Money Laundering 3.7—Retail ✓
- Anti-Money Laundering 3.7—Institutional ✓
- Branch Office Inspections
- Business Continuity Plans/Disaster Recovery
- Business Entertainment
- Cash Alternatives: Suitability And Sales Practice Obligations

Firm Element Training

- Common Compliance Issues For Broker-Dealers 3.4
- Compliance Requirements For Municipal Advisors 1.0
- Customer Account Protection
- Customer Communications For The Institutional Professional
- Customer Communications For The Retail Professional
- Customer Protection/Segregation of Client Assets
- Customer Sales Of Unregistered, Microcap Securities
- Cybersecurity: FINRA Findings And Recommended Practices
- Documentation of Client Accounts and Orders
- The Dodd-Frank Act 3.3
- Electronic Communications 2.9
- E-Mail: Important Compliance Considerations
- Ethical Considerations Facing Investment Adviser Representatives
- Ethical Decision Making for Commodities Professionals
- Ethical Decision Making for Financial Professionals
- Ethics For Financial Services Professionals
- Ethical Issues Facing Registered Representatives 3.4
- Ethics and The Registered Representative
- The Fiduciary Rule–What Does it Mean?
- Financial Exploitation Of Vulnerable Adults
- FINRA Communications (Rules 2210 – 2216)
- FINRA Equity And Debt Research Rules
- FINRA Suitability Rules (FINRA Rule 2090 and 2111)
- Fixed Income Trade Surveillance
- Front-Running Block Transactions
- Gifts & Gratuities
- Heightened Scrutiny For Complex Products
- Identifying And Mitigating Conflicts Of Interest
- Identity Theft And Cybersecurity 3.5
- Identity Theft: The Red Flag Rules And The SEC Information Security Program 3.4
- Insider Trading 1.0
- Insider Trading 2.8
- Insider Trading 3.0
- Institutional Sales and Trading Practices-Debt
- Institutional Sales and Trading Practices-Equities
- Investment Advisers–Avoiding Common Compliance Problems 3.4
- The JOBS Act
- Microcap Securities Fraud
- Political Contributions By Firms And Municipal Securities Professionals
- Political Contributions By Investment Advisers
- Protecting Your Customer And Yourself Against Fraud
- Recent FINRA Disciplinary Actions 3.4
- Record Creation And Retention ForThe Financial Professional
- Registration And Qualification Requirements - Rules Changes
- Registration For Municipal Advisors And Other New MSRB Rules
- Research Analysts And Investment Banking Business
- Registration of Municipal Advisors
- Rules For Money-Market Funds
- Rules To Protect Vulnerable Seniors From Exploitation ✓
- Short Sales–The Alternative Uptick Rule
- Social Media
- Social Media And Investment Advisers
- Suitability and Risk Disclosure
- Suitability Best Practices
- The Volcker Rule

Insurance and Mutual Funds

- Advanced Mutual Funds
- Annuity Plans
- Deferred Variable Annuities: Suitability And Supervision (Rule 2330)
- Introduction to Mutual Funds
- Late Trading and Market Timing
- Life Insurance Concepts
- Marketing Variable Products To The Public
- Mutual Fund Concepts
- Mutual Fund Purchases & Break Point Schedules 2.7
- Mutual Fund Sales Charges And Fee Waivers
- Rules For Mutual Funds
- The SEC Share Class Initiatve
- Selected Health Insurance Products
- Seniors and Variable Annuities
- Suitability and Sales Practices forVariable Annuities
- 12b-1 Fees—Are They Coming To An End?
- Variable Annuities and Variable Life Insurance

Operations Series 99

- Ethical Considerations For Operations Personal
- Red Flags For Operations Professionals–Penny Stock Fraud

Products

- Alternative Mutual Fund Products
- Brokered CDs
- Commodity Futures-Linked Securities: Suitability And Sales Practices
- Complex Products–Suitability And Risk Disclosure
- Compliance Representatives for Municipal Securities Dealers 1.0
- Corporate Debt Obligations
- Derivatives
- Equity Options
- Equity Securities
- Exchange-Traded Funds (ETFs) 3.0
- Exchange-Traded Notes (ETNs)
- Fixed-Income Concepts
- Floating-Rate Funds
- Funding Education-529 Plans
- Hedge Funds: Suitability And Sales Practices
- The Impact Of Fluctuating Interest Rates On Bonds
- Interest-Rate Sensitive Fixed-Income Securities
- IRA Rollovers
- Leveraged Exchange-Traded Funds (ETFs)
- Limited Partnerships
- Mortgage-Backed Securities and CMOs
- Municipal Bonds
- Nontraded REITs
- Nontraded REITs, Direct Participation Programs, And Business Development Companies
- Principal Protected Notes And Reverse Convertibles: Policies, Procedures And Suitability

Firm Element Training

- Private Investments In Public Equity—PIPEs
- Private Placements—Due Diligence And Suitability For Broker-Dealers
- Private Placements Of Securities 3.3
- Regulation D Offerings And Private Placements
- REITs–Structure, Suitability, And Supervision
- Structured CD's
- Unit Investment Trusts (UITs)
- U.S. Government Agency Securities

Supervisory Training

- Corporate Culture And Supervision: FINRA Enforcement Actions
- Detecting Rogue Traders – Red Flags Supervisors Should Look For
- Recent FINRA Enforcement Actions–Red Flags For Supervisors
- FINRA Supervisory Rules 3.4
- Rules for Supervising Branch Managers/Internal Control
- Supervising Electronic Communications 2.9
- Supervising Discretionary Accounts
- Supervising Investment Bankers
- Supervising IRA Rollovers
- Supervising the Sale of Variable Annuities
- Supervision for Institutional Managers
- Supervision for Institutional Managers: 1.0
- Supervision Of Registered Persons Using Senior Designations
- Supervising Outside Business Activities
- Supervising Producing Branch Managers
- Supervision for Retail Managers
- Supervision for Retail Managers: 1.0
- Supervisory Rules and Procedures

Critical Issue Series $10

- Auction-Rate Securities
- Avoiding Liability As A 401(k) Fiduciary
- Bond Ratings
- Communicating With Institutional Investors
- Compliance–Responsibilities And Functions
- Customer Account Transfers
- Dark Pools: Trading Under The Radar
- A Day in the Life Of A Day Trader
- Excessive Markups In The Fixed- Income Market
- Fee-Based Accounts
- 529 Plans As Corporate Benefits
- The 403(b) Plan
- Globalization Of The Securities Markets
- Identity Theft 2.8
- Inheriting an IRA
- International Prime Brokerage
- Issuer Repurchase of Equity Securities (SEC Rule 10b-18)
- Leverage and the Regulations Governing Margin
- The National Market System And Intermarket Sweep Orders
- Rules For Soft Dollars 2.7
- Pension Protection Act of 2006
- Portfolio Margin Pilot Program
- Professional Designations
- Protection Under SIPC
- Regulation Crowdfunding
- Regulation SHO 2.7
- Retirement Plans For Small Businesses
- Rules for Research Analysts
- SEC Administrative Proceedings
- Selling Away Your Career
- Suitability and Sales Practices For Selling 529 Savings Plans
- Tape (Trade) Shredding
- Trading On Margin—What To Know!
- Understanding Investor Psychology
- Unregistered Resale Of Restricted Securities
- 1031 Exchanges Of Tenants-In-Common Interests
- The Wave Theories of Technical Analysis
- Who May And May Not Purchase New Issues (Rule 5130)

General Modules

Print $35 Web-Based $30

Critical Issue Series

Web-Based $10

Tracking and Reporting

Available for print courses.
Web-Based Tracking and Reporting Services

Plan Writing Services

Please contact Customer Service for more information:

customerservice@stcusa.com | 800 782-1223 *Press 1*

Brokerage Services And Markets

Allocations And Distributions Of New Issues (FINRA Rule 5131)
Rule 5131 seeks to secure public confidence in the IPO process by rectifying past abuses in allocation, pricing, and distribution of new issue shares. The Rule regulates and, under certain circumstances, prohibits quid pro quo allocations and spinning, and introduces new regulations concerning flipping, pricing, and trading practices. Most firms have policies and procedures addressing the way they conduct IPOs. However, Rule 5131 is broader and more detailed and members should review their policies for compliance.

Asset Allocation
An overview of diversification strategies for registered representatives tailored to investors' needs and circumstances. Discussions include portfolio optimization, the risk/return relationship, and strategies in asset allocation.

Asset Allocation Tools And Strategies
Monte Carlo Simulation, Dynamic Asset Allocation, and inflation-indexed bonds—these are some of the techniques and products that investment managers are using today in order to allocate their clients' portfolios in a way that hopefully maximizes returns while minimizing risks.

Business Continuation
A thorough discussion on business continuation agreements. This course gives the various types of buy-sell agreements, their structure, and their advantages and disadvantages.

Controlling Market Volatility: Limit Up-Limit Down And Trading Pauses
The Flash Crash temporarily depressed stock prices, creating huge losses for investors. Concerned that unabated volatility could undermine the integrity of U.S. stock markets, the SEC approved two proposals—a limit up-limit down provision to prevent trades from occurring outside of predetermined price parameters, and trading pauses on individual stocks when prices moved outside a preestablished range. We discuss the details of these changes designed to temper the volatility of markets dominated by algorithmic traders.

Custody Rules For Investment Advisers
In the wake of the financial crises of 2008-2009, the SEC became more vigilant in monitoring client assets. Investment advisers that have custody of client funds or securities must abide by the provisions of the SEC Custody Rule, making it more difficult for investment advisers to commit fraud. Securities industry rules are constantly evolving. As new rules are introduced, they present a challenge for broker-dealers and investment advisers to adapt to these changes.

Estate Planning
A complete examination of the fundamentals of estate planning, including the objectives of a plan, property interests, estate valuation, taxation, and methods of conservation.

Forex Trading For Retail Investors
New technology has made it possible for retail investors to trade foreign currencies in unprecedented numbers. The entrance of retail investors into this market, combined with the unfortunate presence of a few questionable operators, has placed retail Forex trading on the regulatory agenda. We explain the basics of Forex trading, the risks involved for investors, and how to detect the few bad apples. We also summarize the regulatory response, particularly the rules that FINRA members, who offer these services, must be aware of.

Front-Running Block Transactions
FINRA Rule 5270 expanded the ban against front-running when personnel know that a block transaction is about to take place. Using concrete examples based on regulatory actions, we explain what front-running is and the implications of the rule. We also discuss when a trader with information about an imminent block transaction may resume trading and what exceptions exist that allow broker-dealers to continue to trade when the trading desk has knowledge that a block transaction is imminent.

High-Frequency Trading And Market Regulation
Trading has gone from seconds to microseconds, putting technological innovation speeding ahead of regulation. Algorithms and high-speed trading systems can invite abuse. Armed with advanced surveillance systems such as MIDAS and CAT that can record events to the microsecond, the SEC and SROs are better equipped to stop abuses such as pinging, spoofing, quote stuffing, and layering. Some HFT firms are required to join FINRA, and their associated personnel required to pass the Series 57 Examination. While regulations must maintain fair and equitable practices, they must also provide the opportunity for profit.

Investing in Foreign Markets
An examination of the factors that should be considered when investing in securities issued and traded outside the United States.

Investment Adviser Representative in Theory and Practice
An overview of the investment advisory business and the laws that regulate it. Also examines the difference between being a registered rep and being an investment adviser representative.

Investment Banking
A discussion of the fundamental principles of corporate finance and regulations governing the investment banking business.

Brokerage Services And Markets

Market Manipulation: Spoofing And Layering
In 2016, FINRA announced that it would begin issuing firms a surveillance report card to assess the effectiveness of their software systems in capturing and preventing market manipulation. The focus of the first report card was to detect layering and spoofing. The regulator uses its market surveillance programs to determine whether these techniques are at play within a firm's business—taking place entirely throughout the firm's transaction systems, or one part of the firm. FINRA also focuses on how firms use information taken from the report cards to improve operations and compliance.

Markups For Fixed-Income Securities
FINRA requires that the prices at which firms sell securities to the public be fair and reasonable. In order to guide its members in calculating fair prices, FINRA requires that they follow the 5% Markup Policy, a rough guideline, not a strict rule. We discuss the factors that firms must take into account when determining an appropriate markup, markdown, or commission and examine interpretations of FINRA rules to clarify how markups on debt securities should be calculated.

Master/Sub-Accounts
The SEC's Office of Compliance Inspection and Examinations has issued a Risk Alert to advise broker-dealers about the potential risks associated with these account types when the firm provides the master/sub-account holders with direct market access. We discuss the risk that unscrupulous clients may manipulate this account structure to engage in illegal activities such as money laundering, insider trading, market manipulation, account intrusion, breaches in information security, acting as an unregistered broker-dealer, and using excessive leverage.

Monitoring Investments for Seniors
Nearly one-third of all U.S. investors are between the ages of 50 and 64. Boomers have more than $8.5 trillion in assets to invest and will eventually inherit trillions of dollars from their parents. Seniors are enormous prospects for the mostly legitimate investment professionals who are out to protect seniors' assets, but enormous targets for scam artists who are out to relieve them of their retirement savings through alleged free lunch investment seminars.

The Money Market
A complete examination of the money market. Discussions include the various instruments that make up the money market, the insurance of such securities, and investor considerations.

The National Market System and Intermarket Sweep Orders
In today's electronic trading environment where orders are filled in milliseconds and the market can turn on a dime, a trader might prefer speed over best execution. Intermarket Sweep Orders allow market participants to meet their obligation to fill their orders expeditiously without the time delays that might be caused by the requirement to route orders to away markets for best execution.

OTC Markets
A comprehensive review of the diverse over-the-counter marketplace, automated systems, and the responsibilities of OTC broker-dealers. Topics include: rules and regulations, order types, and ethical behavior.

Pension Rollover Training
An overview of the pension rollover and distribution market, why it is unique, what the issues are and how individual's needs and attitudes in retirement are different from those in other stages of life.

Retirement Planning for Business Owners
The fundamentals of business retirement planning, including plan types, plan setup, contributions, investment options, reporting, and disclosure.

Retirement Planning for Individuals
The fundamentals of retirement planning, including long-term investing, asset allocation, plan types, the plan characteristics, and taxation.

Regulation A+
Initial public offerings (IPOs) are expensive and time-consuming and, therefore, not feasible for many smaller companies. Regulation A was designed for smaller issuers but has fallen into disuse over the years. The SEC has rewritten and expanded Regulation A, resulting in Regulation A+, which gives smaller and medium-size companies a new way of raising capital. Who will use it? Who may invest in these offerings? Will it work?

Rules And Practices Institutional Traders Need To Know
Regulators, concerned that violations of trading rules may do harm to fair and orderly markets, are strengthening their surveillance systems and scrutinizing the trading activities of institutional traders. With surveillance becoming easier as a result of electronic trading and sophisticated systems, orders can be tracked from inception to execution. We discuss the SEC and FINRA rules governing orderly execution and reporting that institutional traders must know.

Selling Municipal Securities To Retail Customers
We discuss SEC and the MSRB rules concerning the way municipal securities are sold and the information that must be disclosed. The EMMA system provides a centralized source for information about municipal securities which all associated personnel must know how to use. These changes will greatly affect the way municipal securities dealers interact with their retail clients, particularly in the areas of investor disclosure, suitability, and supervision.

Selling Securities in a Banking Environment
An overview of the regulations governing the sale of securities in a bank under the Gramm-Leach-Bliley Act. Discussions include the impact of GLB, privacy rules, suitability issues, and communications with the public.

Brokerage Services And Markets

Taxation and Tax Planning

A detailed review of the tax treatment of investment income, capital gains and losses, tax pitfalls, year-end strategies, and IRS regulations.

Trade Reporting

With the ultra-fast trading systems of today, surveillance systems that can capture trade data at the microsecond level are necessary so that regulators can spot irregularities. The SEC and FINRA have adapted their rulebook to today's electronic markets. SEC Regulation NMS, FINRA Rule 6380A, surveillance systems such as MIDAS and CAT, and reporting systems such as OATS, help to address concerns about trade violations. We discuss the trade, execution, and reporting systems that use contemporary technology to ensure that market participants do not purposely or inadvertently use these rules and systems to their advantage.

Using Stop Orders In Volatile Markets

The regulators have become aware that many investors often do not fully understand how stop orders work and the risks associated with their use. Retail investors are disappointed when stop orders result in losses, especially when the stock later moves in their desired direction. This often occurs during volatile market conditions. This overview will aid registered representatives and firms in educating their customers about how stop orders work and their potential downside.

Advising Senior Investors
Recommendations are made to senior investors without considering their special needs. Professional designations that are harmful as well as hollow impress seniors. Free-lunch senior seminars that may be exploitive draw crowds. What are the special needs of senior investors? Are there acceptable professional designations? What preparation is required for legitimate sales seminars? Is it part of your job to educate seniors?

Anti-Bribery Legislation
The Foreign Corrupt Practices Act (FCPA) outlaws the bribery of foreign officials. Broker-dealers that do business in foreign markets must be aware of anti-bribery legislation that impacts them and have appropriate compliance policies and procedures in place. Failure to comply with the FCPA is also a violation of FINRA Rule 2010 requiring member firms to conduct themselves in accordance with just and equitable principles of trade. We discuss different attempts to curtail bribery of officials and the civil and criminal penalties that have been imposed on violators.

Anti-Money Laundering Customer Identification
Knowing your customer is one of the guiding principles of securities regulation. This obligation took on even greater importance with the passage of the PATRIOT Act, which required broker-dealers to have written customer identification programs. It also requires them to adopt special procedures for correspondent accounts and private banking accounts maintained for foreign institutions and nationals. The purpose of all these rules? To prevent firms from becoming the unwitting tools of money launderers.

Anti-Money Laundering Core–Institutional
An in-depth discussion on money-laundering, including recognizing money laundering activities, reporting requirements, and ways to prevent it. Case studies offer examples on how to apply this knowledge. Internet Delivery Only

Anti-Money Laundering Core–Retail
An overview of significant developments in the anti-money laundering area during the last year, this course features four new case studies designed to help registered representatives recognize suspicious activities and clients who may require extra scrutiny

Anti-Money Laundering 3.3–Institutional
Based on recent enforcement actions, this course focuses on customer due diligence and the identification of high-risk accounts, both of which are vital to an effective AML program. It also covers the regulations surrounding correspondent accounts and private banking accounts for foreign citizens and organizations and how Suspicious Activity Reports (SARs) are used by the authorities to detect crime.

Anti-Money Laundering 3.3–Retail
FINRA and other regulators continue to make anti-money laundering and crime prevention a top priority. Featuring two new case studies, this course focuses on customer due diligence and the identification of high-risk accounts, both of which are vital to an effective AML program. It also covers how to recognize the signs of identity theft and microcap fraud—two common financial crimes—and how Suspicious Activity Reports (SARs) are used by the authorities to detect crime.

Anti-Money Laundering 3.4—Retail
Money laundering is usually defined as the attempt to hide the source of ill-gotten gains in order to make them appear legitimate. Increasingly, however, enforcement actions have focused on firms that failed to detect and report the signs of other financial crimes, such as pump-and-dump schemes, usually involving microcap stocks. This course looks at some of the major issues identified in recent cases—performing due diligence on foreign financial institutions, preventing distributions of unregistered securities, and spotting and reporting suspicious transactions in microcap securities. We also review how to protect you and your clients from fraudulent disbursements, and the importance of sharing information and filing Suspicious Activity Reports (SARs).

Anti-Money Laundering 3.4—Institutional
In its 2014 Regulatory and Examinations Priorities Letter, FINRA stated that it was going to “focus on the AML issues associated with institutional business.” The regulator is particularly concerned about the use of DVP/RVP (Delivery versus Payment/Receipt versus Payment) accounts to liquidate large amounts of microcap stocks. This course focuses on some of the major issues identified in recent FINRA enforcement actions—performing due diligence on foreign financial institutions, preventing distributions of unregistered securities, and detecting and reporting suspicious transaction in microcap securities. We also discuss how to protect yourself and your clients from fraudulent disbursements, and the importance of sharing information and filing Suspicious Activity Reports (SARs).

Anti-Money Laundering 3.5—Institutional
One SEC official recently described an effective AML Program as a cornerstone of good compliance. A well-run AML Program trains personnel to recognize the red flags that indicate potential criminal activity—most enforcement actions have centered on the firm’s failure to detect and report red flags. Unregistered distributions of microcap securities are a particular problem since they often signal a market manipulation scheme underway. We discuss the red flags associated with these schemes and review how to detect and prevent professional identity theft and fraudulent disbursements from customer accounts. We also cover the importance of filing timely and complete suspicious activity reports (SARs).

Anti-Money Laundering 3.5–Retail
Brokerage firms have paid millions of dollars to settle allegations that they failed to detect and report red flags that indicated a financial crime was in progress. Unregistered distributions of microcap securities are a particular problem since they often signal the presence of a pump-and-dump scheme, or other activity designed to manipulate the market. Featuring two new case studies, this course reviews the red flags associated with unregistered distributions of microcaps as well as other schemes. We also discuss how to prevent your firm and your customers from becoming the victims of identity theft and stress the importance of filing timely and complete Suspicious Activity Reports (SARs).

Compliance And Sales Practices

Anti-Money Laundering 3.6–Institutional

The Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), the Financial Crimes Enforcement Network (FinCEN), and the other financial regulators continue to make anti-money laundering (AML) compliance a top priority. In 2016, FINRA is again focusing on the use of delivery versus payment and receipt versus payment (DVP/RVP) accounts, in particular those of foreign financial institutions. These accounts might comprise a small part of the client relationship, but the requirements to monitor and detect suspicious activity, to know the customer, and occasionally to use enhanced due diligence, still apply.

Anti-Money Laundering 3.6–Retail

The Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), the Financial Crimes Enforcement Network (FinCEN), and the other financial regulators continue to make anti-money laundering (AML) compliance a top priority. One well-known brokerage firm recently paid more than $21 million in penalties to various regulators because its AML program failed to detect and report multiple red flags that indicated an illegal stock manipulation was in progress. To further signal the seriousness with which the regulators view AML compliance violations, the SEC has changed its "no-admit, no-deny" settlement practices to require admission of wrongdoing in enforcement actions where it is in the public interest.

Anti-Money Laundering 3.7–Institutional

The Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), the Financial Crimes Enforcement Network (FinCEN), and the other financial regulators continue to make anti-money laundering (AML) compliance a top priority. In 2016, FINRA is again focusing on the use of delivery versus payment and receipt versus payment (DVP/RVP) accounts, in particular those of foreign financial institutions. These accounts might comprise a small part of the client relationship, but the requirements to monitor and detect suspicious activity, to know the customer, and occasionally to use enhanced due diligence, still apply.

Anti-Money Laundering 3.7–Retail

The Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), the Financial Crimes Enforcement Network (FinCEN), and the other financial regulators continue to make anti-money laundering (AML) compliance a top priority. One well-known brokerage firm recently paid more than $21 million in penalties to various regulators because its AML program failed to detect and report multiple red flags that indicated an illegal stock manipulation was in progress. To further signal the seriousness with which the regulators view AML compliance violations, the SEC has changed its "no-admit, no-deny" settlement practices to require admission of

Branch Office Inspections

Whether you work in a large office with many registered representatives or alone as an independent registered representative, branch examiners will be knocking on your door. Over the years, branch inspections have uncovered a wide variety of violations such as unregistered personnel selling securities, unsuitable recommendations, inappropriate switching of securities, unauthorized outside activities, insider trading, the sale of unregistered securities, and a host of other problems. We cover the red flags that will catch the attention of the examiners.

Business Continuity Plans/Disaster Recovery

Natural and man-made events threaten our day-to-day business routines. For that reason, FINRA requires members to implement and maintain a written business continuity plan identifying procedures they will follow in responding to a significant disruption in meeting their obligations to customers. We discuss the 10 critical elements that go into the plan.

Business Entertainment

When is business entertainment excessive? Should specific dollar limits be imposed by the regulators as was done with the gift-giving rule? FINRA has not imposed dollar limits, but member firms must in one way or another. Each member must have specific written policies in place tailored to its particular type of business and location to prevent entertainment that causes a conflict of interest between the member firm and the customers' best interests.

Cash Alternatives: Suitability And Sales Practice Obligations

Cash and cash equivalents are often the safe haven for investors who are seeking to weather financial storms. An examination of one of the most popular of these products, the money-market mutual fund, along with some of its more exotic cash equivalent cousins, shows that they are not always the sanctuary investors believe them to be. FINRA has stepped in to ensure that financial services firms avoid overstating a product's similarities to cash holding and that they apply suitability standards.

Common Compliance Issues For Broker-Dealers 3.4

The state securities Administrators have examined broker-dealers every year. What are some of the common problems that the examiners found, and what should your firm do about them?

Compliance Requirements For Municipal Advisors

The registration requirements established in 2015 were just the first step in regulating Municipal Advisors. 2016 saw a number of new requirements become effective. Gifts and Gratuities (MSRB Rule-G-20), Political Contributions (MSRB G-37) and Books and Records (MSRB Rule G-8) are just some of the rules that apply to Municipal Advisors as well as Municipal Dealers. In addition, MSRB Rule G-42 requires firms to follow Standards of Conduct when acting as a Municipal Advisor.

Customer Account Protection

Today, there is a significant amount of confidential, nonpublic customer information in the public domain, and more information being collected means more information to protect. Congress and the SEC have passed laws to insure this protection. FINRA has received an increasing number of reports of customer accounts being compromised and reminds its members of their obligation to prevent customer information from being misused.

Compliance And Sales Practices

Customer Communications For The Institutional Professionals

A comprehensive survey of the many rules and regulations that a registered representative must observe when communicating with institutional clients. From road shows to newspaper ads, from prospectus to e-mail, communications with the public must comply with industry rules. Included are discussions on collateralized mortgage obligations (CMOs) and security futures that are not in Customer Communications For The Retail Professional.

Customer Communications For The Retail Professional

A comprehensive survey of the many rules and regulations that a registered representative must observe when communicating with retail clients. From road shows to newspaper ads, from prospectuses to e-mail, communications with the public must comply with industry rules. Included are discussions on mutual funds and variable life insurance and annuities that are not in Customer Communications For The Institutional Professional.

Customer Protection/Segregation of Client Assets

Broker-Dealers are required to have Written Supervisory Procedures in place detailing how they maintain, segregate and supervise customer account assets entrusted to them. While members firms are free to determine how they intend to comply with SEC Regulations and FINRA Rules, each member firm's "WSP" must be written so as to adequately address the specific issues raised and meet the standard of the "letter of the law" as dictated by SEA Rule 15c3-3. As is the case with all regulations, a member firm's WSP must include provisions for the proper documentation of activity, record keeping requirements, early warning provisions and supervisory review procedures to maintain compliance with the rule.

Customer Sales Of Unregistered, Microcap Securities

The SEC issued a Risk Alert reminding broker-dealers of their obligation to monitor their clients' transactions in unregistered securities, particularly microcap securities, to be reasonably sure that these unregistered securities are eligible for resale to the public. Monitoring includes carrying out a heightened investigation before executing a transaction when a suspicious activity (red flag) is observed surrounding the transaction. The alternative is enforcement action taken against the broker-dealer by the regulators.

Cybersecurity: FINRA Findings And Recommended Practices

The FINRA Report on Cybersecurity Practices concluded that broker-dealers face a variety of rapidly evolving threats and need a well-designed and adaptable program to address these threats. FINRA sees this problem as high-priority and will be looking for evidence that a firm is making a good-faith effort to identify risks and taking steps to guard against their occurrence. Even if no customer is harmed, regulators may still bring an enforcement action if nonpublic information has been exposed to unauthorized persons. Training personnel on how to recognize and respond to threats reduces the likelihood that a cyberattack will be successful.

Documentation of Client Accounts and Orders

A comprehensive guide to the procedures and maintenance of proper documents with an emphasis on the retail market.

The Dodd-Frank Act

The Dodd-Frank Wall Street Reform and Consumer Protection Act has been around for a while but many of its provisions still need to be implemented. We discuss the parts of the Act that most directly affect broker-dealers and investment advisers, both in terms of what already has been done and what is still being debated.

Electronic Communications 2.9

The broad array of formats for electronic communications as well as devices that use those formats have created multiple challenges for regulators and firms. What are the current rules for electronic communications? What must firms do to filter and retain this tidal wave of information?

E-Mail: Important Compliance Considerations

Because e-mail has become second nature to us, we may forget that it is regulated, just as the more traditional methods of paper and phones are. The proliferation of electronic gadgets means that you can access your e-mail from almost anywhere. For this reason, your firm may require you to rout your business-related e-mail through their computer network or use a company-issued device. We review what you need to remember when using e-mail, such as which communications need approval by a supervisor, suitability considerations, firm policies for detecting customer complaints, and verifying that instructions to transmit funds are legitimate.

Ethical Considerations Facing Investment Adviser Representatives

Investment adviser representatives must adhere to a fiduciary standard—to act solely in the best interest of the firm's clients. Registered investment advisers are expected to adopt written policies and procedures that are designed to detect, prevent, and correct violations of the securities laws. Advisory firms registered with the SEC are obligated to implement a code of ethics that articulates the ethical principles and conduct expected of IARs. Industry organizations require members to observe high standards. We discuss how all these requirements come together to help IARs meet ethical challenges.

Ethical Decision Making for Commodities Professionals

Through a series of discussions and real-life scenarios, this module presents examples of ethical dilemmas and how to avoid them. Topics include knowing your firm's ethical standards, NFA rules, dealing fairly with customers and colleagues, insider trading, and fraud.

Ethical Decision Making for Financial Professionals

Through a series of discussions and case studies, this course presents examples of ethical dilemmas and how to avoid them. Topics include understanding your firm's code-of-ethics, fair dealing, insider trading, churning, and fraud.

Ethics For Financial Serices Professionals

Ethics is a set of moral principles or values tha guides people's behavior. Within a profession,ethics refers to the code of conduct that governs that group's actions including how members iinteract with outsiders and with one another. Attorneys, for example, are bound by a code of legal ethics that, among other restrictions, forbids them from revealing anything their clients tell them. Members of the public know that they may confide their deepest secrets to their attorneyswithout fear of disclosure.

Ethical Issues Facing Registered Representatives

Registered representatives will, at times, encounter ethical dilemmas when dealing with clients. Acting ethically is not just a matter of adhering to FINRA rules, securities laws, and written supervisory procedures. They merely lay the foundation for ethical conduct. While we cover practices that must be avoided, by keeping the client's best interests in mind, registered representatives are more likely to satisfy their ethical obligations.

Ethics and The Registered Representative

An examination of various approaches to ethical decision making and their application in the securities industry.

The Fiduciary Rule–What Does it Mean?

The new Fiduciary Rule makes financial professionals who advise clients about their retirement accounts fiduciaries, regardless of their job title, license, or registration status. The rule contains significant changes that registered personnel need to know. We cover the background of the rule, compare fiduciaries with trustees, and discuss compensation, recommendations, exemptions and enforcement.

Financial Exploitation Of Vulnerable Adults

The number of Americans who are 65 or older is expected to double by 2050. As people age, they may have difficulty understanding financial matters and making investment decisions. Sadly, seniors, as well as younger adults with a mental or physical disability, become vulnerable to financial abuse and exploitation. We cover the warning signs that suggest financial exploitation and discuss what you should do if you suspect one of your clients may be a victim.

FINRA Communications Rules

All registered representatives and principals should be familiar with the communications rules, which govern all their interactions with the public. The new rules reduce the number of categories for communications with the public from six to three—correspondence, retail communications, and institutional communications. These categories are important because determining whether written material needs to be preapproved or filed with FINRA depends on how the material is categorized.

FINRA Equity And Debt Research Rules

FINRA has consolidated former NASD and NYSE research analyst rules, keeping most of the substantive provisions of the old ones, with some changes. Among other requirements, members must have written policies and procedures in place for controlling conflicts of interest and must include information barriers to keep analysts from being overly influenced by investment banking and sales and trading. A new rule has been added that covers debt securities for the first time, making compliance more complicated for firms that publish debt research.

Suitability Best Practices

FINRA Regulatory Notice 13-31 provided practical advice resulting from the examinations of firms it has conducted for compliance with Suitability Rule 2111. Complaince require additional policies and procedures for broker-dealers to address, including collecting more information on new account forms, updating essential information on current clients, and reviewing recommendations it makes. FINRA encourages firms to adopt the practices discussed in the Notice before the examiners arrive at your firm's door.

FINRA Suitability Rules (FINRA Rule 2090 and 2111)

Although the rules mirrored the old NASD/NYSE ones, there were significant changes. We compare the new suitability rules with the old ones, detailing the differences and, most importantly, explaining what they mean. We also examine what firms must do to prepare for the new rules.

Fixed Income Trade Surveillance

When performing trade surveillance in the fixed income markets, many of rules set by the Financial Industry Regulatory Authority (FINRA) that apply in the equity markets also apply in the bond markets. In addition, there is set of rules that apply to transactions in municipal bonds, as promulgated by the Municipal Securities Rulemaking Board (MSRB), many of which are similar to FINRA's rules.

Prohibited activities that trade surveillance professionals in the bond market seek to identify include: unfair prices, quotes and trades that are not bona fide, trades that violate best execution standards, excessive markups, markdowns and commissions, price collusion, trading ahead of customer's orders, front running, insider trading, wash trades, parking violations, unusual trade corrections, and any activities designed to manipulate the price of a bond.

Front-Running Block Transactions

FINRA Rule 5270 expands the ban against front-running when personnel know that a block transaction is about to take place. Using concrete examples based on regulatory actions, we explain what front-running is and the implications of the rule. We also discuss when a trader with information about an imminent block transaction may resume trading and what exceptions exist that allow broker-dealers to continue to trade when the trading desk has knowledge that a block transaction is imminent.

Gifts & Gratuities

The regulators are scrutinizing gift-giving and entertainment practices on Wall Street. Be wary about throwing a lavish party for your counterparts at another firm or accepting tickets to the big game. These seemingly innocuous actions may land you and your firm in regulatory hot water.

Heightened Scrutiny For Complex Products

Complex products are complicated, opaque, and confusing, not only for customers but for registered representatives. Despite their lack of transparency, these products remain attractive to investors as alternatives to conventional products with sluggish returns. Their many layers can lead to inappropriate recommendations and sales. To address this concern, FINRA reminds firms of their obligation to implement heightened supervisory and compliance procedures for complex products.

Compliance And Sales Practices

Identifying And Mitigating Conflicts Of Interest
Registered representatives and broker-dealers face numerous conflicts of interest. While the existence of conflicts does not necessarily mean that the customers' interests will be sacrificed, FINRA has observed that firms are not putting customers' interests first, and that it is not enough to merely comply with securities laws and regulations. Effective conflicts management practices may need to go beyond current regulatory requirements. In this article, we discuss how broker-dealers and RRs can avoid legal and regulatory problems, by identifying and mitigating conflicts.

Identity Theft And Cybersecurity 3.5
Broker-dealers are doing battle in increasingly dangerous cyberspace. We have seen cyber-attacks on a dozen large financial institutions using the speed and anonymity of the Internet—a threat to the stability of the financial system. While the methods of how to protect customer information and records are not specifically defined by the regulators, broker-dealers are required to practice security management, which involves prevention, detection, and response. We discuss methods offered by FINRA and other regulators tocounter identity theft.

Identity Theft: The Red Flag Rules And The SEC Information Security Program 3.4
The Red Flag Rules and the proposed SEC amendment to Regulation S-P are designed to protect clients of firms that gather and use consumer information to develop identity theft prevention programs. The foundation of the program is risk assessment-identifying the red flags relevant to a firm and then developing a strategy that responds to them once suspicious activity is detected. Do the Red Flag Rules apply to broker-dealer firms?

Insider Trading 1.0
An in-depth discussion about how suspicions of trading are investigated, the steps taken to prevent abuses, and how the rules are enforced.

Insider Trading 2.8
Despite substantial penalties, the illegal use of nonpublic information to garner trading profits continues. The focus is usually on stocks and related options trading. However, insider trading also occurs in the unregulated global derivatives markets. Establishing information barriers is needed to remain self-regulating and avoid onerous regulations that may reduce the competitiveness of U.S. institutions.

Insider Trading 3.0
Brokerage firms face severe penalties when an employee is convicted of insider trading, and the firm is held responsible for failure to supervise. Negligence is easier to prove when firms do not implement written policies and information barriers. We discuss the different ways of blocking information, prevention at the registered representative level, identifying potential insider trading, and what to do and not do when insider trading is suspected.

Institutional Sales and Trading Practices-Debt
A thorough analysis of sales and trading rules as they apply to fixed-income transactions for institutional customers. Topics include: insider trading, information barriers, and suitability issues for institutional clients.

Institutional Sales and Trading Practices-Equities
A thorough analysis of sales and trading rules as they apply to equity transactions for institutional customers. Topics include: proprietary trading, insider trading, information barriers, and suitability issues for institutional investors.

Investment Advisers– Avoiding Common Compliance Problems 3.4
The members of the North American Securities Administrators Association (NASAA) conducted a series of coordinated examinations of state-registered investment advisers. What are some of the common problems that the examiners identified and what can you and your firm do about them? These answers to these questions are more important than ever as many advisers have made the switch from SEC to state registration as a result of the Dodd-Frank Act.

The JOBS Act
The JOBS Act made major changes in the securities laws in order to help small businesses raise capital and hopefully create jobs. Among other things, the Act loosened the regulatory strictures for certain private companies that go public, allowed some private placements to be advertised publicly for the first time, and created a place in the securities laws for crowdfunding.

Microcap Securities Fraud
Microcap securities (penny stock) fraud costs American investors billions of dollars—making these schemes a perennial focus for regulators and law enforcement. The relatively small number of shareholders and the lack of information about microcap issuers mean that their shares may be manipulated easily. How a firm proceeds to stop microcap securities fraud will vary depending on the firm, but must include a way of identifying red flags. We discuss red flags that may indicate suspicious activity.

Political Contributions By Firms And Municipal Securities Professionals
Political advertising costs money. If that money comes from firms involved in municipal securities business, caution must be exercised. The MSRB has rules dealing with the practice of pay-to-play, which involves making political contributions in return for underwriting business. Given the complexities of the rules, and the potential for significant penalties, firms should review their policies and procedures and carefully consider potential political contributions.

Political Contributions By Investment Advisers
The SEC has adopted a new rule in an effort to curb practices commonly known as pay to play. Investment advisers are to adopt robust policies and procedures designed to detect and prevent contributions made to influence the selection of a firm by a government entity. Training personnel is an important part of developing a plan. Supervisory procedures that flag potential violations before they occur are imperative. A code of ethics that spells out what is expected of everyone will leave little room for pleas of ignorance or excuses.

STC®

Protecting Your Customer And Yourself Against Fraud

FINRA has urged firms "to be proactive in helping to educate customers about how to avoid being victims of financial fraud registered representatives are often in a unique position to help customers learn about how to avoid fraudulent solicitations." This article addresses cold-calling abuses, spreading false and misleading rumors, penny stock and pump-and-dump schemes, Ponzi schemes, Internet investment fraud, and corporate fraud.

FINRA Disciplinary Actions 3.4

FINRA publishes a monthly and quarterly summary of disciplinary actions initiated in response to RR misconduct. The regulator is concerned about violations pertaining to suitability, complex products, outside business activities, required information on Form U4, receiving loans from customers, identity theft, and social media. Registered representatives and broker-dealers can avoid repeating others' mistakes by looking at these recent disciplinary actions.

Record Creation And Retention For The Financial Professional

Papers, papers, everywhere, but are they the right ones? It feels as though we are drowning in paper, especially when working in a highly regulated industry such as financial services, which requires considerable record keeping. Technology has helped reduce the load but it has also created its own problems. What records are broker-dealers and their employees required to keep, for how long, and in what format? We pay special attention to completing order tickets and collecting customer account information, two responsibilities that registered representatives perform everyday.

Registration And Qualification Requirements- Rule Changes

Beginning in 2018, FINRA will substantially replace, revise, and consolidate registration rules and procedures, ones that will call for significant changes in current registration procedures. New categories of registration will be added and others eliminated. New examinations for principals will be required. The most important change allows for a significant number of persons not engaged in sales and investment banking to be registered.

Registration of Municipal Advisors

The Municipal Securities Rulemaking Board is now in charge of designing a regulatory regime for municipal advisors, including registration with the SEC and MSRB. The MSRB has issued several compliance advisories to help guide municipal advisors in fulfilling their new responsibilities. The first advisory identified four areas where municipal advisors could be at risk for lapses: registration of the advisor and its representatives, establishing an appropriate compliance program, acting as an unregistered broker-dealer, and complying with its rule regarding fair dealing.

Registration For Municipal Advisors And Other MSRB Rules

The year 2015 saw a number of new MSRB rules including a new registration category—Municipal Advisor Representative, Series 50—for those involved in municipal advisor activities. Several themes run through additional rules. Firms should be transparent with their clients concerning pricing or products and associated risks and, although not specifically required, firms should assume a more fiduciary relationship with their clients. Also, MSRB rules are being harmonized with SEC and FINRA rules, and both regulators will focus on implementing these new rules when they conduct firm examinations.

Research Analysts And Investment Banking Business

A FINRA member broker-dealer may not offer favorable research, a specific rating, or a specific price target, nor may the member change research, a rating, or a price target as an inducement for receiving investment banking business. A broker-dealer is also required to set up information barriers between investment banking and research to prevent the spread of material, nonpublic information, and to protect the independence of the research analyst so investors receive honest unbiased research, untainted by conflicts of interest. We follow a case study of an investment banking firm to observe what FINRA rules were violated.

Rules For Money-Market Funds

SEC rules have fundamentally altered the nature of money-market funds that cater to institutional investors, often referred to as prime institutional funds. They now have floating NAVs. Money-market funds are also able to impose redemption fees and suspend withdrawals if their liquidity slips below certain levels. Additional changes will require disclosure of more information, tougher stress tests, and further diversification of their portfolios.

Rules To Protect Vulnerable Seniors From Exploitation

Because people are living longer today, the senior population is growing faster than ever before, along with Alzheimer's, the early stages of which can last for years. Financial abuse is growing in proportion to our aging population. As a result, FINRA has proposed two rule changes—allow the placement of a temporary hold on a disbursement of funds or securities from a customer's account, and obtain the name of a trusted contact person with whom to get in touch to discuss suspected exploitation. We discuss the proposed rule changes, cover red flags of diminished capacity and elder abuse, and compare FINRA's proposed rules to NASAA's Model Rule on the same subject.

Short Sales—The Alternative Uptick Rule

The traditional Short Sale Rule remained in place for 69 years, but was eliminated as regulators felt that innovations in the market—electronic trading and the ever-increasing liquidity of markets—made the rule less relevant.

Social Media

As registered representatives compete in an increasingly electronic, fast moving, and difficult prospecting environment, the use of social media is on the rise. It is a new world for registered representatives, but one filled with potential rule violations. FINRA has made it clear that new technologies are not a method to avoid regulatory requirements, and whether an RR blogs, tweets, posts, chats, uses instant messages, or e-mail, all the usual considerations apply—policies and procedures, supervision, record keeping, monitoring and surveillance, and training.

Compliance And Sales Practices

Social Media And Investment Advisers

Social media is the new frontier for many investment advisers. This innovative technology is filled with possibilities for attracting new clients but ripe with potential regulatory pitfalls involving record retention, suitability, and advertising. While the regulators are still trying to determine the best way to protect investors without unduly restricting legitimate business activity, firms are still required to incorporate social media in their compliance programs and to evaluate their policies and procedures regularly for effectiveness.

Suitability and Risk Disclosure

A comprehensive study guide covering the suitability of recommendations and the disclosure of risk, complete with real-world case studies.

The Volcker Rule

One of the more controversial aspects of Dodd-Frank is the Volcker Rule, which affects banks that have combined broker-dealer and traditional banking operations. The rule, in an attempt to prevent these banks from taking on risks that might cause them to fail, prevents these banks and their affiliates from engaging in short-term proprietary trading and restricts market-making activities. We discuss the ramifications of the rule, which is still a working progress.

Insurance And Mutual Funds

12b-1 Fees—Are They Coming To An End?
The SEC has proposed a new regulatory framework to address how fund assets may be used to finance distribution costs. The changes under the new Rule 12b-2 are designed to protect individual investors from paying disproportionate sales charges in certain share classes, to promote investor understanding of fees, eliminate outdated requirements, provide a more appropriate role for fund directors, and encourage greater competition among funds and intermediaries in setting sales loads.

Advanced Mutual Funds
A comprehensive look at the issues involved in using mutual funds to satisfy a client's investment needs. Topics include: portfolio management, mutual fund analysis, as well as risk and suitability.

Annuity Plans
A thorough review of annuities including how they function, their advantages and disadvantages, and who should buy them.

Deferred Variable Annuities: Suitability And Supervision (Rule 2330)
Complexity and popularity make variable annuities an important issue on the regulatory agenda. Unfortunately, concerns about the way variable annuities are sold persist, as do customer complaints. As a result, FINRA Rule 2821 places obligations on registered representatives, registered principals, and firms, and reinforces some existing ones. You will need to know how the rule affects each group and what they will be required to do.

Introduction to Mutual Funds
An overview of the fundamentals of mutual funds focusing on the structure of a fund, fund types, and the buying and selling of mutual fund shares.

Late Trading and Market Timing
A discussion on market timing, late trading, and directed brokerage, as well as the SEC's proposed rules to stem abuses in the mutual fund industry.

Life Insurance Concepts
A discussion of the fundamentals of life insurance contracts, including policy types, underwriting factors, purchase options, and policy provisions.

Marketing Variable Products To The Public
Variable products are a perennial hot button on the regulatory agenda. We examine the latest regulatory actions in this area and review the do's and don'ts of marketing these very popular products to the public.

Mutual Fund Concepts
A detailed discussion on evaluating mutual funds, including share classes, market timing, risk level, and taxation. This module also reviews topics discussed in Introduction to Mutual Funds and Advanced Mutual Funds.

Mutual Fund Purchases & Breakpoint Schedules 2.7
Breakpoints remain an important item on the regulators' agenda. Registered representatives need to know how mutual fund share classes and breakpoints work and the different methods of qualifying clients for them. A review of these topics will help registered representatives make sure that their clients never pay too much for their mutual funds.

Mutual Fund Sales Charge Discounts And Fee Waivers
Sales charges and 12b-1 fees can have a significant impact on an investor's return. Registered representatives need to understand how sales charges work, the different ways that clients may qualify for discounts, and which share classes are most suitable for different investors. FINRA is concerned that some clients are not receiving the breakpoints and fee waivers to which they are entitled and will be focusing on this issue in examinations of its members.

Rules For Mutual Funds
The SEC has used its authority over mutual funds many times to adapt the rules that govern funds to the changing times. In recent years, the agency had attempted to approve investor disclosure by requiring all funds to create summary prospectuses and to provide risk/return information in an interactive format. The financial crisis of 2008 also prompted the SEC to overhaul the regulatory structure for money-market funds to make them more resilient in the event of future market upheavals and to propose new disclosure rules for target funds.

The SEC Share Class Initiative
Making sure that investors are not overcharged for mutual funds has long been a major regulatory concern. The SEC is also investigating the way investment advisers select share classes of mutual funds and 529 College Savings Plans for their clients. This module will identify different types of share classes, breakpoints, waivers, sales charges, and 12b-1 fees associated with them. Investment Advisers have an obligation to recommend the share class that represents the best option for the client.

Selected Health Insurance Products
A comprehensive discussion on the various health, disability, and long-term insurance products, who needs them, and the different underwriting criteria.

Seniors and Variable Annuities
Trillions of dollars have accumulated in the retirement accounts of boomers who will soon be making the transition from gathering assets to preserving them. Should variable annuities be part of end-of-life planning for seniors?

Suitability and Sales Practices for Variable Annuities
An examination of variable annuities, their attributes, structuring alternatives, and the due diligence required for making suitable product recommendations. The courses also addresses annuity exchanges as well as highlights recent cases regarding sales practices.

Variable Annuities and Variable Life Insurance
An extensive analysis covering the characteristics of variable annuities and and variable life insurance products.

STC®

Ethical Considerations For Operations Personnel

Although regulators typically focus their attention on employees who interact directly with the public, operations personnel also face regulatory scrutiny and are subject to strict legal and ethical obligations. The operations area, which has responsibility for trade confirmation, transaction settlement, custody, account transfer and maintenance, and securities lending, is also responsible for creating many of the records that a firm is required to maintain. By fulfilling their ethical obligations, operations personnel keep everyone out of trouble.

Red Flags For Operations Professionals—Penny Stock Fraud

Red flags—situations that may indicate that a violation has taken place—can appear in a variety of operational areas, including new accounts and account maintenance, trade and settlement, clearing, and cashiering. We focus specifically on those red flags that may indicate criminal activity that could expose a firm to a high level of regulatory risk, in particular, low-priced securities.

Products

Alternative Mutual Funds
The number of alternative mutual funds has grown rapidly. Registered representatives need to understand their unique characteristics and risks, and the fees involved so they can explain them to their clients. FINRA has put RRs on notice and the SEC has announced that it will be examining alternative mutual funds and the way they are sold to the public. Future enforcement actions are likely to follow.

Brokered CDs
Brokered CDs differ from traditional CDs in several important respects. The registered representatives and firms who sell these products must make certain that their clients understand the differences between them and the risks associated with non-traditional CDs.

Commodity Futures-Linked Securities: Suitability And Sales Practices
Commodity futures-linked securities give retail clients the chance to invest in an asset class that might otherwise be unavailable to them. FINRA Regulatory Notice 10-51 reviews some of the issues that the firms that market these investments must be aware of. What are these products, how do they work, and what are the special considerations when communicating with clients about them?

Complex Products—Suitability And Risk Disclosure
Given current economic conditions, some investors are turning to complex high-yield debt instruments as a substitute for equity markets without understanding their complexity. FINRA is concerned about possible sales practice abuses, inadequate risk disclosure, poor training of RRs, and lack of supervision. We explain the complex in complex products, offer guidance on how firms can satisfy customer-specific and reasonable-basis suitability obligations, tell you what FINRA will be looking for when they show up, and warn that some form of product approval (merit regulation) by the regulators may be coming if controls are not tightened.

Compliance Representatives for Municipal Securities Dealers 1.0
The MSRB has enacted new rules, and existing ones have gone through extensive revisions to enhance market surveillance, provide investor protection, and ensure that municipal securities issuers receive adequate disclosure from their underwriters. The MSRB has also reviewed its policies and made changes regarding the retention of books and records, periodic examinations of its members, and rules for brokers' brokers and municipal securities professionals. The new provisions strive to achieve fair principles of trade across the municipal securities markets.

Corporate Debt Obligations
An introduction to the fundamentals of corporate debt, including an analysis of the primary and secondary markets for corporate bonds, types of corporate issues, and the risks associated with corporate bond investing.

Derivatives
A broad description of the features and risks of the most common derivative products including futures, swaps, and options.

Equity Options
A detailed examination of the equity options marketplace along with the components of equity options, option pricing, and investment strategies.

Equity Securities
A study of the general investment features associated with common stocks, preferred stocks, rights and warrants, and sales practice considerations.

Exchange-Traded Funds (ETFs) 3.0
Exchange-traded funds are an alternative to traditional funds that investors have eagerly embraced for a decade now. Which is best for your clients: ETFs or mutual funds? And what about the latest innovations in the ETF world, inverse and leveraged ETFs? Are they ever suitable for retail clients? The answer is probably not.

Exchange-Traded Notes (ETNs)
Exchange-Traded Notes (ETNs) may sound a lot like Exchange-Traded Funds (ETFs), but they are very different products that should not be confused. How do these two products differ and how are they similar? What are the risks and benefits of both for investors? These are the questions that this article will answer.

Fixed-Income Concepts
An overview of the fundamental concepts that are critical to understanding a variety of debt instruments, including price/yield relationships, yield curve analysis, and portfolio management.

Floating-Rate Funds
The amount invested in floating-rate funds has soared as investors look for ways to increase their yields. FINRA is concerned that some investors may not understand the additional risks they are taking on in exchange for the increased yields. What are floating-rate funds and what are the associated risks that potential investors need to know?

Funding Education-529 Plans
A thorough examination of these college investment plans. This course covers the different types of plans, rules for contributions, as well as tax treatments and estate considerations. Also addressed are the advantages and risks with 529 Plans versus other higher-education investment vehicles.

Hedge Funds: Suitability And Sales Practices
The regulators have long been concerned about the growth of hedge funds, particularly among retail investors and pension funds. Today, there are an estimated 10,000 hedge funds worldwide managing more than two trillion dollars in assets. Suitability and sales practices are key issues for registered representatives who sell these products.

IRA Rollovers

Is it suitable for a registered representative to recommend that distributions from a 401(k) or other employer-sponsored plan be rolled over into an IRA? The answer is maybe. In one year, approximately 95% of the money invested in traditional IRAs came from rollovers, principally from employer-sponsored retirement plans. We discuss possible alternatives such as leaving the money in an existing 401(k), rolling the money into a new employer's plan, or cashing out.

The Impact Of Fluctuating Interest Rates On Bonds

Interest rates are at historic lows. We discuss how rising interest rates affect bond portfolios, and the techniques—duration and convexity—that financial advisers may use to estimate the potential impact of rising interest rates on their clients' fixed-income portfolios.

Interest-Rate Sensitive Fixed-Income Securities

The stock market dislocation of 2008-2009 left investors confused. Many turned to fixed-income securities for yield and as a safe haven during the storm. With chronically low interest rates that followed, investors learned that if they wanted high yields, they had to accept greater risk. FINRA fears that many yield chasers may experience significant losses as they attempt to boost returns by employing risky strategies. As your clients' interest in potentially higher yielding instruments increases, your responsibility is to explain that while fixed-income securities may be an acceptable part of their portfolios, they must also be made aware that there is no free lunch.

Leveraged Exchange-Traded Funds (ETFs)

Leveraged exchange-traded funds are the latest innovation among ETFs. Conventional ETFs are designed to mirror the movements of an index on a one-to-one basis. A leveraged ETF amplifies these movements by 2 or 3 times. An inverse leveraged ETF does the same thing, only in reverse. FINRA is concerned that many investors may not appreciate the unique characteristics of these products, which are only suitable for sophisticated investors who intend to hold them for a day or less.

Mortgage-Backed Securities and CMOs

A thorough review of the mortgage-backed securities marketplace. Emphasis is placed on mortgage-backed securities and collateralized mortgage obligations, including risk factors, suitability issues, and sales practices.

Limited Partnerships

An in-depth study of topics related to the limited partnership marketplace. Various partnership structures are described, along with applicable taxation, and the risk and suitability associated with limited partnerships.

Municipal Bonds

A review of the general investment features and associated risk factors of municipal bonds, an overview of municipal bond types, and the analysis of municipal securities.

Nontraded REITs

Many income-seeking investors are turning to nontraded (unlisted) REITs, sales of which have boomed in recent years. FINRA is concerned about the way these programs are being marketed, particularly to retail investors. Although nontraded REITs may be an excellent way for investors to earn higher returns and diversify their portfolios, they also are frequently illiquid and difficult to value. Registered representatives need to understand the features of these programs so that they can explain them to customers and make sure they are suitable for them

Principal-Protected Notes And Reverse Convertibles: Policies, Procedures, And Suitability

Notice to Members 05-26 reminded firms that they must have formal written supervisory procedures for approving new products before they are sold to the public. A review process should be in place to make sure that important questions have been asked and answered about the products being sold. This article discusses the policies and procedures that FINRA believes a firm should implement when selling complicated new products such as reverse convertible notes and principal-protected notes.

Private Investments In Public Equity—PIPEs

While there is evidence that past PIPE violations have been greatly reduced, the regulators are still concerned over inside information and short-selling abuses. Investors, on the other hand, have concerns about legal short selling and PIPE offerings issued at below-market value.

Private Placements—Due Diligence And Suitability For Broker-Dealers

FINRA issued Regulatory Notice 10-22 to remind broker-dealers of their obligation to conduct a reasonable investigation of the issuer and the securities they recommend in offerings made under Regulation D. Practicing due diligence is the first step a firm must take in offering unregistered securities. Determining suitability is the next step when marketing them to clients. FINRA offers suggestions on how to accomplish this.

Private Placements Of Securities 3.3

FINRA Rules 5122 and 5123 were implemented to ensure investor protection when new issues are distributed in nonpublic offerings (private placements) of securities. The rules require firms to file disclosure documents with FINRA, conduct a reasonable investigation of both the issuer and the securities, and determine if the investors have sufficient knowledge and experience to make a proper decision about the investment. Even though the securities may not be part of a registered offering, the rules of fair and equitable trade practices still come into play, and the antifraud provisions of the Securities Act still apply to all distributions. We discuss the measures that must be taken to ensure that these provisions are upheld in all distributions.

Regulation D Offerings And Private Placements

According to the Securities Act of 1933, an offer to sell securities must be registered with the SEC or be exempt from registration. The Act, under Regulation D, contains an exemption for transactions that do not involve a public offering. We cover this regulation and discuss who is eligible for this exemption and under what conditions.

Products

REITs—Structure, Suitability, And Supervision

The regulators are concerned about the way REITs (Real Estate Investment Trusts) are being sold to investors, particularly untraded REITs—the ones that are not listed on an exchange. What is a REIT? How are these products structured? What types of investors are they suitable for and how should their sales be supervised?

Nontraded REITs, Direct Participation Programs, And Business Development Companies

FINRA has announced that it will be monitoring the way these products are sold. While Nontraded REITs, Direct Participation Programs, and Business Development Companies may be a way for some investors to diversify their portfolios and earn good returns, they also come with disadvantages such as illiquidity, high fees, and valuation issues. FINRA amended its rules in 2016 to address the way shares of these programs are estimated on customer's account statements. We describe the suitability, communication, and supervisory issues associated with these programs as well as the impact of these rules.

Structured CDs

Certificates of Deposit (CDs) used to be an obvious (if unexciting) choice for conservative investors seeking income and safety. With interest rates at historically low levels, however, investors are looking for other options—enter structured CDs. FINRA is concerned that investors may purchase these much, more complex products to increase their returns without understanding the risks involved, or how they differ from traditional CDs. What are structured CDs? What are their risks, and what kind of investors are they suitable for?

Unit Investment Trusts (UITs)

FINRA has fined several firms recently for unsuitable sales of unit investment trusts as well as for failing to give clients the discounted sales charges to which they are entitled. What are unit investment trusts (UITs)? How do these investment vehicles differ from mutual funds? What are some of the suitability and sales practice issues that registered representatives and their supervisors need to keep in mind when selling these investments?

U.S. Government Agency Securities

A discussion of securities issued by the U.S. Treasury. Attention is focused on the characteristics specific to these issues, including the markets where they trade, regulation and taxation matters, and investment strategies.

Corporate Culture And Supervision: FINRA Enforcement Actions

FINRA will deal harshly with broker-dealers that fail to supervise the activities of their personnel. Penalties are severe. In addition to fines, a supervisor might be suspended from working for a brokerage firm or from holding a supervisory position. This course covers recent actions taken by the regulator and the lessons that supervisors are expected to learn from them.

Detecting Rogue Traders – Red Flags Supervisors Should Look For

In 2008, a rogue trader was responsible for losses of $7.1 billion. How could this happen? Were there systems in place to detect unauthorized trading and, if there were, were they implemented properly? Did management look the other way because their superstar trader appeared to be making money for the firm? There is no one answer and no one solution, but FINRA offers some suggestions.

FINRA Enforcement Actions— Red Flags For Supervisors

Supervisors should be on the lookout for suggestions of irregularities, what the Regulators call red flags. Many recent enforcement actions for failure to supervise have involved allegations that supervisors failed to detect or respond to irregularities. We cover potential red flags that you may encounter when performing your responsibilities as a supervisor—opening accounts, reviewing account activity, using exception reports, reviewing order tickets, validating client instructions as well as, letters of authorization and e-mail instructions, and keeping track of outside business activities. A red flag may turn out to be nothing, or it may indicate a serious problem, but it should never be ignored.

FINRA Supervisory Rules 3.4

The SEC approved FINRA's new consolidated rules governing supervision. The changes were part of an ongoing process to consolidate and harmonize NASD and NYSE rules into one uniform FINRA Rulebook. Many of the provisions from prior NASD and NYSE Rules were retained, but there are significant changes.

Rules for Supervising Branch Managers/Internal Control

A detailed discussion of the rules regarding supervision and internal controls.

Internet Delivery Only

Supervising Electronic Communications 2.9

When the communication rules were originally established, people communicated on paper and by phone. Today, firms use e-mail and other forms of electronic communications. Which ones may be used to communicate with clients and in what manner? Rather than enforce a rigid set of rules, FINRA advocates a flexible, risk-based approach to reviewing electronic communications.

Supervising Discretionary Accounts

Recent initiatives by the SEC provide brokerage customers with the same protection afforded investment advisory clients. Consequently, broker-dealers must abide by the rules and regulations of the Investment Advisers Act for discretionary accounts they hold. This means that they must register as investment advisers in order to maintain discretionary accounts, and registered representatives handling these accounts must register as investment adviser representatives.

Supervising Investment Bankers

This course provides an overview of the important compliance issues confronting supervisors in investment banking, research, and trading. It was excerpted from STC's Supervisory Rules and Procedures module.

Supervising IRA Rollovers

The generation that was born after World War II is turning sixty and are eligible for distributions from various retirement plans. Whereas accumulating assets had been their primary objective, they must now focus on transferring these assets (rollovers) into self-directed retirement accounts. Not only must brokerage firms and financial institutions address this rollover market, they must exercise due diligence and supervision of rollover accounts.

Supervision Of Registered Persons Using Senior Designations

Registered representatives are putting time and money into designation to upgrade their credentials. It is no coincidence that using senior designations has become popular in the last few years where Baby Boomers and retirees have trillions in assets to invest. FINRA reminds its members of their obligation to supervise registered persons who use senior designations, and encourages firms to adopt supervisory practices designed to prevent senior designations from being used in a way that is unethical or misleading.

Supervising Outside Business Activities

Outside business activities present unique challenges for supervisors. You may think that what your personnel do on their own time is their own concern, but a representative's outside ventures may put you and your firm at risk. FINRA and the SEC have brought many cases against firms and individual principals for failing to supervise outside business activities, even though they themselves did not profit from it.

What are the rules regarding outside activities and the related issue of selling away? What are the red flags that supervisors should look for to see if their representatives are doing business on the side, without the firm's permission? These are the questions that this course will answer.

Supervisory Training

Supervising Producing Branch Managers
The SEC and FINRA have enacted additional regulation and oversight of producing managers as a result of abuses at the branch level. Measures have been taken to ensure that managers who also service client accounts are not solely responsible for overseeing their own activities. Periodic supervisory reviews of producing branch managers by independent or senior personnel and a control system that tests the adequacy of these supervisory procedures are an integral part of the process.

Supervision for Institutional Managers
An overview of the supervisory issues that institutional managers face and the tools they have at their disposal to deal with them. Discussions include potential red-flag case studies that illustrate real and potential problems that are likely to arise along with how the manager might resolve them.

Supervision for Institutional Managers: 1.0
A thorough review of regulatory developments important for institutional managers. Discussions include rules designed to prevent conflicts of interest between research analysts and investment bankers, communications with the public, and the rules concerning institutional sales materials. Also discussed are the Books and Records Rules and the importance of internal controls in preventing the misuse of client accounts.

Supervision for Retail Managers
A detailed analysis of the retail manager's duties and responsibilities and the tools used to perform the supervisory function. Case studies offer practical examples of how retail managers will apply this knowledge to real life situations.

Supervision for Retail Managers: 1.0
A detailed overview of regulatory developments important for retail managers. Discussions include new Books and Records Rules and the importance of internal controls in preventing the misuse or misappropriation of client funds. Also examined are two problems that have been a subject of multiple enforcement actions—selling away and the failure to take advantage of mutual fund discounts.

Internet Delivery Only

Supervisory Rules and Procedures
An overview of the supervisor's role that emphasizes the early detection of potential problems and the consequences of failing to supervise.

Supervising the Sale of Variable Annuities
A discussion of regulatory issues, industry trends, and the role of the supervisor in the variable annuity sale cycle.

Internet Delivery Only

Critical Issue Series

Securities Training Corporation offers a series of highly focused training courses, designed to deliver very targeted training. Delivered exclusively online, each title in the series concentrates on crucial topics in the industry.

Critical Issue Series–Internet Only – $10 per course, per representative

Auction-Rate Securities

It remains to be seen whether the auction-rate securities market will survive to the extent that it has in the past. If it does, it will be because of increased efforts toward more transparency, better customer education, and suitability. If these efforts fail, the investing world will survive but take another hit because investors thought they were buying one product while they were really buying another.

Avoiding Liability As A 401(k) Fiduciary

Company plan sponsors and the registered representatives who assist them in establishing 401(k) plans can be subject to significant liability when acting as plan fiduciaries. Careful adherence to ERISA requirements can help avoid liability for plan participants' investment losses.

Bond Ratings

A discussion on how bond rating agencies determine ratings and the factors that go into their analysis.

Communicating With Institutional Investors

Historically, the regulators did not distinguish between institutional and retail investors in its communications rules. Recent rule changes loosen the regulatory requirements for institutional sales materials, placing more responsibility on the firms themselves for policing communications with their institutional investors.

Compliance–Responsibilities And Functions

Compliance is not merely about implementing rules, seeing that they are followed, and avoiding violations and penalties. It is about keeping abreast of regulatory changes, acting as liaison to the regulators, advising senior management, providing education and training, and more. We lay out a comprehensive road map that covers the many responsibilities and functions of compliance.

Customer Account Transfers

The account transfer process should be prompt, fair, and easy. However, paperwork glitches, technical delays, and resistance to losing a customer have crept into the process. Both carrying and receiving firms must cooperate better in expediting and streamlining the transfer of customer accounts from one brokerage firm to another and, at the same time, educate customers about potential problems that may slow the process down.

Dark Pools: Trading Under The Radar

Dark pools are trading platforms that are used to reduce market impact, minimize information leakage, and lower execution costs. Almost every traditional equity trading venue in the U.S. offers some form of dark pool. They are not subject to direct regulation now. However, as they become more prevalent, there will be increased regulatory attention given to transparency, fragmentation, fair access, and best execution.

A Day in the Life Of A Day Trader

Day trading involves stress and risk of financial losses. We discuss the pros and cons of day trading as well as the regulatory requirements that a firm must meet when dealing with day traders.

Excessive Markups In The Fixed-Income Market

FINRA has just fined several firms for allegedly charging clients excessive markups and markdowns for corporate bonds. But what is excessive?

Fee-Based Accounts

The SEC permits brokerage firms to continue to offer fee-based accounts without being considered investment advisers. However, they also warn firms that they are not suitable for all investors.

Fiduciary Responsibilities of Pension Consultants

Pension consultants play a vital role in managing employee pension plans. The SEC is concerned that many pension consultants may have undisclosed conflicts of interest. What are these potential conflicts how does an investment adviser deal with them?

529 Plans As Corporate Benefits

Some companies are including 529 College Savings Plans as part of their benefits package. We examine potential benefits to employer and employee as well as the applicable industry rules regarding the sale and marketing of workplace 529 plans.

The 403(b) Plan

The Internal Revenue Service and the Department of the Treasury previously released regulations that implemented changes to 403(b) plans. These regulations, the first since 1964, were considered significant reforms and have an impact on plan sponsors, administrators, participants, and beneficiaries.

Globalization Of The Securities Markets

It is difficult to open a financial newspaper without encountering a story about a stock exchange either being acquired by, or joining forces with, a former rival. What does this merger phenomenon mean, especially with respect to Nasdaq and the NYSE? What are the potential regulatory, technological, and cultural challenges that need to be overcome?The question for each exchange, domestic and international, is which team to join?

Identity Theft 2.8

In this hi-tech, information-exploding era, the SEC requires broker-dealers to protect confidential, nonpublic customer information. We include online and offline methods to prevent identity theft and advise registered representatives to treat customer information as if it were their own.

STC®

Critical Issue Series

Inheriting an IRA
If a person dies before completing withdrawals from the account, the beneficiary is taxed rather than the estate. When your client is the beneficiary, what should you know to help him avoid excessive tax liability and to maximize the income potential of his account?

International Prime Brokerage
Tired of aggregating trade and position data from different brokerage platforms, paying higher margin interest rates than necessary, and receiving trade confirmations and statements from different broker-dealers, hedge funds have turned to international prime brokerage accounts. Operations are much easier now since funds have only one brokerage platform to deal with.

Issuer Repurchases Of Equity Securities (SEC Rule 10b-18)
Rule 10b-18 of the '34 Act provides a voluntary safe harbor from liability when issuers repurchase their securities to achieve a legitimate business objective as long as it is in compliance with the conditions set forth in the Rule. The Rule also increases the transparency of issuer repurchases, which benefits all investors.

Leverage And The Regulation Governing Margin
A survey of the development of the rules controlling the use of leverage and margin and how they are applied today, especially today, especially by day traders. The course features several examples of calculations that make these complex concepts easy to understand.

The National Market System And Intermarket Sweep Orders
In today's electronic trading environment where orders are filled in milliseconds and the market can turn on a dime, a trader might prefer speed over best execution. Intermarket Sweep Orders allow market participants to meet their obligation to fill their orders expeditiously without the time delays that might be caused by the requirement to route orders to away markets for best execution.

Rules For Soft Dollars 2.7
The SEC continues to struggle with the types of products and services that are covered under soft-dollar arrangements and the level of disclosure to the investor required by the adviser. We struggle with them too.

Portfolio Margin Pilot Program
The use of customer portfolio margining allows U.S. securities firms to compete on an equal footing with certain futures and international equities markets that already employ similar portfolio margining rules. With the extension of the Portfolio Margin Pilot Program, FINRA will have sufficient time to determine if the new methodology is working efficiently and ensure that investors are not in for any surprises.

Professional Designations
People in the financial services industry are pursuing designations at an unprecedented rate. Learn what they signify, how to go about earning them, and the benefits they offer.

Protection Under SIPC
The financial crisis in the securities industry has caused investors to think about the safety of their funds. Their concern has stirred greater interest in the Securities Investor Protection Corporation (SIPC), which was established by Congress to protect customer assets in the event of failure of a broker-dealer firm. Are customer assets safe? Are there other safeguards for investors? The record of protecting customers' assets as a result of financial turmoil in the securities industry is a good one.

Regulation Crowdfunding
Until recently, the most that crowdfunders could offer backers was a small reward—perhaps a simple thank you. Offering a stake in the venture itself would have violated securities laws that require that public securities offerings be registered with the SEC or qualify for an exemption. SEC Regulation Crowdfunding allows small businesses to raise up to one million dollars in 12 months by issuing securities, though there are costs and restrictions involved. Will startups take advantage of the new regulation or will they continue to rely on Regulation D or Regulation A+?

Regulation SHO 2.7
The SEC has regulated short sales since the late 1930s and the rules had not changed until recently. Technology revolutionized the securities industry and regulators were forced to reevaluate long-standing regulations—particularly naked short selling. Regulation SHO is the SEC's ongoing response to short sale abuses in the markets.

Retirement Plans For Small Businesses
Until recently, retirement planning focused on large businesses. Changes in tax and pension legislation, however, have broadened the options for smaller businesses. Broker-dealers have begun to offer retirement services to smaller firms, opening a potentially lucrative market often overlooked by registered representatives.

Rules for Research Analysts
A discussion of the new rules and registration requirements for research analysts and their supervisors

SEC Administrative Proceedings: Are They Fair?
SEC administrative proceedings, used to resolve allegations of wrongdoing within the securities industry, have come under fire with challenges to the process being aired in federal courts and media publications. The disproportionate rate in decisions rendered against respondents in administrative proceedings, as compared to actions heard in federal courts, has led some to question the impartiality of the SEC proceedings.

Selling Away Your Career
There has been a significant increase recently in the number of regulatory actions involving selling away and outside business practices. Ignoring the FINRA rules regarding selling away and outside business activities can cost you your career.

STC®

Suitability and Sales Practices For Selling 529 Savings Plans

Since its introduction, the Section 529 college savings plan has become an effective way to fund college education. With so many plans to keep track of, broker-dealers have had trouble creating supervisory procedures and suitability standards. Some have considered curtailing or discontinuing selling them. A better solution is to accept the regulatory climate and pay more attention to individual investor's needs. We show you how.

Tape (Trade) Shredding

Tape shredding is the practice of splitting large orders into smaller ones for execution in order to increase profits. The regulators have now banned it.

Trading On Margin—What To Know!

This article walks registered reps through the pitfalls of trading on margin so that they can help their clients avoid them.

Understanding Investor Psychology

Traditional economic theory assumes that investors always make rational decisions to maximize their wealth, but it this really the case. How do investors actually behave? Behavioral finance may provide some answers.

Unregistered Resale Of Restricted Securities

Brokerage firms are responsible for making sure that any distribution of unregistered securities in which they participate complies with federal securities laws and FINRA rules, particularly when the surrounding circumstances indicate that the distribution may be illegal. What are these rules and, more importantly, what are the red flags that firms need to watch for?

1031 Exchanges Of Tenants-In-Common Interests

Sales of Tenants-in-Common interests in real property have increased dramatically since the IRS ruled that these transactions could qualify as exchanges under Section 1031 of the Internal Revenue Code. TIC interests may seem like real estate investments but they are also considered securities by FINRA. Registered representatives who sell them must comply with all relevant federal securities laws and FINRA rules regarding due diligence, suitability, commissions, registration, and supervision.

The Wave Theories of Technical Analysis

Wave Theory changed Wall Street forever. We take a brief look at the beginnings of technical analysis and the importance that it places on understanding the current trend of the market and on forecasting stock prices.

Who May And May Not Purchase New Issues?

FINRA Rule 5130 prohibits restricted persons from purchasing equity IPOs. FINRA member firms and their associated persons are specifically identified as restricted persons as well as immediate family members. Also included are owners and affiliates of the broker-dealer, owners of more than 10% of the voting stock of a firm, finders and fiduciaries to an investor, and portfolio managers. There are ways, however, in which a restricted person may be able to acquire an IPO. We discuss both categories.

STC

Securities & Insurance Training