Continuing Education

2020 Course Catalog

STC®
Securities & Insurance Training

CONTINUING EDUCATION COURSE CATALOG

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Advising Senior Investors		●			
AML – Customer Due Diligence (CDD) Rule ***(NEW)***		●			
AML-Institutional (Core)		●			
Anti-Bribery Legislation ***(NEW)***		●			
Anti-Money Laundering 3.6 –Institutional		●			
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	Brokerage	Compliance	Insurance	Products	Supervisory
Equity Options				●	
Equity Securities				●	
Ethical Considerations Facing Investment Adviser Representatives		●			
Ethical Considerations for Operations Personnel		●			
Ethical Decision Making for Commodities Professionals *(Satisfies NFA Rule 2.9 Requirements)*		●			
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Financial Exploitation of Vulnerable Adults		●			
FINRA Cybersecurity Report 2018		●			
FINRA Enforcement Actions – Red Flags for Supervisors					●
FINRA Suitability Rules		●			
FINRA Equity and Debt Research Rules		●			
529 Savings Plans – Suitability and Share Classes v02		●			
Fixed-Income Trade Surveillance ***(NEW)***		●			●
Front-Running Block Transactions		●			
Gifts and Gratuities		●			
Hedge Funds – Suitability and Sales Practices				●	
High-Frequency Trading and Market Regulation	●				
Identity Theft and Cybersecurity *2019*		●			
Insider Trading Core ***(NEW)***		●			
Insider Trading *1.0*		●			

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Course	Brokerage	Compliance	Insurance	Products	Supervisory
Insider Trading *3.0*		●			
Institutional Sales and Trading Practices – Debt ***(NEW)***		●			
Institutional Sales and Trading Practices – Equities ***(NEW)***		●			
Introduction to Securities Analysis				●	
Investment Adviser Representatives (IARs) – Conflicts of Interest and Fiduciary Obligations		●			
Investment Adviser Representatives (IARs) – Dealing with Customers		●			
Investment Advisers – Avoiding Common Compliance Problems *3.4*		●			
IRA Rollovers				●	
Leveraged Exchange-Traded Funds				●	
Market Manipulation – Spoofing and Layering	●				
Markups for Fixed-Income Securities	●				
Master/Sub-Accounts	●				
Municipal Securities – Rule Changes and Recent Developments		●			
Mutual Fund Sales Charge Discounts and Fee Waivers			●		
Non-Traded REITs, Direct Participation Programs, and Business Development Companies				●	
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Online Distribution Platforms ***(NEW)***	●				
Political Contributions by Investment Advisers		●			
Preventing and Dealing with Sexual Harassment in the Workplace ***(NEW)***		●			
Private Placements – Due Diligence and Suitability for Broker Dealers				●	
Protecting Customer Account Information		●			

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	Brokerage	Compliance	Insurance	Products	Supervisory
Protecting Your Customer and Yourself Against Fraud		●			
Record Creation and Retention for The Financial Professional		●			
Red Flags for Operations Professionals – Penny Stock Fraud		●			
Regulation SHO		●			
Research Analysts and Investment Banking Business	●				
Retirement Planning I – Helping Clients Save for Retirement	●				
Retirement Planning II – Retirement Day and Beyond	●				
Rules and Practices Institutional Traders Need to Know	●				
Rules for Equity Research Analysts	●				
Rules to Protect Vulnerable Seniors from Financial Exploitation		●			
SEC Administrative Proceeds – Are They Fair?		●			
SEC Risk Alert – Customer Sales of Unregistered Micro-Cap Securities		●			
SEC Rule 15a-6 ***(NEW)***		●			●
Selling Away Your Career	●				
Selling Securities in a Banking Environment	●				
Seniors and Variable Annuities			●		
Social Media and How its Regulated ***(NEW)***		●			
Social Media and Investment Advisers		●			
Suitability and Financial Planning		●			
Suitability and Investment Risks		●			
Suitability and Sales Practices for 529 Savings Plans				●	●

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	Brokerage	Compliance	Insurance	Products	Supervisory
Supervision for Institutional Managers					●
The SEC Share Class Initiative			●		
The Wave Theories of Technical Analysis	●				
Understanding Investor Psychology	●				
Variable Annuities and Variable Life			●		
Variable Annuities – Structure, Suitability and Sales Practices			●	●	
Variable Annuities – Structure, Suitability and Sales Practices and NYSE Insurance Regulation 187 (combined) ***(NEW)***			●		●

CE Course Descriptions

Advising Senior Investors

Some regulatory concerns include recommendations that are made to senior investors without considering their special needs, the use of professional designations that are harmful and hollow in order to impress seniors, and free-lunch senior seminars that are potentially exploitive as means of drawing large crowds. Some important questions include — 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?

AML – Customer Due Diligence (CDD) Rule *(NEW)*

FinCEN's long-anticipated Customer Due Diligence (CDD) Rule became effective in 2018 and FINRA has announced that it will be examining its members to ensure that they comply with it. Brokerage firms are now required to obtain and verify the identities of the individuals who control their corporate customers' accounts. This course explains the CDD rule and what needs to be done to be in compliance with it.

AML-Institutional (Core)

This module offers an in-depth discussion on money-laundering, including recognizing money laundering activities, reporting requirements, and the ways to prevent it. Case studies offer examples on how to apply this knowledge.

Anti-Bribery Legislation *(NEW)*

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 which requires member firms to conduct themselves in accordance with just and equitable principles of trade. This module will describe different attempts to curtail bribery of officials and the civil and criminal penalties that have been imposed on violators.

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. FINRA continues to focus on the use of delivery versus payment (DVP) and receipt versus payment (RVP) accounts, in particular those of foreign financial institutions. These accounts may comprise a small part of the client relationship, but the requirements to monitor and detect suspicious activity, to know the customer, and the occasional use of 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 due to the failure of its AML program 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 if it's in the public interest.

Anti-Money Laundering—Institutional 3.7

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. FINRA continues to focus on the use of delivery versus payment (DVP) and receipt versus payment (RVP) accounts, in particular those of foreign financial institutions. These accounts may comprise a small part of the client relationship, but the requirements to monitor and detect suspicious activity, to know the customer, and the occasional use of 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 due to the failure of its AML program 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 if it's in the public interest.

Becoming an Investment Adviser Representative (IAR)

This module provides an overview of the investment advisory business and also examines the process by which a person can become licensed as an investment adviser representative (IAR).

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.

• Brokerage • Compliance • Insurance • Products • Supervisory

Business Entertainment

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

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?

Communicating with Institutional Investors

Historically, the regulators didn't 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.

Corporate Culture and Supervision – FINRA Enforcement Actions

FINRA will deal harshly with broker-dealers that fail to supervise the activities of their personnel. The penalties for this failure can be severe. In addition to fines, a supervisor may 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.

Customer Communications for the Institutional Professional

There are a significant number of 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 the Customer Communications for the Retail Professional module.

Customer Communications for the Retail Professional

This module provides 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, variable life insurance, and annuities which are not included in the Customer Communications for the Institutional Professional module.

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 views 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 non-public 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.

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 2330 places new obligations and reinforces existing obligations on firms as well as their registered representatives and registered principals. You will need to know how the rule affects each group and what they will be required to do.

Detecting Rogue Traders – Red Flags for Supervisors

As the result of several recent cases involving allegations of unauthorized or "rogue" trading which have resulted in substantial losses by firms in both the U.S. and overseas, many FINRA firms are conducting comprehensive reviews of their internal controls and risk management systems that are designed to prevent this type of activity. This module will examine the different approaches that firms can take to combat this growing problem.

Digital Communications

The broad array of formats for digital communications, as well as devices that use those formats, have created multiple challenges for regulators and firms. What are the current rules for digital communications? What steps are firms required to take to filter and retain this wave of information?

E-mail – Important Compliance Considerations

Since e-mail has become second nature to us, we may forget that it's regulated in the same manner as the more traditional methods of paper and phones. The proliferation of electronic gadgets means that you can access your email from almost anywhere. For this reason, your firm may require you to rout your business-related email through its computer network or use a company-issued device. We review what you need to remember when using email, 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.

Equity Options ***(NEW)***

Equity options are the most common form of equity derivative. The value of these contracts is derived by the movement of the underlying security. In the simplest sense, equity options provide investors the right (for buyers) or the obligation (for sellers) to either buy or sell stock at a preset price. This module will examine options terminology, basic options strategies, advanced options strategies (e.g., straddles and spreads), and also using options to hedge (protect) or generate income on existing stock positions. The process by which an options account is opened will also be covered.

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

• Ethical Considerations Facing Investment Adviser Representatives
Investment adviser representatives must adhere to a fiduciary standard (i.e., to act solely in the best interests of their firms' clients). Registered investment advisers are expected to adopt written policies and procedures that will detect, prevent, and correct violations of the securities laws. Advisory firms that are 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. This module will address how all of these requirements come together to help IARs meet ethical challenges.

• 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.

• 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.

• Ethical Issues Facing Registered Representatives
At times, registered representatives will encounter ethical dilemmas when dealing with their clients. Acting ethically is not just a matter of adhering to FINRA rules, securities laws, and written supervisory procedures. These securities industry rules, laws, and procedures merely lay the foundation for ethical conduct. This modules will examine practices that must be avoided and will stress that by keeping the client's best interests in mind, registered representatives are more likely to satisfy their ethical obligations.

• 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 and younger adults with a mental or physical disabilities become vulnerable to financial abuse and exploitation. We cover the warning signs that suggest financial exploitation and discuss what to do if you suspect one of your clients may be a victim.

• FINRA Cybersecurity Report 2018
According to a recent study, one in four malware attacks targeted the financial services industry in 2018. The reason is not hard to determine—banks, brokerage firms and other financial institutions are the locations where people keep their money and hackers are always seeking to separate them from their funds. This module examines FINRA's 2018 report which is a review of effective information-security controls implemented by securities firms and represents FINRA's newest initiative in its ongoing efforts to help broker-dealers develop their cybersecurity programs.

• 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 Equity and Debt Research Rules
FINRA has consolidated the former NASD and NYSE research analyst rules, keeping most of the substantive provisions of the old ones, but including some changes. Requirements include members having written policies and procedures in place for controlling conflicts of interest and including information barriers to keep analysts from being overly influenced by investment banking as well as 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.

• 529 Savings Plans – Suitability and Share Classes v02 *(NEW)*
Like mutual funds, many 529 plans offer more than one share class, which are usually designated by different letters (A, B, C, etc.). Each share class represents an interest in the same investment portfolio. The difference is how the sales charges are assessed and the annual expense charges that are associated with each class. Ensuring that investors are not overcharged for investments with multiple share classes has long been a concern of the regulators. This module will examine 529 savings plans, the share classes they typically

offer, and how to determine which class is best for particular customers.

FINRA Suitability Rules *(NEW)*

Although FINRA's suitability rules mirrored the old NASD/NYSE rules, there have been significant changes. This module compares 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 *(NEW)*

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 occur. 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 and Gratuities

The regulators are continually scrutinizing gift-giving and entertainment practices related to brokerage business. Firms and representatives should be wary about throwing a lavish party for counterparts at another firm or providing tickets to a sporting event. These seemingly innocuous actions may result in regulatory problems for representatives and their firms.

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.

High-Frequency Trading and Market Regulation

Trading has gone from seconds to microseconds, putting technological innovation and speed ahead of regulation. Algorithms and high-speed trading systems can invite abuse. Armed with advanced surveillance systems, such as MIDAS and CAT, which 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 high-frequency trading (HFT) firms are required to join FINRA and their associated personnel are required to pass the Series 57 Examination. While regulations must maintain fair and equitable practices, they must also provide the opportunity for profit.

Identity Theft and Cybersecurity 2019

Broker-dealers are doing battle in increasingly dangerous cyberspace. Cyber-attackers have impacted more than a dozen large financial institutions by using the speed and anonymity of the Internet—which is ultimately 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. This management involves prevention, detection, and response. We also discuss different methods offered by FINRA and other regulators to counter identity theft.

Insider Trading Core *(NEW)*

A simple definition of insider trading that's often used is, "the buying or selling of securities based on material, non-public information." However, the reality of insider trading goes beyond this simple definition and often evolves into much more complex situations. This module will examine the steps that regulators take to detect and punish any person who trades on inside information, the obstacles that are in place to prevent insider trading, and how registered representatives can avoid, identify, preempt, and deal with potential insider trading situations.

Insider Trading 1.0

An in-depth discussion about how suspicious trading is investigated, the steps taken to prevent abuses, and how the rules are enforced.

Insider Trading 3.0

A brokerage firm face severe penalties when an employee is convicted of insider trading and the firm is held responsible for the failure to supervise. Negligence is easier to prove when firms don't implement written policies and information barriers. We discuss the different ways of blocking information, the methods of preventing trading issues at the registered representative level, identifying potential insider trading, and the appropriate steps to take when insider trading is suspected.

Institutional Sales and Trading Practices – Debt *(NEW)*

Readers receive 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 *(NEW)*

A thorough analysis is provided 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.

Introduction to Securities Analysis

How do securities analysts evaluate companies? How do they determine an issuer's EPS or P/E ratio? This module will help registered representatives understand how securities analysis works and how analysts arrive at their opinions about stocks.

Investment Adviser Representatives (IARs) – Conflicts of Interest and Fiduciary Obligations

A fiduciary is a person who acts on behalf of another and must always put the other person's interests first. Currently, IARs have a higher fiduciary duty to their customers than other financial professionals. This course discusses these responsibilities and how to minimize conflicts of interest.

Investment Adviser Representatives (IARs) – Dealing with Customers

IARs must follow many rules when interacting with clients. This module examines the brochure rule, acting as a solicitor, advisory contracts, suitability, advertising and correspondence.

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? The 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.

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.

Leveraged Exchange-Traded Funds

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.

Market Manipulation – Spoofing and Layering

FINRA recently announced that it would begin issuing a surveillance report card to firm's which would 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 occurring within a firm's business — either entirely throughout the firm's transaction systems or only one part of the firm. FINRA also focuses on how firms use information that's 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 of unscrupulous clients manipulating 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.

Municipal Securities – Rule Changes and Recent Developments

The MSRB has enacted new rules, and existing rules 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.

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. Since FINRA is concerned that some clients are not receiving the breakpoints and fee waivers to which they are entitled, it will focus on these issues as it examines its members.

• Non-Traded REITs, Direct Participation Programs, and Business Development Companies

FINRA has announced that it will be monitoring the way these products are sold. Although non-traded REITs, direct participation programs, and business development companies may be a way for some investors to diversify their portfolios and earn greater returns, they also come with disadvantages such as a lack of liquidity, high fees, and valuation issues. FINRA recently amended its rules 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.

• NYSE Insurance Regulation 187

In 2018, the New York State Department of Financial Services (NYDFS) amended its regulation which governs the suitability of annuity transactions (Regulation 187) and renamed it "Suitability and Best Interests in Life Insurance and Annuity Transactions." This change raises the bar for insurance producers (both agents and brokers) that sell annuities and life insurance to consumers in the state of New York. This module will focus on how only the interests of the consumer may be considered in making recommendations. A producer's receipt of compensation or other incentives is not permitted to influence recommendations.

• Online Distribution Platforms ***(NEW)***

Online distribution platforms allow small businesses and start-ups to raise capital in a relatively new way, which is commonly referred to as crowdfunding. These distribution platforms make it much easier for small issuers to raise capital from a wide audience of potential investors. Some issuers will conduct public offerings, while others will raise capital through private placements. This module will examine Regulation Crowdfunding as well as the exemptions that are available for different issuers.

• Preventing and Dealing with Sexual Harassment in the Workplace ***(NEW)***

Harassment prevention training is now mandatory for employers in many states. In fact, even if companies are not located in these states, they're well advised to provide this type of training to their employees. Using realistic examples and scenarios that are tailored to the financial industry, this program will help identify sexual harassment in the workplace, prevent it, and take appropriate action if it occurs.

• Private Placements – Due Diligence and Suitability for Broker Dealers

FINRA has issued notices to remind broker-dealers of their obligation to conduct a reasonable investigation of the issuer and the securities they recommend in offerings that are made under Regulation D. Practicing due diligence is the first step a firm must take in offering unregistered securities. The next step is determining suitability when marketing these securities to clients. FINRA offers suggestions on how to accomplish this.

• Protecting Customer Account Information

Today, there's a significant amount of confidential, non-public customer information in the public domain and, as more information is being collected, it means more information to protect. Congress and the SEC have passed laws to ensure 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.

• 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 module addresses cold-calling abuses, spreading false and misleading rumors, both penny stock and pump-and-dump schemes, Ponzi schemes, Internet investment fraud, and corporate fraud.

• 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.

• Preventing and Dealing with Sexual Harrassment in the Workplace

Harassment prevention training is now mandatory for employers in some states. In fact, even companies that are not located in these states are well advised to provide this type of training to their employees. Using realistic examples and scenarios that are tailored to the financial industry, this program will help a person to identify sexual harassment in the workplace, prevent it, and take appropriate action if it occurs.

• 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 the highly regulated financial services industry, which requires considerable recordkeeping. 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 every day.

• 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, account maintenance, trade and settlement, clearing, and cashiering. This module specifically focuses on the red flags related to low-priced securities (penny stock). These red flags may be indicative of criminal activity and could result in a firm being exposed to a high level of regulatory risk.

• Regulation SHO

The SEC has regulated short sales since the late 1930s and the rules hadn't changed for decades. As technology revolutionized the securities industry, 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.

• Research Analysts and Investment Banking Business

A FINRA member broker-dealer may not offer favorable research, a specific rating, or a specific price target for a security. Additionally, a broker-dealer is prohibited from changing research, a rating, or a price target as an inducement for receiving investment banking business. A broker-dealer is also required to establish information barriers between its investment banking and research departments to prevent the spread of material, non-public information. These barriers will serve to protect the independence of the research analyst so that investors receive honest, unbiased research, which is untainted by conflicts of interest. This module will follow a case study of an investment banking firm to observe the FINRA rules that have been violated.

• Retirement Planning I: Helping Your Customers Save for Retirement

Most Americans are woefully underprepared for retirement. This module covers the many aspects of retirement planning—how to determine the savings needed, the common types of retirement vehicles that are available to investors [e.g., IRAs, and 401(k) plans], and how to invest retirement assets.

• Retirement Planning II: Retirement Day Decisions and Investing in Retirement

The day that your client has long anticipated has finally arrived; she's retiring! However, there's still work to be done to help her manage her retirement assets. This course explores common decisions that new retirees must make as well as how to allocate and withdraw funds during retirement.

• Rules and Practices Institutional Traders Need to Know

Based on the concern that violations of trading rules may do harm to fair and orderly markets, regulators 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.

• Rules for Equity Research Analysts

This module describes the new rules and registration requirements for research analysts and their supervisors.

• Rules to Protect Vulnerable Seniors from Financial Exploitation

Because people are living longer today, the senior population is growing faster than ever before. However, financial abuse is growing in proportion to our aging population. As a result, FINRA has proposed two rule changes—1) to allow the placement of a temporary hold on a disbursement of funds or securities from a customer's account and 2) to stress the importance of obtaining 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.

• The SEC Share Class Initiative

Ensuring 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 Section 529 college savings plans for their clients. This module will identify the different types of share classes, breakpoints, waivers, sales charges, and 12b-1 fees that are associated with them. Investment advisers have an obligation to recommend the share class that represents the best option for their clients.

• SEC Administrative Proceeds – 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.

• SEC Risk Alert – Customer Sales of Unregistered Micro-Cap Securities

The SEC issued a Risk Alert to remind broker-dealers of their obligation to monitor their clients' transactions in unregistered securities—particularly micro-cap securities—to be reasonably certain 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 unfortunate alternative could be enforcement action that's taken against the broker-dealer by the regulators.

• • SEC Rule 15a-6 ***(NEW)***

This SEC rule permits non-U.S. (foreign) broker-dealers to conduct certain activities with U.S. investors without being required with the SEC as broker-dealers. Rule 15a-6 is considered a great success in enabling foreign BDs, particularly those with chaperoning arrangements, to access U.S. investors. This module will examine chaperoning arrangements and also the four specific requirements that must be met to avoid registration.

• Brokerage • Compliance • Insurance • Products • Supervisory

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.

Selling Securities in a Banking Environment

This module provides 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.

Seniors and Variable Annuities

Trillions of dollars have accumulated in the retirement accounts of baby-boomers who will soon be making the transition from gathering assets to preserving them. The question is, should variable annuities be part of end-of-life planning for seniors?

Social Media and How its Regulated ***(NEW)***

Both investors and financial industry professionals are utilizing social media platform for a variety of business purposes. With the rise of social media as a communication medium, it's important to realize that FINRA's rules regarding communicating with the public are still applicable. These rules are designed to protect investors from false, misleading claims, exaggerated statements, and material omissions. This module will examine key areas and concepts for firms and their associated persons when using social media.

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 is also presents potential regulatory pitfalls involving record retention, suitability, and advertising. Although 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 regularly evaluate their policies and procedures for effectiveness.

Suitability and Financial Planning

Determining suitability is a complicated process that's rarely black and white. In fact, many customer complaints include allegations of unsuitable investments. Using concrete examples, this module reviews the process of building customer profiles and selecting suitable investments.

Suitability and Investment Risks

Suitability has two aspects—a registered representative must "know the customer" and also "know the product" that he's selling. One of the key elements in understanding investment products is analyzing the types of risk they entail. This course reviews the most common types of investment risk and the products with which these risks are associated.

Suitability and Sales Practices for 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.

Supervision for Institutional Managers

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

Variable Annuities – Structure, Suitability, and Sales Practices

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 – Structure, Suitability, and Sales Practices and NYSE Insurance Regulation 187 (Combined)

This module examines the products that are a significant focus of NYSE Insurance Regulation 187, but will also review the regulation itself. The first part covers how variable annuities work, how their units are priced, along with suitability and sales practice issues. The second part describes how the New York State Department of Financial Services (NYDFS) has amended its regulation which governs the suitability of annuity transactions (Regulation 187) and renamed it "Suitability and Best Interests in Life Insurance and Annuity Transactions." This change raises the bar for insurance producers (both agents and brokers) that sell annuities and life insurance to consumers in the state of New York.

Variable Annuities and Variable Life

This module provides an extensive analysis of the characteristics of variable annuities and variable life insurance products.

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.

STC can also offer the following additional services:

Purchase STC course content that's able to be used on your own LMS. Does your firm have its own LMS, but needs a course that's offered by STC? A firm can purchase any course listed in STC's catalog and a file will be delivered which can then be uploaded onto the firm's own LMS.

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For a list of new courses, check back in the Spring of 2020.

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