

Thursday, July 12, 2018, at 4 P.M. Eastern
Advisors4Advisors Webinar Series

Applying A Regulatory Framework To Your Compliance Program

Cory Roberson

RIA Review™

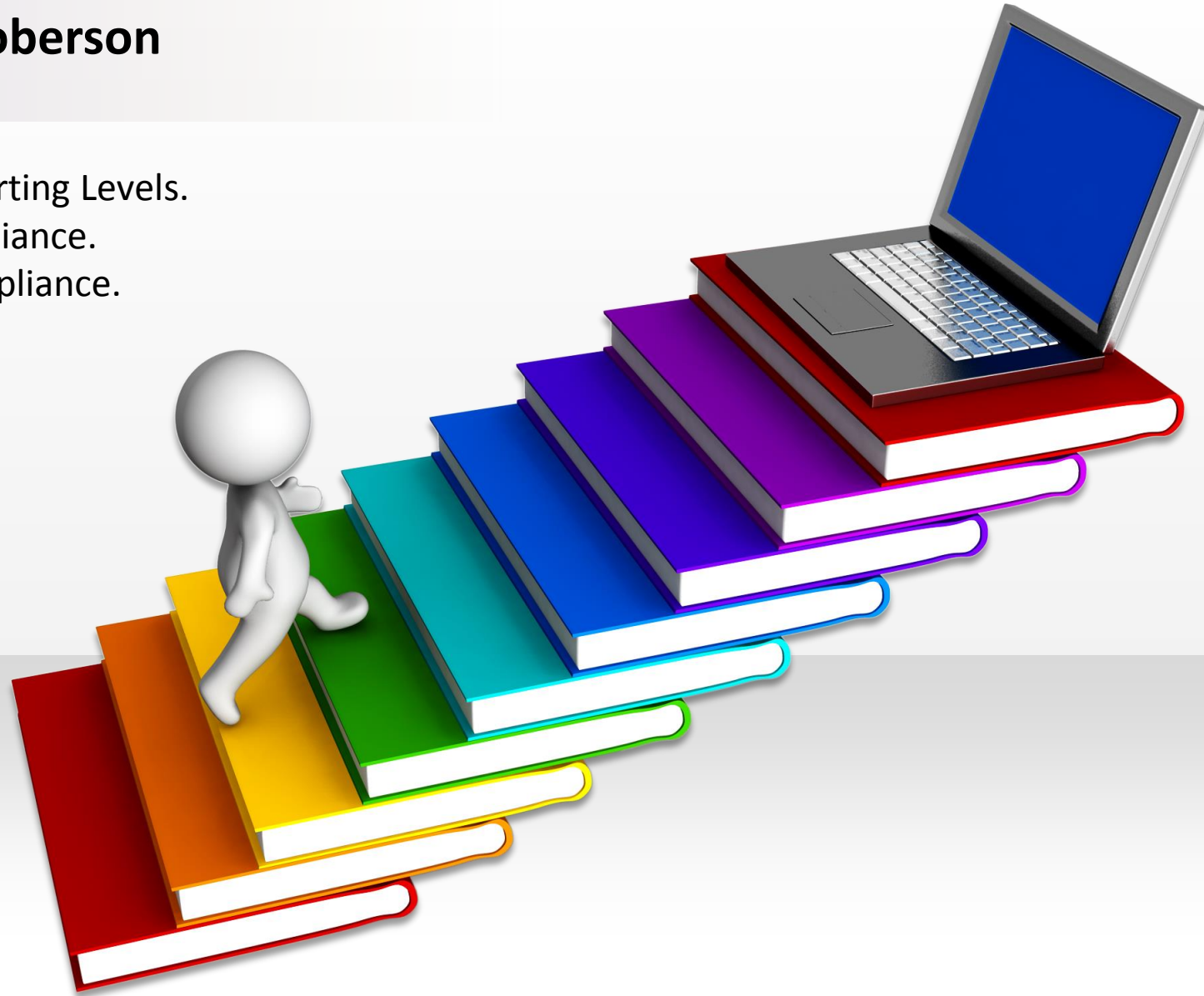
ADVISORS4ADVISORS

Andrew Gluck, Moderator
Editor, Advisors4Advisors

Applying a Regulatory Compliance Framework

By Cory Roberson

- Firm Reporting Levels.
- SEC Compliance.
- State Compliance.
- FINRA.



Summary

	Structure	Filing Types	Where:	Regulation:
Corporate Level	Corporate Documents (C-Corp, LLC)	Articles of Incorporations, Stock Certificates	Secretary of State	State (securities act) SEC (advisor act)
Firm Level (RIA)	Registered investment advisor (RIA)	Form ADV Agreements Procedures Manual	FINRA Web CRD/IARD	SEC (investment advisors act) State (Securities act)
Firm Level (BD)	FINRA/other SRO member broker-dealer, Securities Agent Securities Issuer Agent	Form B-D FINRA Membership MSRB (municipalities) FinCen (SAR, AML) State Securities	FINRA Web CRD/IARD State Specific	FINRA (NASD) MSRB (SRO) SEC (advisors act); SEC (securities exchanges act) State (securities act) FinCen (Treasury/BSA/AML)
Rep Level (RIA/BD)	Investment advisor Representative (IAR) Registered Representative (RA)	Form U-4	FINRA Web CRD/IARD	State (Securities act) SEC (investment advisors act) FINRA
Securities Level	Public Securities/ Structured Products Initial Public Offering Private Placements	Exemptions- Reg D (504, 505, 506) Form S-1 (IPO) Public Companies (S-K, S-X) SOX	State securities commission (notice filings); SEC (Edgar)	State (Securities act) SEC (investment advisors act) SEC (securities exchanges act)
Fund Level	Registered Fund (i.e. open/closed end funds Private Fund (registration or exemption)	Edgar: 13D, 13G, 13F Form PF 3c-1, 3c-7	SEC Edgar State securities commission (notice filing);	SEC (investment company act) SEC (securities exchange act)

Corporate Level:

Structure: Corporate Documents (C-Corp, LLC)

Filing Types: Articles of Incorporation

Where to file: Corporate entities file with the secretary of state

Regulation: State Securities Act; SEC Investment Advisors Act

Disclosure on ADV Part 1 and 2

Firm (RIA) level:

Structure: the registered investment advisor (RIA) practice – the business entity that is registered with the SEC or State.

Filing Types: Form ADV, Agreements, Procedures Manual

Where to File: FINRA Web CRD/IARD

Regulation: SEC (investment advisors act), State (Securities act)

Disclosures on ADV Part 1, 2A, 2B, and agreements.

Firm (Broker-Dealer) Level:

Structure: The broker-dealer level refers to activities with advisory firms who:

Have employees that also work with a broker-dealer (e.g. registered representatives that conduct advisory activities with an independent RIA and broker-dealer); or

Are affiliated with a broker-dealer (typically an RIA that is still owned, operated, or acting as a part of a broker-dealer/RIA financial network); or

Own or Control a registered broker-dealer firm (e.g. advisory/broker-dealer hybrids).

Securities Agent

Securities Issuer Agent

Disclosures on ADV, Form B-D, U-4, U-5

Rep (IAR) Level:

Structure: persons who work under the advisory firm (investment advisory representative).

Filing Types: Form U-4

Where to File: FINRA Web CRD/IARD

Regulation: State (Securities act); SEC (investment advisors act); FINRA

Disclosures on U-4, ADV Part 1A and/or 2B supplement.

De-Minimis Rule – 5 or more in most states. TX requires notice filing with one

Fund Level:

Structure: refers to registered investment companies (i.e. mutual funds) as defined by the Investment Company Act of 1940 and/or private funds (3C-7, etc.).

Registered Fund (i.e. open/closed end funds)

Private Fund (registration or exemption)

Filing Types: Edgar: 13D, 13G, 13F, 3c-1, 3c-7

Where to File: SEC Edgar, SEC, State securities commission (notice filing);

Regulation: SEC (investment company act); SEC (securities exchange act)

Disclosures on ADV Part 1A, 2A, and Fund Board (Schedule D - registered funds).

Disclosures on ADV Part 1A, 2A (Schedule D - private funds)

State-level securities reporting (Blue Sky)

Securities Level:

This level refers to reporting securities, such as equities, private funds (securities exemptions), and other securities exchange act disclosures.

Filing Types: Exemptions-

Reg D (504, 505, 506), Form S-1 (IPO)

Public Companies (S-K, S-X), SOX

Where to File: State securities commission
(notice filings); SEC (Edgar)

Regulation: State (Securities act)

SEC (investment advisors act)

SEC (securities exchanges act)

Disclosures/Filings on: 13F, 13D, 13G, Reg. D, 505, 506

SEC Registered Firm located in 10 states

State Registered firm who is adding 5 reps in 2 states

SEC registered firm who also manages a registered investment company (“mutual fund”)

State Registered firm who crosses \$100 million in AUM

SEC registered firm who assets drop under \$90 million in AUM

State Registered firm with other business activities

State Registered firm conducting activity in an overseas jurisdiction

Questions to Ask

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	Description
Corporate Level	<p>What are my corporate/organization obligations?</p> <p>What are my corporate tax obligations</p>
Firm Level	<p>Who are my regulators?</p> <p>What policies and procedures are needed for my registered advisory firm?</p> <p>Do I need to register with the SEC or FINRA?</p> <p>Any conflicts of interest to address with my business operations?</p>
Rep Level	<p>What are my compliance requirements for my reps?</p> <p>Are my reps under SEC, State, or FINRA oversight?</p> <p>Investment advisor representatives (IAR) and/or Registered Representatives (RA)?</p>
Securities Level	<p>Do I have any reporting requirements for my equities/structured products or other securities investments?</p> <p>Do I have any custody reporting obligations?</p>
Fund Level	<p>What are my obligations for investments in funds?</p> <p>What are my requirements as a fund manager?</p> <p>Registered Investment Fund (i.e. open/closed end)</p> <p>Private Fund (registration or exemption)</p> <p>Do I need to file with the SEC, Edgar, and/or to a state securities commission?</p>

Takeaways/Q & A

Best Practices

Books and Records

Documentation

News and Updates

Cory Roberson

2950 Buskirk Avenue, Suite #300

Walnut Creek, CA 94597

(650) 305-2688

<http://RIAconsults.com>

<http://RIAreview.com>

<http://www.mycomplianceblog.com/>