

**Risk Management Update**  
**March 2014**

**2014 SOLUTIONS FOR COMPLIANCE PROFESSIONALS**

In January 2014, the Securities and Exchange Commission's ("SEC's") Office of Compliance Inspections and Examinations ("OCIE") issued their yearly evaluation of the most crucial Examination Priorities for review and implementation in the coming year.<sup>1</sup> These priorities address a wide variety of issues that broadly impact the diverse business structures of financial firms existing throughout the US marketplace, including, but not limited to, investment advisers, investment companies, broker-dealers, hedge funds, private equity funds, transfer agents, clearing agencies and self-regulatory organizations ("SROs").

The priorities list was published by OCIE in conjunction with their National Examination Program ("NEP"). The focus of the NEP is (1) to aid in improving compliance, (2) to help prevent investor fraud, (3) to create and support informed policies and (4) to monitor firm-wide and other forms of systemic risk.

The OCIE initiatives of focus listed in the Examination Priorities call our attention to the importance of compliance solutions, including technology integration, to help detect and prevent fraud, mitigate conflicts of interest, enhance client data security, and manage risk, among other operational benefits.

In an effort to manage regulatory risk and increase efficiencies, many financial firms are turning to third party service providers to help provide necessary support in managing key aspects of their compliance program. While CCLS does not specifically endorse any of the following service providers, our clients have shared with us their positive experiences of working with the following vendors. Key to reviewing this list is the consideration that you and your firm are strongly encouraged to conduct thorough and ongoing due diligence prior to engaging any third party service provider.

**Compliance Certification and Continuing Education**

**National Society of Compliance Professionals: Certified Securities Compliance Professional (CSCP) Certification** – provides certification as a compliance professional, which distinguishes individuals as intermediate to advanced proficiency.

(860) 672-0843

[www.cscp.org](http://www.cscp.org)

**The Wharton School: FINRA Certified Regulatory and Compliance Professional (CRCP) Program** – a compliance certification program created jointly by the Financial Industry

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<sup>1</sup> National Exam Program, *Examination Priorities for 2014*, Office of Compliance Inspections and Examinations, January 9, 2014. For more information, please see <http://www.sec.gov/about/offices/ocie/national-examination-program-priorities-2014.pdf>

Regulatory Authority (“FINRA”) and the Wharton School at the University of Pennsylvania for securities law and regulation education.

(800) 321-6273

<http://executiveeducation.wharton.upenn.edu/for-individuals/all-programs/finra-wharton-certified-regulatory-and-compliance-professional-crmp-program>

**Quest CE** – offers compliance education and training options to the financial services industry. In addition to offering continuing education (“CE”) for professionals holding insurance licenses and professional designations like the CFP, CPA, CIMA and CLU/ChFC designations, Quest CE also provides a complete spectrum of compliance training solutions.

(414) 375-3400

[www.questce.com](http://www.questce.com)

**RegEd, Inc.** – provides annual compliance meetings, needs analysis, training plans, tracking and reporting, firm element CE, insurance CE, exam preparation licensing training with exam preparation self-study, and on-line practice exams.

(800) 334-8322

[www.reged.com](http://www.reged.com)

**Securities Training Corporation** – offers securities CE, securities licensing, insurance CE, and insurance pre-licensing and exam preparation licensing training in a classroom or self-study format.

(800) 782-1223

[www.stcusa.com](http://www.stcusa.com)

### **Compliance Technology**

#### **BasisCode Compliance**

**Work Flow Solution** – delivers a simple, centralized compliance platform, enabling compliance personnel to focus on high risk areas while meeting critical regulatory and documentation requirements. The dashboard-driven system consists of a flexible menu including compliance calendar customization, testing, certifications and attestations, gifts and entertainment monitoring, risk assessments, form builder tool, personal trading, whistleblower, and document library management.

(678) 819-1991

[www.basiscode.com](http://www.basiscode.com)

#### **MyComplianceOffice**

**Compliance Program Manager and Other Solutions** – provides a software system for compliance requirements and employee trading activity management, as well as task management and workflow, compliance calendar building, attestation management, disclosure management, gifts and entertainment monitoring, case and document management, risk management and more.

(866) 951-2279

[www.mycomplianceoffice.com](http://www.mycomplianceoffice.com)

### **Financial Tracking Technologies, LLC**

**ComplianceWorkstation365 (CW365™)** – provides an online, centralized workstation for compliance and risk personnel. CW365™ simplifies and prioritizes compliance tasking through calendar-centric technology which organizes, schedules and reports on compliance activity. Compliance personnel can test and track task results and findings and run real-time status reports on compliance program testing for clients, regulators and internal audits.

(203) 340-2356

[www.financial-tracking.com](http://www.financial-tracking.com)

### **Errors & Omissions (E&O) Insurance**

**Arthur J. Gallagher & Co.** – provides comprehensive insurance services offering a range of insurance options for businesses, as well as financial services and aid in risk management.

(858) 523-7550

[www.ajg.com](http://www.ajg.com)

**Marsh** – offers insurance coverage for a variety of exposures, including crisis management, mergers and acquisitions, business continuity and operational risk.

(212) 345-5000

<http://global.marsh.com>

**Starkweather & Shepley Insurance, Inc.'s Investment Industry Practice Group** – provides a variety of financial insurance, risk management, and related services worldwide.

(800) 854-4625

<http://www.starshpfi.com/wp/>

### **Electronic Books & Records Solutions**

**CA Technologies, Inc.** – offers a comprehensive portfolio of identity-centric data loss prevention for IT security professionals. As part of CA's technology solutions, data protection using CA's DataMinder™ enables businesses to protect all types of sensitive information and assets to help minimize accidental, negligent and malicious misuse of data, as well as help you remain compliant with regulations, corporate policies and reduce overall business risk.

(800) 225-5224

[www.ca.com](http://www.ca.com)

### **Compliance Science**

**C-TRAC™** – an enterprise scaled tool designed to capture and certify institutional contract data across all clients and counterparty agreements including investment management contracts, sub-advisory agreements, prospectuses, subscriptions, side letters, and more. C-TRAC™ allows stakeholders to access and review all legal, compliance and operational obligations across the enterprise using secure browser-based technology.

(212) 327-1533

[www.complysci.com/regulatory/compliance-software-solutions/knowledge-management-automation-software](http://www.complysci.com/regulatory/compliance-software-solutions/knowledge-management-automation-software)

**CSI DocVault™** – a searchable and sortable document tool designed specifically for investment advisers, brokers-dealers and hedge funds to better enable them to quickly and efficiently respond to regulatory exams. The unique Text Capture system and search system allows the user to search documents and perform image-scans based on the text within.

(212) 327-1533

[www.complysci.com/regulatory/compliance-software-solutions/document-checklist-management](http://www.complysci.com/regulatory/compliance-software-solutions/document-checklist-management)

### **Electronic Mail Archiving & Surveillance Tools**

**Global Relay** – provides messaging services that provide the foundation for mail management, compliance, eDiscovery and business continuity.

(604) 484-6630

[www.globalrelay.com](http://www.globalrelay.com)

**Smarsh** – specializes in e-mail and instant message archiving, WORM Optical Storage, attachment archiving, virus protections, review and reporting tools, and spam filtering.

(866) 762-7741

[www.smarsh.com](http://www.smarsh.com)

### **GIPS Verification and Performance Services**

**Ashland Partners & Company LLP** – provides GIPS consultation and verification, surprise custody examinations, and SSAE No. 16 examination training.

(541) 857-8800

[www.ashlandpartners.com](http://www.ashlandpartners.com)

**CAPS Incorporated** – provides a GIPS composite and management reporting workflow software solution for GIPS compliance and reporting.

(508) 653-2800

<http://capsinc.com/>

**Deloitte & Touche LLP** – offers audit, tax, consultant and financial advisory services, including GIPS verifications.

(213) 688-0100

[www.deloitte.com](http://www.deloitte.com)

### **Hedge and Private Fund Auditing Services**

**EisnerAmper, LLP** – a global firm serving a broad spectrum of financial services and high net worth clients, offering a full range of audit, accounting, taxation, and consulting services. Hedge fund advisory services include hedge fund audit and tax services as well as support for fund of funds, multi-strategy funds, and PIPES.

(415) 974-6000

[www.eisneramper.com](http://www.eisneramper.com)

**Marcum, LLP** – provides consulting, tax and auditing services for private equity partnerships, hedge funds, off-shore funds, registered investment advisers, and real estate funds, in addition to traditional accounting, assurance and tax, including domestic and international tax planning.

(212) 485-5501

[www.marcumllp.com](http://www.marcumllp.com)

**Rothstein Kass** – provides full range of accounting, audit, tax and consulting services to companies in the financial services industry, including hedge funds, broker-dealers and investment partnerships investing in the securities markets, private equity, and real estate.

(310) 273-2770

[www.rkco.com](http://www.rkco.com)

### **Hedge and Private Fund Administration**

**Hedge Solutions, Inc.** – provides specialized accounting services for fund structure or investment strategy, and also offers consolidated online investor access to key information, reporting and documents in a protected and secure environment.

(310) 893-1743

[www.hedge-solutions.com](http://www.hedge-solutions.com)

**Opus Fund Services, LLC** – provides hedge fund administration, including fund accounting/NAV calculations, partner allocations, and year-end reporting services.

(415) 762-8749

[www.opusfundservices.com](http://www.opusfundservices.com)

**SS&C Technologies Holdings, Inc.** – provides fund administration services for hedge funds, fund of funds, private equity funds and managed account managers. SS&C also offers back office, middle office and front office software for alternatives investment managers.

(800) 234-0556

[www.sscotech.com](http://www.sscotech.com)

### **Trade Order Management Systems**

**Advent Software, Inc.** – offers innovative investment management solutions that integrate portfolio accounting, reporting, performance analytics, and client relationship management, effectively linking portfolio managers, operations, and client service staff on a single database platform.

(800) 727-0605

[www.advent.com](http://www.advent.com)

**Charles River Systems, Inc.** – provides software, hosting and data services to automate front and middle office investment operations for buy-side firms. On-premise software solutions support portfolio management, compliance and risk monitoring, access to global liquidity, and trade processing.

(781) 425-6460

[www.crd.com](http://www.crd.com)

**Envestnet, Inc. (Tamarac)** – offers scalable web-based portfolio management technology that enables investment managers to provide customized, tax-efficient, individual account management to a multitude of clients.

(866) 525-8811

[www.tamaracinc.com](http://www.tamaracinc.com)

### **Personal Trading Surveillance and Archiving\***

**Employee Tradesphere** – offers automated data feeds from over 4,000 broker-dealers, with restricted securities, blackout and watch list(s), exception resolution and archiving capability.

(203) 340-2356

[http://financial-tracking.com/services\\_Employee\\_Trading\\_Software](http://financial-tracking.com/services_Employee_Trading_Software)

**Schwab Compliance Solutions/Charles Schwab & Co., Inc.** – offers employee trade surveillance technology that proactively blocks restricted trades that are not compliant with your firm's employee trade monitoring policy. **Compliance11, Inc.**, a subsidiary of The Charles Schwab Corporation, provides a cloud-based Code of Ethics compliance automation solution for the financial community.

(877) 589-4276

[http://corporateservices.schwab.com/public/corporate/compliance\\_solutions](http://corporateservices.schwab.com/public/corporate/compliance_solutions)

**TD Ameritrade, Inc.** – provides a fully automated employee trading surveillance system that combines customized tools to help financial and professional services firms better monitor their employees' personal trading accounts.

(888) 376-4682

<http://tdadesignatedbrokerageservices.com/>

*\*Please also see Compliance Technology Services for additional solutions.*

### **Proxy Voting Services**

**Broadridge Financial Solutions** – supplies proxy tools to help vote, keep records, and maintain compliance.

(800) 353-0103

[www.broadridge.com](http://www.broadridge.com)

**MSCI Inc. - RiskMetrics Group, Inc. – Institutional Shareholder Services** – offers indices, portfolio risk and performance analytics, and governance tools, research and voting, social investment portfolio screening, proxy distribution, and corporate governance advisory services to financial institutions and corporations.

(888) 588-4567

[www.msci.com](http://www.msci.com)

Should you require additional information, please do not hesitate to contact CCLS at (619) 278-0020. Thank you.

**Author: Marsha L. Harmon, COO / Sr. Compliance Consultant; Editor: Michelle L. Jacko, CSCP, CEO, Core Compliance & Legal Services (“CCLS”). CCLS works extensively with investment advisers, broker-dealers, investment companies, hedge funds, private equity firms and banks on regulatory compliance issues. For more information about this topic and other compliance consultation services, please contact us at (619) 278-0020, [info@corecls.com](mailto:info@corecls.com), or visit [www.corecls.com](http://www.corecls.com).**

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