

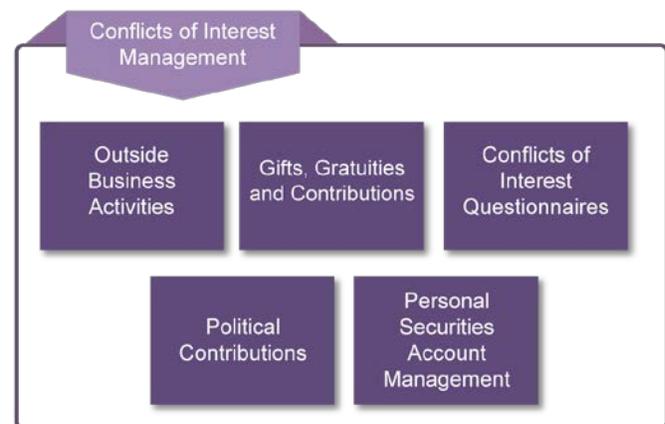
Centralized Control of Conflicts Management Reduces the Risk of Non-Compliance

Industry Challenge

FINRA continues to spotlight conflicts of interest as an area of focus, and its 2016 Regulatory and Examination Priorities Letter emphasizes that broker-dealers must place strong emphasis on effectively managing conflicts of interest. The letter states that “a firm’s culture is both an input to and product of its supervisory system, including its approaches to identifying and managing conflicts of interest and ensuring the ethical treatment of customers. This means that firms should take visible actions that help mitigate conflicts of interest, and promote the fair and ethical treatment of customers.”

Efficiently managing conflicts of interest across the range of potential conflict areas presents a significant challenge for broker dealers, investment advisers, insurers and other financial services firms. Firms must manage requests to review potential conflicts of interest while continuously monitoring registered representative activity for exceptions to conflicts-of-interest policies. And, supervisors and other stakeholders must distinguish between activities that are within the bounds of good compliance and the firm’s policies, and material conflicts that pose potential non-compliance risk.

Spreadsheet-based tools and other internally-built solutions that were once adequate for managing a discrete conflict of interest category will no longer suffice. Conflicts of Interest has evolved into a complex compliance management issue for firms large and small. And now regulators have raised the stakes higher and non-compliance can have costly financial and reputational consequences.



RegEd Solution

RegEd’s fully integrated *Conflicts of Interest Management* Solution Suite enables firms to seamlessly monitor, identify and remedy conflicts of interest and code of conduct issues among the firm’s registered population. The solution comprises five modules which can be implemented individually or together:

- Gifts, Gratuities and Contributions
- Outside Business Activities
- Political Contributions
- Personal Securities Account Management
- Conflicts of Interest Questionnaires

By automating the end-to-end management of request processes, compliance monitoring and exception management associated with the firm’s conflict of interest policies, firms can have confidence they are embedding best-practices in their compliance program.

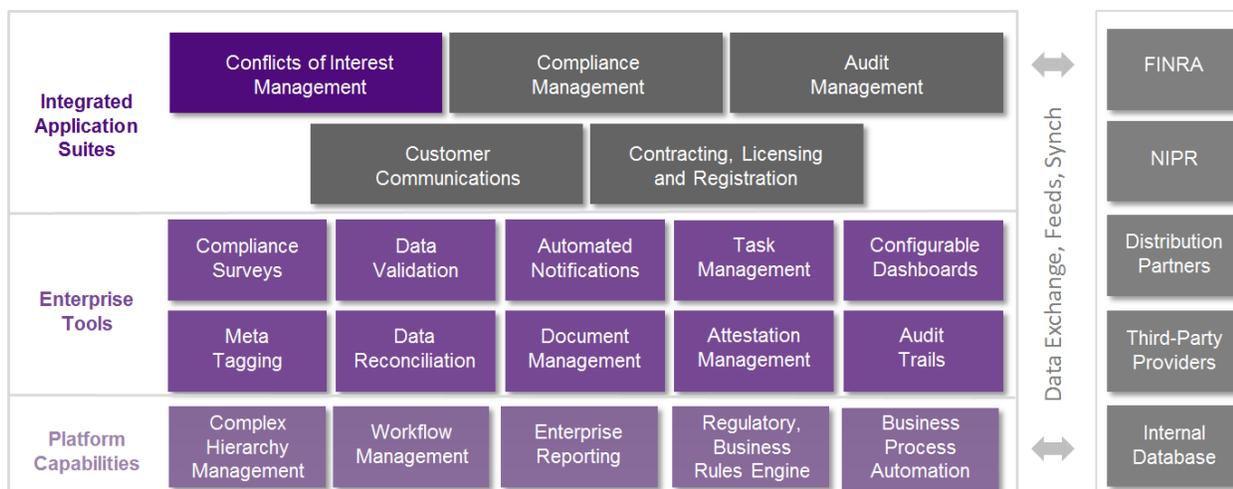
Distinguishing Capabilities

All modules in the solution suite leverage RegEd's powerful platform capabilities which enable comprehensive monitoring, workflow-directed task management, real-time alerts to exceptions and sophisticated hierarchy management.

A user-friendly interface captures the request and associated detail and firm-defined workflows direct the request to traverse an approval sequence.

- Tracks submitted requests associated to an individual, a specific population or all supervised persons.
- Captures an audit trail of request, approvals, exceptions and remediation, providing ready documentation for internal and external regulatory reporting.
- Enterprise reporting capabilities provide reporting, both on- demand and using pre-defined report formats.

RegEd's Conflicts of Interest solutions deliver extraordinary efficiency and enhance the quality of supervision while dramatically reducing the risk of non-compliance and related consequences



Conflicts of Interest Solution Suite



Outside Business Activities (OBA) FINRA Rule 3270

- Access and view a comprehensive snapshot of all requested outside activities.
- Assess, filter and prioritize outstanding items requiring attention.
- Automated email notifications alert and remind task holders to take the next appropriate action.
- Ensure proactive management of current activities through periodic attestation requirements.
- Maintain current U4 OBA record and access a list of open activities.
- Audit History enables reviewers to identify changes to an existing activity that may affect an approval decision.
- Direct integration to FINRA WebEFT or U4 filing with ability to reconcile and file U4 amendments online.



Gifts, Gratuities and Contributions

- Track exchanges of gifts, entertainment and non-cash compensation by person and gift / contribution category.
- Automatic notifications to supervisors, compliance and other stakeholders when gifts, gratuities or other contributions are given or received.
- Route submissions via a pre-approval workflow leveraging the firm's supervisory and organizational hierarchy.
- Identify and flag limit violations that exceed regulatory and other established thresholds.
- Generate comprehensive reports by recipient, employee, date range and other parameters.
- Quickly view aggregated totals by data range per recipient and employee.



Personal Securities Account Management

- Automate the time consuming process of capturing, reporting and monitoring personal trading accounts.
- Ensure compliance with industry regulations and firm policies and procedure.
- Verify trading activity and issue alerts to identify and resolve exceptions.
- Complete mandated attestations.
- Monitor for activities such as front-running and restricted stock trading.



Political Contributions (Pay to Play)

- Enables firms to comply with applicable federal, state, and local rules on contributions.
- Tracks preclearance and restrictions on political contributions as permitted by state or local law.
- Provides compliance officers with the information needed to accurately complete the required political contribution forms and file them with the appropriate regulators.
- Reduces risk of non-compliance related to rules that ban firms from doing business with a municipal issuer.
- Maintains full documentation and audit trails related to Municipal Financial Professionals (MFPs) and non-MFP executive officers as required by MSRB Rules.



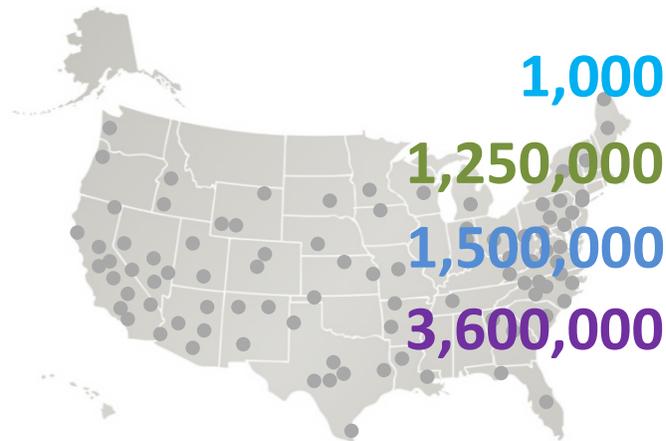
Conflicts of Interest Questionnaires

- Manage the collection, analysis and reporting of critical compliance information required by FINRA.
- Analyze each stage of the process and review with detailed reporting and color-coding of critical questions
- Obtain seamless electronic access to required regulatory data from your representatives.
- Automate critical oversight of representative compliance.
- Flag answers that require management attention.
- Establishes a centralized repository and documentation of all non-cash compensation events.
- Attach supporting documentation, such as signed policy statements. Uniquely supports attachments across multiple file types including jpg, pdf, doc and others.

Why Choose RegEd?

RegEd is the leading provider of compliance management, licensing and registration and compliance and product education solutions to the financial services industry. Our solutions deliver unparalleled levels of operational efficiency and enable firms to cost-effectively comply and manage risk associated with state, FINRA and SEC regulation.

- An investment in RegEd technology translates into extraordinary long-term value. Firms can cost-effectively build on their initial investment as their needs evolve, maximizing the return and value for their compliance spend.
- RegEd solutions are continuously expanded using input from solution-specific client advisory boards.
- Clients view RegEd as an extension of their organization. They are assigned an experienced implementation project team and have a dedicated support team, including a relationship manager, product support experts, and experienced, engaged customer service professionals.



Clients, including 400 enterprise clients, encompassing the nation's top financial services firms

CE courses and insurance certs delivered annually

End users in broker-dealers, insurance companies and brokers

Insurance and securities transactions processed annually