

SDDCO Regulatory Services LLC

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BROKER-DEALER COMPLIANCE SERVICES

SDDCO Regulatory Services LLC (SDDCO-RS) of The SDDCO Group provides full-service compliance consulting to broker-dealers (BDs). Our experienced professionals facilitate membership with the Financial Industry Regulatory Authority (FINRA) and support a firm's ongoing compliance with the regulations of the industry.

FINRA New Membership Application (NMA) Services

NMA requirements for BDs are extensive and exact, and SDDCO-RS pilots the entire process. Membership success hinges on our filing partnership: the timely collection of copious data, appropriate responses to follow-up requests, and full preparedness for the FINRA interview. Our clients are secure in knowing that SDDCO-RS consultants are well practiced in this meticulous process for firms of varied size and structure.

Broker/Dealer Startup Services:

- **Servicing your business plan:**

SDDCO-RS can build your comprehensive business plan, including:

- Principal biographies and organizational chart;
- Financial Statements and pro-forma projections;
- Business activities and marketing plan.

SDDCO-RS can assist with the selection of critical third party relationships, including:

- Outside legal counsel, auditor, and FinOp;
- Clearing firm and fidelity bond provider.

- **Preparing for your FINRA NMA filing:**

SDDCO-RS will assist your BD with preparing and editing required documents, including:

- Form NMA, Form BD, and Form BR, and accountant designation form;
- FINRA Entitlement Program Agreement and entitlement forms;
- Form U4 for each principal and fingerprint cards;
- The New Member Assessment Report.

- **Drafting your policies & procedures:**

SDDCO-RS will draft, refine, and finalize your mandatory applicant manuals:

- Written Supervisory Procedures (WSP); Business Continuity Plan (BCP);
- Anti-Money Laundering Program (AML); and Continuing Education Program (CEP).

- **Managing your WEB NMA**

SDDCO-RS can serve as your WEB NMA Administrator:

- Establishing your WEB NMA Account;
- Uploading all required NMA file forms, manuals, and supporting docs;
- Administering your WEB CRD and all mandated FINRA systems.

- **Handling your FINRA requests:**

SDDCO-RS can serve as your Appointed Representative:

- Receiving, interpreting, and consulting you on all FINRA communications;
- Responding to all FINRA requests on your behalf.

- **Assisting your FINRA interview:**

SDDCO-RS can prepare for your FINRA pre-membership interview:

- Advising you on the meeting format and content;
- Attending the interview with you and responding to follow-up requests.

FINRA Continuing Member Application (CMA) Services

SDDCO-RS can create and file a Rule 1017 CMA with FINRA on behalf of your BD to change ownership and/or to effect material changes in business operations. The CMA outlines your BD's necessary compliance with the 14 standards of membership after effecting ownership or business change.

- **Preparing your FINRA CMA filing:**

SDDCO-RS can assist your BD in both preparing and editing required documentation, including:

- WEB CRD Filings: Form BD, Form BR, and Form U4;
- Business activities, supervisory bios, management and ownership organization charts;
- Policies/procedure plans for WSP, BCP, AML, CEP; and pro-forma financial projections.

- **Handling your FINRA requests:**

SDDCO-RS can serve as your Appointed Representative:

- Receiving, interpreting, and consulting you on all FINRA communications;
- Responding to all FINRA requests on your behalf.

- **Assist your FINRA interview:**

SDDCO-RS can prepare you for your FINRA CMA interview:

- Advising you on the meeting format and content;
- Attending the meeting with you;
- Responding to any follow-up requests.

Regulatory Compliance Services

SDDCO-RS specializes in ongoing regulatory support via onsite visits, offsite accessibility, and informed guidance. Our consulting team offers a suite of compliance services on a retainer or project basis.

Broker/Dealer Compliance Services:

File Organization	Annual Compliance Meeting	Annual Review of Business Operations
Web CRD Administration	Disclosures & Certifications	Supervisory Controls Report
Policies & Procedures	CEO Certification	Communication with the Public

File Organization

SDDCO-RS can help your BD establish and monitor its files based on industry rule and internal policies:

- Organization chart with registered representatives (RRs), certain agreements, and SIPC file;
- FINRA files, including member agreement, Form BD, correspondence, and customer complaints;
- RR files, including Form U4, pre-dispute arbitration forms, and fingerprint cards;
- RR attestation files, including WSP and AML;
- RR disclosure files, including personal trading files, and OBA files;
- Customer account files, including new accounts, AML checks, authorized persons, privacy notices.

WEB CRD Administration

SDDCO-RS can serve as Web CRD administrator or assist another person designated by your BD to:

- File electronic forms, including U4, U5, BD, BR and amendments;
- Advise BD and designated parties of relevant CRD requirements;
- Perform required quarterly review of WEB CRD and the FINRA Contact System;
- Monitor regulatory element training requirements and advise registered personnel accordingly;
- Facilitate exam scheduling, fingerprint cards, and other CRD administrative requirements;
- Assist with Blue Sky filings.

Policies & Procedures

SDDCO-RS can review, revise and assist your BD to abide the policy and procedure manuals, including:

- WSP, AML, BCP, and the Firm Element Needs Analysis and Training Plan.

Annual Compliance Meeting

SDDCO-RS can assist development, delivery, and documentation of the annual compliance meeting:

- Prepare tailored draft meeting agenda and content, and materials;
- Assist in delivery of the meeting in collaboration with management;
- Provide follow up support for representatives who do not attend the scheduled meeting.

Disclosures & Certifications

SDDCO-RS can assist in obtaining disclosures from your registered representatives, provide customized disclosure forms as needed, and facilitate fulfillment of the following disclosure requirements:

- Outside accounts & personal trading, outside business activities;
- Private securities transactions and Form U4s.

SDDCO-RS can assist your BD to obtain critical certifications from all registered representatives and provide customized certification forms, and facilitate the fulfillment of the following requirements:

- WSP, AML procedures, and pre-dispute arbitration.

CEO Certification

SDDCO-RS can guide the CEO certification process required by FINRA Rule 3130 and work closely with the CEO and senior team to ensure the timely completion of the documentation of required activities:

- Prepare a draft CEO report, then modify and update based upon your review;
- Prepare a draft CEO Annual Compliance and Supervision Certification.

Annual Review of Business Operations

SDDCO-RS can examine relevant aspects of your BD's business operations. This assessment is delivered to you in a report outlining summary findings and recommended actions regarding:

- Compliance and Supervision;
 - Supervisory Personnel, structure, controls and employee files;
 - FINRA Web CRD and Regulation Filing Administration.
- WSP, AML procedures and CEP.

Supervisory Control Report

SDDCO-RS can prepare a report summarizing critical aspects of your BD's supervisory control system—to assess the establishment and enforcement of the WSP and verify if it is reasonably designed to:

- Review and supervise the customer account activity conducted by BD managers;
- Review and monitor activity (transmittal of funds/changes in customer address or objectives);
- Highly supervise producing managers generating 20% or more of the revenue of their unit.

Communications with the Public

SDDCO-RS can guide compliance with rules governing your BD's communications with the public. SDDCO-RS can review samples of firm communications and documentation and guide your staff per:

- Email, instant-messaging, social media;
- Written correspondence;
- Sales literature/advertising.