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CONFERENCE





# *2021 Annual Compliance Meeting*



**LEVEL FOUR**<sup>®</sup>

Advisory Services

A DIVISION OF  
CARR, RIGGS & INGRAM CAPITAL, LLC



**LEVEL FOUR**<sup>®</sup>

Capital Management

A DIVISION OF  
CARR, RIGGS & INGRAM CAPITAL, LLC




**LEVEL FOUR**<sup>®</sup>

Financial

A DIVISION OF  
CARR, RIGGS & INGRAM CAPITAL, LLC



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It takes less time  
**to do things right**  
than to explain why  
you did it wrong.

*-Henry Wadsworth Longfellow*



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# // Agenda

- Level Four Compliance Team
- Compliance Department Roles
- Disclosure Document Delivery
- Annual Account Review
- Advisory Custody
- Regulation Best Interest
- Vulnerable Adults
- Personal Emails
- Cryptocurrency
- Branch Exams 2021-2022
- AML
- Information Security Requirements
- GIPS Tracking Requirements
- Orion Reporting Obligations
- Regulatory Initiatives
- Compliance Reminders

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# presenters

## **Jill Zacha**

*Level Four Financial Chief Compliance Officer, Advisory, Corporate Counsel; Chief Compliance Officer, Level Four Advisory Services, LLC; Chief Compliance Officer, Level Four Capital Management, LLC*

## **Stacey Lavender**

*Level Four Financial Chief Compliance Officer, Brokerage, and AML Compliance Officer*

## **Kimberly Miller**

*Compliance Director; Risk and Regulatory, Chief Compliance Officer; Carr, Riggs and Ingram Capital Advisors, LLC.*

## **Gregg Overstake**

*Director of Supervision, Branch Manager / Supervisory Principal*

## **Ernest Tannis**

*Branch Manager / Supervisory Principal*

## **Chrystal Badillo**

*Branch Manager / Supervisory Principal*

## **Al Tadeo**

*Branch Manager / Supervisory Principal*



# // Compliance Department Roles

*Your Compliance Department is made up of professionals who perform a variety of roles. We want to ensure you know what these roles are and how they support you and your business.*

## **Branch Managers (Gregg, Ernest, Chrystal & AI )**

- Supervision of RR/IAR
  - Email Review
  - Wire Approval
  - New Account Approval
  - Exception Report Reviews
  - Annuity Product Reviews
  - EOM Reviews
  - Trade Correction Reviews
- Branch Examinations
- Trade Surveillance

## **Jill Zacha**

- Corporate Counsel
- Chief Compliance Officer (RIA)
- Advisory Customer Complaints

## **Stacey Lavender**

- Chief Compliance Officer (BD)
- AML Compliance Officer
- Brokerage Customer Complaints

## **Molly Flynn**

- Compliance Administration
- Manage Compliance Inbox
- Supports Compliance Team
- Quest & Global Relay Administration

## **Kimberly Miller**

- Advertising Review
- Licensing & Registrations
- Employee Account Surveillance
- Regulatory Filings & Exam Mgmt.
- Orion Compliance Administration
- Firm Element Continuing Education
- ADV 2B & Supplement Form CRS



**compliance@levelfourfinancial.com**

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# // Disclosure Delivery Obligations (Advisory)

As a reminder, you are required to provide the following documents to all new clients.

**If the client account is an LFAS advisory account:**

- Form ADV Part 2B supplement (individual representative supplement)
- LFAS Form ADV Part 2A *for non-wrap accounts*
  - **OR**
  - LFAS Wrap Brochure *for wrap accounts*
    - Specific to the wrap program in which the client is participating
      - ICA Platform
- LFAS Form CRS
- Securities Backed Line of Credit Disclosure (SBLOC)
  - Must be sent to all clients that are opening an SBLOC Account



# // Disclosure Delivery Obligations (**Advisory**)

If the client accounts is managed by LFCM the client must **ALSO** receive the following:

- LFCM Form ADV Part 2A
- LFCM Form CRS\*

## \*Form CRS

- Must be sent prior to opening a new account **or**
- Before or at the time a recommendation is made to convert a client account platform (*brokerage to advisory / advisory to brokerage / fee-based platform change*) **or**
- A recommendation is made for a client to roll over assets from a retirement account into a new or existing account or investment.

Disclosures can be **COMPLICATED, BUT...**  
***We have made it easy to “GET IT RIGHT”!***

# // Automated Disclosures

During June, Level Four rolled out a process to systematically send out and track the delivery of required disclosures such as:

- ✓ ADVs
- ✓ ADV 2Bs
- ✓ Wrap Brochures
- ✓ Form CRS
- ✓ SBLOC Disclosure
- ✓ LFCM Disclosures

## IT IS EASY TO GET IT RIGHT!!

Just complete a short form about your client and the disclosures with automatically email out DIRECTLY to the client.



## Disclosure Document Delivery & Form CRS

Purpose: Best Interest Checklist and Disclosure Document Delivery – Determine if delivery of Form CRS is required, document delivery of Form CRS in addition to enhanced due diligence requirements. Additional document delivery of Form ADV Part 2B (supplement), Form ADV Part 2A OR appropriate Wrap Brochure.

Branch ID

FA#

Investor Name(s)

Investor Email (if investor has no email, please list "none")

example@example.com

Regulation Best Interest defines a "retail investor" as "a natural person or legal representative of such natural person, who seeks to receive or receives services primarily for personal, family, or household purposes."

- All natural persons, regardless of network or sophistication, are included in the definition of "retail investor."
- Includes "existing" retail clients and "prospective" retail clients.
- Excludes institutional investors.

Is this a Retail Investor (per Reg BI)?

# // Automated Annual Account Reviews (Advisory)

## Reminder of Annual Account Review Policy

SEC requires IARs to meet with every Advisory Client annually and this meeting must be documented.

- **LFAS rolled out the automated Annual Review Process on April 1, 2021.** <https://form.jotform.com/levelfour/lf169>
- PDF can be printed after completion of account form. Email of document will also be sent to the email address provided.
- Changes to client's financial situation, risk exposure, time horizon and investment objectives will require updates to account documentation (i.e. risk questionnaire, Investment Policy Statement). Reps should be prepared to provide a best interest rationale for type of account and investments within the account.
- When conducting a review, you should review the account fee reflected in the client investment advisory agreement on file vs. what is currently being charged.
- This is a good time to obtain email addresses for clients if you do not already have one.
- Any changes to fee schedules must be communicated to Advisory Ops for billing purposes.



# Advisor Custody



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# // Advisory Custody

- It is considered a Fraudulent, deceptive or manipulative act, practice or course of business for an RIA to have custody of client assets unless such assets are maintained in accordance with the certain safeguards required by the Custody Rule, including engaging an independent accounting firm to perform annual surprise examinations.
- Advisor has “custody” for purposes of this rule when it or a related person “holds, directly or indirectly, client funds or securities, or has authority to obtain possession of them, in connection with advisory services...”
- “Custody” also includes any arrangement under which an Advisor is “authorized or permitted to withdraw client funds or securities maintained with a custodian upon instruction to the custodian.”

# // Advisory Custody

Examples of situations that could implicate the custody rule:

- Acting as trustee for a trust (where the trust is a RIA client) *\*unless for an immediate family member*
- Acting as personal representative for an estate (where the estate is a client) *\*unless for an immediate family member*
- Acting as a control person of a client account where the rep has authority to act independently
- Accepting payments payable directly to an advisory rep or a DBA of an advisory rep



# // Advisory Custody (Examples Continued)

- Having standing letters of authorization to make payments to **third** parties (SEC 2017 No Action letter issued to the Investment Advisor Association)
- Having client login credentials or access to change client credentials
- Acting as general partner or managing member of a pooled investment vehicle (where RIA clients are invested)
- Having a client loan the Advisor money (assuming the client is not in the business of making loans like a bank or mortgage lender)
- Going into business with an RIA client (i.e., purchasing real estate together and managing the property)





# // Advisor Custody

## Consequences of being subject to the Custody Rule:

- Regulatory reporting requirement – ADV
- Subject to a surprise custody exam – cost is typically \$15,000
- Higher risk level for regulatory radar (SEC)



# Regulation Best Interest (RegBI)



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# // Regulation Best Interest and Form CRS

## Regulation Best Interest (RegBI)

**Regulation Best Interest (Reg BI)** - sets forth a new “fiduciary-like” standard of conduct that **broker-dealers and representatives** must follow when making recommendations to **retail customers** regarding securities transaction or investment strategies involving securities.

## Client Relationship Summary (Form CRS)

- New **Form CRS** is a disclosure document that was designed to provide **retail investors** with information to assist in their selection of firm, financial professional, and brokerage or advisory services.
- BDs and SEC-RIAs are required to create and distribute a Form CRS (ADV Part 3) to retail investors.



# // Regulation Best Interest

- **Disclosure Obligation** –requires that before or at the time of a recommendation, the investor is provided with a written disclosure of material facts about the scope of the relationship and the recommendation(s): the capacity in which the firm and RR/IAR are acting (especially if firm is dually reg), fees, type and scope of services provided, conflicts, limitations on services and products, and whether monitoring services are included.
- **Care Obligation** – requires that associated persons exercise reasonable diligence, care and skill; understand potential risks, rewards and costs; have a reasonable basis to believe that a recommendation is in the best interest of the particular retail customer and does not place the financial or other interests of the broker-dealer or associated person ahead of the interest of the retail customer.
- **Conflict of Interest Obligation** – Firms must identify, eliminate or mitigate (disclose) conflicts that create incentives that could put the firm’s or representative’s interests ahead of the customers.
- **Compliance Obligation** – Firms must establish, maintain and enforce policies and procedures designed to achieve compliance with Reg BI as a whole.



# // Regulation Best Interest

## OBLIGATIONS UNDER THE RULE

Reg BI's General Obligation is a new standard of conduct that requires firms **to act in the retail customers best interest, and not place their own interests ahead of the customer's interest.**

The **Care Obligation** states that broker-dealers and representatives must exercise reasonable diligence, care and skill when making a recommendation to a retail customer to:

- Understand the potential risks, rewards, and costs associated with a recommendation;
- Have a reasonable basis that it is in the best interest of any retail customer;
- Believe it is in the best interest of the specific retail customer based on their profile;
- Believe that any series of recommended transactions are not excessive, even if each was in the best interest of the specific customer; and
- Believe that a **recommendation would not place the interest of the broker-dealer ahead of the retail customer.**





# // Regulation Best Interest (Triggers)

## Reg BI is triggered when you provide the following to a retail customer:

- Recommendations of a securities transaction or investment strategy involving securities;
- Account recommendations including those to rollover or transfer assets from one type of account to another (401k to IRA);
- Implicit hold recommendations (only if the broker-dealer has agreed to monitor a client's account as a 'service')
- Any communication that "reasonably" could be viewed as a "call to action" and "reasonably" would influence a retail customer to trade a particular security or group of securities is considered a recommendation.
- Reg BI (care standard) applies when acting as/for a broker-dealer and the Advisor's Act (fiduciary standard) applies when acting as/for an investment Advisor.

# // Regulation Best Interest

- The care obligation does not require a consideration of every security available, or to only recommend the lowest cost security or strategy.
- The representative must conduct an analysis of all the factors of the security and/or strategy, along with the retail customer's investment profile, to be able to determine that the recommendation is in the customer's best interest.

## **IMPORTANT!!!**

### **Retain documentation to support recommendation:**

*such as investor profile, investments considered and recommended, etc.*





# Vulnerable Adults



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# State Exam – Vulnerable Adults

During Q2 LFAS underwent a “Focused” Examination by the State of Alabama relating to the firm’s policies and procedures for the identification and protection of Vulnerable Adults.

## Did you know??

The firm can place a temporary hold on a disbursement of funds or securities from the Account of a Specified Adult if:

1. The member reasonably believes that financial exploitation of the Specified Adult has occurred, is occurring, has been attempted, or will be attempted; and
2. The member provides notification of the temporary hold and the reason for the temporary hold

# // Vulnerable Adults – Red Flags

## What is Financial Exploitation?

- The wrongful or unauthorized taking, withholding, appropriation, or use of a Specified Adult's funds or securities; or
- Any act or omission by a person, including through the use of a power of attorney, guardianship, or any other authority regarding a Specified Adult, to:
  - obtain control, through deception, intimidation or undue influence, over the Specified Adult's money, assets or property; or
  - convert the Specified Adult's money, assets or property.



# // Vulnerable Adults

**What do I do if I suspect one of my clients is being exploited?**

***Don't be silent!!***

1. Reach out to the account holders Trusted Contact
2. Contact Compliance

- Reach out to Compliance; we can:
  - Provide Guidance
  - Help you Communicate effectively with the client
  - File appropriate documents with the State Authorities as may be required in certain jurisdictions
  - Records Retention



# // Personal Emails

## Reminder!!

Please use your *levelfourfinancial.com* and/or *approved dba* email address for Business emails and not Personal emails

- The firm's Branch Managers review your emails
- Your Emails are discoverable in a legal matter
- During a branch audit – regulators will request your emails
- If you get a lot of “Junk” – **Please unsubscribe!!**


Are you using your work ***email address*** when you should be using a ***personal one?***



# // (SECURE) Email


When sending email outside of the firm that contains Personal Identifiable Information (PII) (example: SSN#, Account Number and DL#). **Send it (SECURE)**

To encrypt an email message type (SECURE) or [SECURE] in the subject line.

 <b>Send</b>	<b>From</b> ▼	kMiller@levelfourfinancial.com
	<b>To</b> ...	
	<b>Cc</b> ...	
	<b>Subject</b>	(SECURE) How to Encrypt an Email

The receiving party will receive an encrypted email that looks like this:

Subject: You have a new encrypted message from "Kimberly Miller" <kMiller@levelfourfinancial.com>



"Kimberly Miller" <kMiller@levelfourfinancial.com> has sent you an encrypted message via Message Pickup Center.

**Subject** : (SECURE) How to Encrypt an Email  
**Sent** : July 2, 2021 10:49:10 AM, EDT  
**Expires** : August 1, 2021 10:49:14 AM, EDT  
You have **30 day(s) left** to collect this message before it expires.

[Click here to open](#)





# // Cryptocurrency

The sale of cryptocurrency in Level Four accounts is not permitted.

The SEC issued a Risk Alert regarding their heightened and continued focus on Digital Asset Securities during February. Key concerns addressed by the alert included:

- Pricing Client Portfolios
- Due Diligence
- Mitigation of Risk
- Portfolio Management
- Registration Issues
- Books and Records
- Fiduciary Responsibility

***The SEC charged an issuer and CEO with Fraud for making materially false and misleading statements in connection with unregistered offering and sale of digital asset securities***

***June 22, 2021***

# // Branch Exams 2021 – 2011 (Advisory and Brokerage)

**The Firm's Supervision Team is wrapping up conducting Branch Exams for 2021.**

- All Exams will be virtual through at least June 2022
- Most repeated finding thus far relates to Computer Security
- Please be responsive to Supervision staff when they call to schedule your Exam – this is a regulatory requirement.





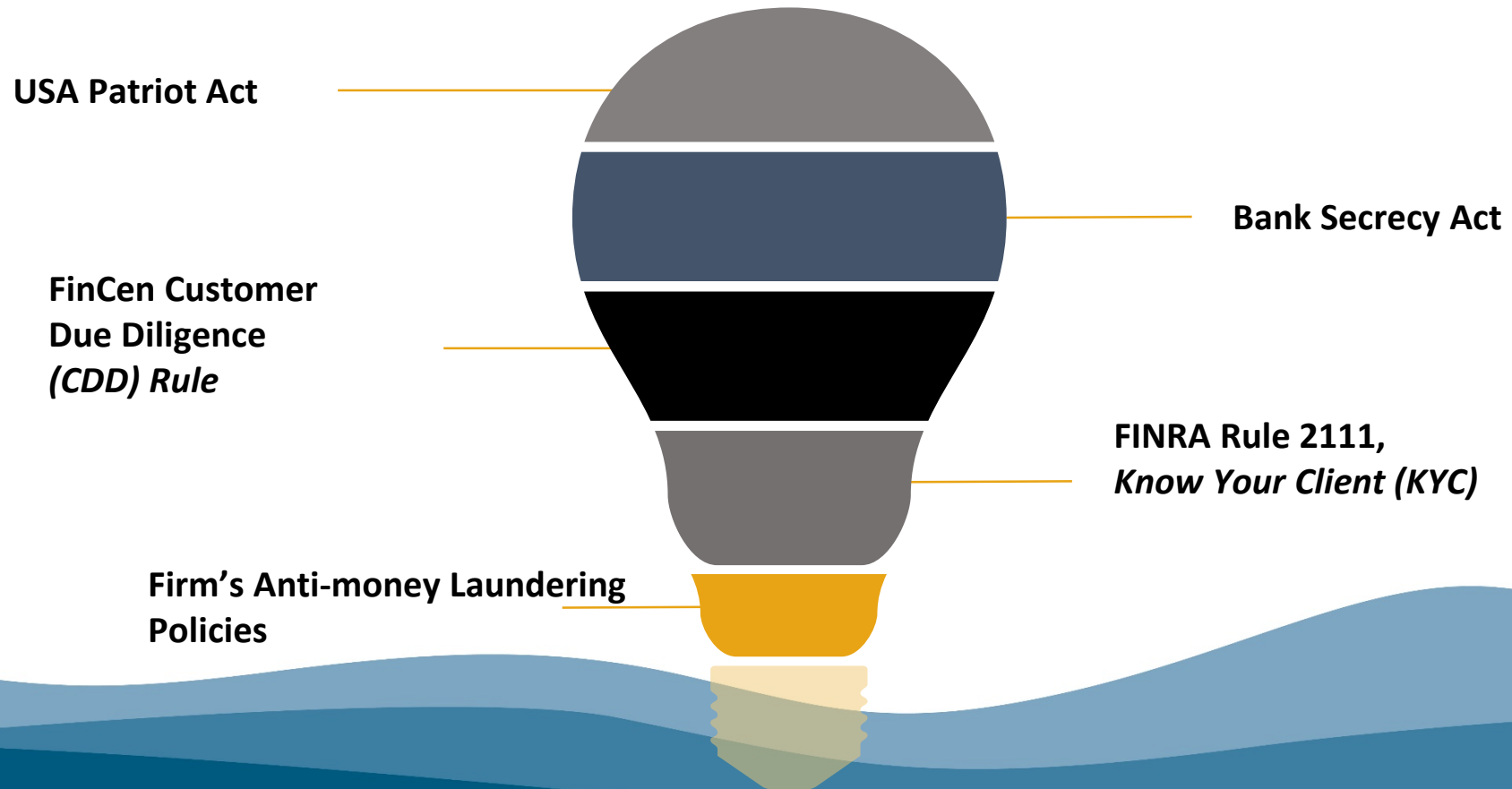
# Anti-Money Laundering



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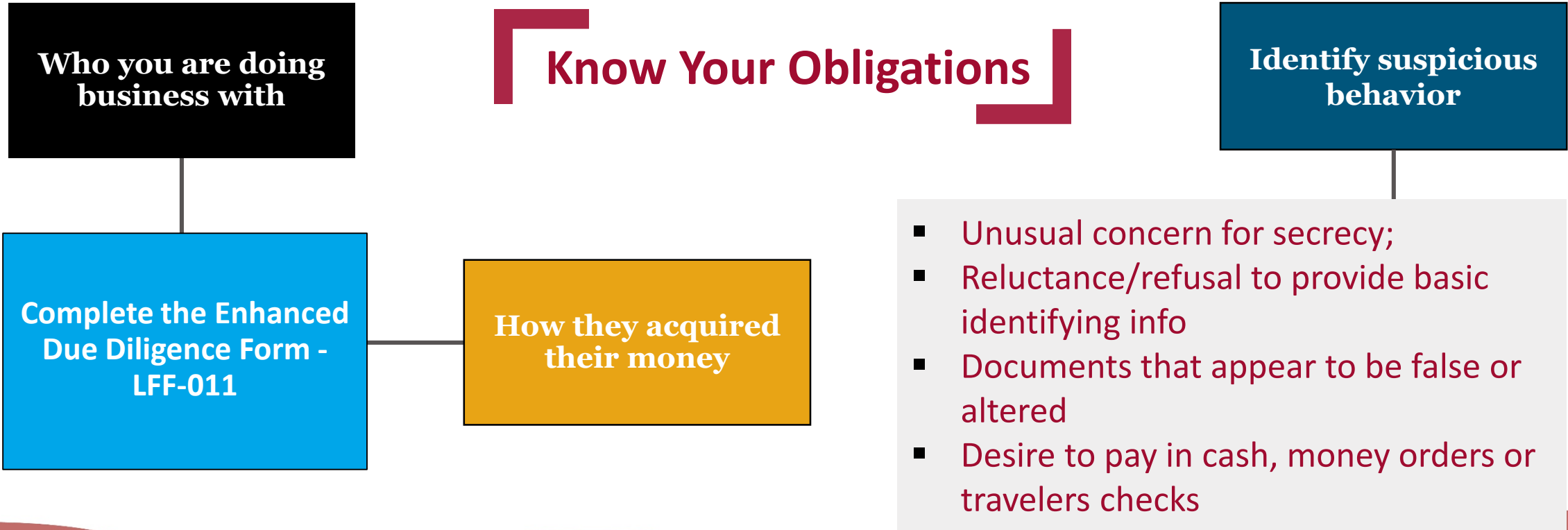
# // Anti-Money Laundering

## KNOW THE RULES



# // Anti-Money Laundering

## Know Your Obligations



Who you are doing business with

Complete the Enhanced Due Diligence Form - LFF-011

How they acquired their money

Identify suspicious behavior

- Unusual concern for secrecy;
- Reluctance/refusal to provide basic identifying info
- Documents that appear to be false or altered
- Desire to pay in cash, money orders or travelers checks





# Protecting Client Information



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# // Protect Client Information

To protect clients' personal information, Level Four has instituted the following safeguards:

- Client files are kept electronically.
- Reps should have strong electronic passwords that:
  - a. Contain alphanumeric/special character combinations;
  - b. Require users to change the password after a certain time period; and
  - c. Lock the device after several unsuccessful attempts
- When disposing of old computers, hard drives, and other storage medium should be removed separately and physically destroyed; and
- Wireless connections (WEP/WPA) should be password protected.
- Utilize full disk encryption on computers.





# // Protect Client Information

**In addition, supervised persons of Level Four are required to:**

- Put away open client files when leaving their desk;
- Shred documents when disposing of physical files;
- Never share their electronic passwords;
- Set electronic devices to require users to re-login after a period of inactivity;
- Encrypt all client information transferred or stored on portable electronic devices such as laptops, tablets, external hard drives, CD-ROMs, disks, thumb drives, and smart phones; and
- Utilize and update patches for operating systems, firewalls, and anti-virus and malware software for business computers, and personal electronic devices used for business purposes.

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# Document Integrity



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# // Document Integrity

To protect both clients and the Firm, associates are not permitted to complete missing information or correct erroneous data in an account-related document after the client has signed the document.


## The following actions are specifically prohibited:

- Signing a document on behalf of a client.
- Asking a client to sign a blank or incomplete document.
- Presenting only signature page(s) to a client, rather than the full document in its entirety.

## Associates are permitted to correct errors and/or incomplete information either by:

- Returning the incomplete/inaccurate document to the client to amend by adding their missing information and/or correcting erroneous data and initialing or signing and dating next to each change.
- Pre-filling the client's completed/corrected information in a new, unsigned document and sending the new document to the client for review/signature.
- Errors and/or incomplete information related to home-office or internal use only fields (branch number, FA number, etc.) may be corrected by branch or home office associates.





# GIPS (Global Investment Performance Standards) Compliant Presentation Tracking

**\*\*Reminder\*\***

## GIPS Tracking (LFCM)



# // GIPS Tracking Requirements

## REQUIREMENT

- Must make every reasonable effort to provide a compliant presentation to all prospective clients
- A prospective client requires:
  - Expressing interest in a composite strategy, and
  - Qualifying to invest in the strategy

## WHEN

- Must provide when first qualifying as a prospective client
  - Must provide again at least every 12 months if still a prospective client



# // Tracking Process

- GIPS Compliant Presentation Tracking – JotForm
- <https://form.jotform.com/levelfour/lcfm-report>  
(Link in *Dropbox/Level Four Asset Management*)
- Tracking Reports
  - Every new account should have a corresponding JotForm entry.

## GIPS Compliant Presentation Tracking

Complete this form when engaging with a prospective client who has expressed interest in an LFCM composite strategy and is qualified to invest in the strategy. If selecting email delivery, client email will be sent automatically. If selecting in-person or mail options, advisor is responsible for sending. Form submission is required for all distribution methods for record keeping and compliance purposes.

Advisor Name \*

First Name

Last Name

Advisor Email \*

example@example.com

Prospect Name \*

Prospect First Name

Prospect Last Name

Prospect Phone Number \*

Please enter a valid phone number.





# Regulatory Initiatives



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# // SEC Marketing Rule

Adopted: December, 2020

Compliance Date: November, 2022

Rule is intended to modernize the framework for advisor advertising and replace the patchwork of cases, no-action letters and SEC staff guidance that has developed in this area since rule was first adopted in 1961

<https://www.sec.gov/rules/proposed/2019/ia-5407.pdf>

<https://www.sec.gov/investment/marketing-faq>

Consolidates Advertising Rule (206)4-1 and Cash Solicitation Rule (206)4-3



# // SEC Marketing Rule (Continued)

## Definition of advertisement: (2 prong approach)

**First, the definition includes any direct or indirect communication an investment Advisor makes that:**

- i. offers the investment Advisor's investment advisory services with regard to securities to prospective clients or private fund investors, or
- ii. offers new investment advisory services with regard to securities to current clients or private fund investors. The first prong of the definition excludes most one-on-one communications and contains certain other exclusions.

**Second, the definition generally includes any endorsement or testimonial for which an Advisor provides cash and non-cash compensation directly or indirectly (e.g., directed brokerage, awards or other prizes, and reduced advisory fees).** \*change from current rule

- Expanded to include communications to private fund investors
- One on one communications generally not considered advertisements

*\*except hypothetical performance if provided to one or more persons unless unsolicited or to a current or prospective client in a one on one presentation*



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# // SEC Marketing Rule (Continued)

## Principles-based general standards apply to all advertisements

### General Prohibitions:

- making an untrue statement of a material fact, or omitting a material fact necessary to make the statement made
- making a material statement of fact that the Advisor does not have a reasonable basis for believing it will be able to substantiate upon demand by the Commission
- including information that would reasonably be likely to cause an untrue or misleading implication or inference to be drawn
- discussing any potential benefits without providing fair and balanced treatment of any associated material risks or limitations;
- referencing specific investment advice, excluding performance results or presenting performance time periods that is not presented in a fair and balanced manner;
- including information that is otherwise materially misleading.



# // SEC Marketing Rule (Continued)

## **Prohibition on Testimonials is eliminated**

- Disclosure requirements (regardless if compensated or not compensated)
- Must have a reasonable basis to believe testimonial/endorsement complies with Marketing Rule
- Oversight requirement for statements of third parties
- Must have agreement if compensated (like for cash solicitation)

## **Third party Ratings**

- Subject to additional diligence and disclosures

## **Social Media**

- Generally not responsible for third-party social media likes, shares and endorsements if not selectively deleting, altering or prioritizing postings or involved in preparation



# //SEC Marketing Rule (Continued)

## **Presentation of Performance Information**

- Gross and Net Returns must be displayed – and with equal prominence
- Must present performance for 1,5, and 10 years returns (or since inception)
- Does not apply to private fund returns
- Related Performance must include all accounts
- Extracted Performance – must provide or offer to provide the performance of entire portfolio and must include disclosures regarding allocation of cash
- Hypothetical Performance – prohibited unless certain conditions satisfied
- Predecessor Performance
- Specifically covered in the Rule
  - Must have records to support performance
  - Clear and prominent disclosures
  - Accounts must be similarly managed

## **New regulatory reporting (Form ADV)**

## **Books and Records requirements**



# // Prohibited Transaction Exemption (PTE)

- Adopted by DOL in December, 2020
- Enforcement delayed to end of January, 2022
- Disclosure and Document enforcement to June, 2022

Precludes firms from receiving compensation that creates a conflict of interest (*impacts rollover recommendations*) unless it complies with six conditions of the exemption.



# // Prohibited Transaction Exemption (PTE)

## Exemption Conditions:

- Acknowledge a fiduciary in writing
- Disclose conflicts of interest
- Adhere to impartial conduct standards
- Adopt policies and procedures
- Document and disclose best interest recommendation
- Conduct retrospective compliance review



# // IAR Continuing Education

New NASAA Regulation – Effective 1/1/2022

Here is what we know....

- Applies to every IAR Registered in a jurisdiction that adopts the NASAA model (*It is anticipated all states will adopt the model*)
- 12 CE Credits for each IAR required annually starting 2022
  - 6 – Products and Practices
  - 6 – Ethics and Professional Responsibility
- Quest CE is approved course provider



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# // Regulatory Notices

## **Firm Hiring Practices and supervision**

### [Regulatory Notice 21-34](#)

FINRA Adopts Rules to Address Firms With a Significant History of Misconduct,  
Effective Date: January 1, 2022

### [Regulatory Notice 21-09](#)

FINRA Adopts Rules to Address Brokers With a Significant History of Misconduct  
Effective Dates: Amendments to the FINRA Rule 9200 Series, FINRA Rule 9300 Series, and FINRA Rule 9556: April 15, 2021; Amendments to FINRA Rule 8312: May 1, 2021; Amendments to the FINRA Rule 9520 Series and Funding Portal Rule 900: June 1, 2021; Amendments to the FINRA Rule 1000 Series and the Capital Acquisition Broker Rule 100 Series: September 1, 2021

## **Vendors and Outsourcing**

### [Regulatory Notice 21-29](#)

FINRA Reminds Firms of their Supervisory Obligations Related to Outsourcing to Third-Party Vendors



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# // Regulatory Notices

## Sales Charge Investment Company Products

### [Regulatory Notice 21-07](#)

FINRA Provides Guidance on Common Sales Charge Discounts and Waivers for Investment Company Products

## Cybersecurity

### [Regulatory Notice 21-30](#)

FINRA Alerts Firms to a Phishing Email Campaign Using Multiple Imposter FINRA Domain Names

### [Regulatory Notice 21-22](#)

FINRA Alerts Firms to Phishing Email From “FINRA Support” From the Domain Name “westour.org”

### [Regulatory Notice 21-20](#)

FINRA Alerts Firms to Phishing Email Using “gateway-finra.org” Domain Name

### [Regulatory Notice 21-18](#)

FINRA Shares Practices Firms Use to Protect Customers From Online Account Takeover Attempts

### [Regulatory Notice 21-08](#)

FINRA Alerts Firms to Phishing Email Using “finra-online.com” Domain Name





# FINRA Small Firm Conference Highlights





# Orion



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# // Self Disclosures (Orion)

## Disclose in Orion Inform

- Private Securities Transactions
- Outside Securities/Brokerage Account
- Gifts Given to/Received from your clients
- Political Contributions


## What else is in Orion Inform?

- Compliance Questionnaires
- Potential Trade Violations
- Document Library



# // Orion Dashboard

#1

User Information Edit 

Job Title Compliance Director, Risk & Regulatory

Email kmler@levelfourfinancial.com

Mobile 14692313872



Questionnaires

**Reconnecting Brokerage Accounts** Submitted

Due on Apr 12, 2021

Trade Violations


*You currently have no trade violations*

#2



#3



Open Tasks Add New 

*You currently have no open tasks*

Library


<b>AML</b> ANTI MONEY LAUNDERING POLICY.docx	Nov 13, 2020
<b>Code of Ethics - LFAS</b> LFAS Code of Ethics.919.pdf	Dec 18, 2019
<b>Code of Ethics - LFCM</b> LFCM.COE.1019.pdf	Dec 18, 2019
<b>Gifts and Entertainment</b> Gifts and Entertainment.1219 (1).pdf	Nov 13, 2020

#4



#5



My Accounts Options 

*You have not added any accounts yet*

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# // Orion

Open Tasks Add New ▾

- Conflict of Interest
- New Gift/Entertainment
- Outside Business Activity
- Political Contributions (Pay to Play)
- Private Placements
- Professional Designations

POLICY.docx

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**Code of Ethics - LFAS**  
LFAS Code of Ethics.919.pdf Dec 18, 2019

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**Code of Ethics - LFCM**

#1

My Accounts Options ▾

- Add New Account
- Add Orion Connect Account(s)
- Add Unconnected Account
- Show closed

#2

CONNECT TO YOUR FINANCIAL INSTITUTION

Find your institution: **#4**

🔍 Raymond

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Raymond James & Associates - Investment - Quicken  
<http://www.RaymondJames.com>

---

Raymond James Financial  
<https://www.raymondjames.com/>

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Raymond James (USA) Ltd.  
<http://www.rjlu.com/>

Morningstar ByAllAccounts empowers investor success by providing a quick and secure way for you to connect your account data to financial applications.

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**Morningstar® ByAllAccounts® Service User Agreement**

I agree to the above Terms of Use. [Download PDF](#)

**#3** Cancel Link Your Account

CONNECT TO YOUR FINANCIAL INSTITUTION

Enter Credentials for Raymond James Financial **#5**

🏠 <https://www.raymondjames.com/>

🔑 <https://clientaccess.rjf.com/> User Agreement

Login ID

Password

Cancel Connect



# // Orion Training

<https://harborfs1.com/Compliance>

## Available Orion Training Modules:

- Getting Started in the Orion Dashboard
- How to use Inform
- How Estimated Income is Calculated
- How to Run a Report
- How to Open Aps and Customize in Orion
- How to Search for and Run Queries

## **\*Additionally\***

Orion will be conducting training sessions for all persons that want to attend starting in January!



# Compliance Reminders



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# // Compliance Reminders

- **No Texting**
- **Work your Alerts Daily!**
  - Don't forget the Rep Level Alerts that require your attention
  - Access them through the **Alert Portal** then **Advisor Access** - click on the **Alerts button** on top right of screen
- **Reports or other information sent to clients must have proper disclosures**
- **Availability to Clients**
  - Clients must be able to reach their Financial Advisor during normal business hours. If you are going to be away from the office, please make sure to have your Sales Assistant or another FA checking your emails and/or answering office phones.
- **Notify Level Four Compliance if you:**
  - Change your Mailing (branch and/or home) Address\*
  - Change your Name\*
  - Are contacted by a Regulator
  - Are involved in a legal matter (Personal or Work Related)
  - [\\*registrations@levelfourfinancial.com](mailto:*registrations@levelfourfinancial.com)

# // Compliance Reminders

## Report Customer Complaints

## Mutual Fund purchases

- Lowest share class available must be purchased in advisory accounts
- Compliance runs quarterly “sweeps” to identify any accounts that are holding share classes that are not the lowest within a particular fund family
- Conversions will be facilitated
- Brokerage – breakpoints, rights of accumulation, letter of intent

## SBLOC

- **Client Background and Suitability Checklist for SBLOC Business.** This checklist must be completed and signed by the RR, client and your Branch Manager when writing SBLOC business, regardless of what lending institution is being utilized.
- **Securities Backed Line of Credit Disclosure.** This document must be provided to the client at the time paperwork is being completed for SBLOC. Note that this document is available through the automated “Disclosure Document Delivery & Form CRS” process.

# // Compliance Reminders (Brokerage)

## Gifts & Entertainment Policy

- Gift maximum is \$100 per person per year
- Entertainment maximum is \$300 for BD / \$400 for LFAS – Rep must attend event or it will be considered a gift

## End of Month Reports are due no later than the 10<sup>th</sup>. This includes the following where applicable:

- Monthly Check Blotter
  - Gift & Securities Received Log
  - Client Correspondence
- Reports should be submitted to [admin@levelfourfinancial.com](mailto:admin@levelfourfinancial.com).

## Submit ALL advertising through QuestCE prior to use

- Communications going to 25 or more clients
- Changes/updates made to websites, social media platforms
- Speaking Engagement invitations, scripts, presentations





# Questions?

*Integrity is doing the right thing,  
even when no one is watching*

- C. S. Lewis



# // contact

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THANK YOU



*the*  
FUTURE OF  
ADVICE  
CONFERENCE