



Questions & Answers  
5/14/20 Harbor Implementation of Reg BI Webinar

1. On RJ's calls, they said setting up clients to rec the Disclosures thru online access or via email, the clients would have to be set up with those by April 30<sup>th</sup>. I was planning to send an email blast out to all those not set up online so I can try to get them set up. I had over 90% with emails and over 80% online before so my clients are mostly very used to that BUT do we have any deadline? I see the CRS pre letter has a link to get online access---that was a great idea!!!! thank you!

RJ will also be sending their Form CRS packet to existing clients, so the deadline provided was for their delivery. We do not have a deadline yet and do not anticipate having an "early" delivery.

2. I know we/FA must deliver CRS prior to any recommendations BUT for existing clients is that for only a new account we open or for any new investment in a current acct too?

Technically current clients (or prospects) need to receive Form CRS at the "earliest" of the account opening or the investment. It just so happens our clients open accounts before their first investment. Some firms permit trades before an account is opened or with no account at all.

Your "disclosure obligation" with Harbor will be to deliver the Form CRS packet prior to making the account recommendation. Your "care obligation" will be with each transaction recommendation.

3. And to send out the Pre-CRS letter to all clients, can we just email to all clients? And if yes, do we need to go thru Quest approval or can we just email to our current client list? how soon can we send that out?

You can email or mail. Quest will be required if you send to more than 25 person along with your mailing/client list.

4. and can I get copies of your 2 slides: "Care" and "Biggest Challenge for Producers" ? (the CARE slide was right before the Biggest Challenge slide)

The Zoom presentation slides were posted on our internal website prior to the meeting. You have access to all slides in the presentation.

I also just submitted my Rep disclosure survey----since this is kinda new, will we be able to change or review or anything? I wasn't sure how personal or what we shd go!!! Please look it over and let me know if I need to reconsider!!

We will send your draft to you for review. It will be a similar process you experienced with your ADV2B.

5. How does reg BI affect current Discretionary fee based accounts. Do all the new requirements primarily apply to commission based accounts?

Technically, Reg BI impacts advisory accounts at the time an account recommendation is made since the firm is dually registered. Therefore all “disclosure obligations” apply to both IA and BD for Harbor. This means your obligation will be the delivery of the Form CRS packet for new IA accounts.

The Reg BI “care obligations” are unique to broker-dealer recommendations. Keep in mind, however, the “fiduciary obligation” for advisory clients is a higher standard than the “care obligation” for brokerage clients under Reg BI. Documentation of recommendations, cost/alternative considerations, and focus on repeatable process apply to IA under the fiduciary standard as well.

6. Please comment on the process of the email consent forms that went out recently with the privacy disclosures:

How can we track if you have received directly? We keep a log. Contact Molly to confirm your accounts.

What is the deadline to have that to you? We haven't set a deadline yet. We don't have plans for delivering the disclosure packet to existing clients early. If you obtain by June 30, we should have plenty of time.

Where are we able to reprint the consent form if the client threw it away? We'll send to you and post on the website for future reference.

7. I know RJ is all about having a written process and I'm sure it would be good- and I plan on doing that but is it going to be required? and how soon shd bwe be sure to have one---by end of June?

You probably don't realize you already have some processes in place, so this should be an exercise to formalize as well as add those that are mandatory for June 30 as follows:

- 1). I obtain the investor's risk profile and objectives information (i.e. interview, questionnaire)
- 2). I deliver the Form CRS packet to the investor prior to making a recommendation of a new account.
- 3). I document my trade recommendation factors (including costs and alternative solutions) in RJ CRM

8. Do my current clients have the option to “opt out” of Form CRS delivery?  
No. There is no “opt out” permitted under the rule.