

Routing

- Legal & Compliance
- Senior Management
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The Regulatory & Compliance Update is published by Renaissance Regulatory Services for its clients' legal, compliance, senior management, and supervisory personnel.

This memorandum is distributed to RRS clients at no charge and includes "hot topics" of focus by regulators and of interest to compliance professionals. The document is intended to provide reminders of regulatory matters that were released or issued during the previous month.

The information contained in this publication was compiled from various regulatory releases and is believed to be true and correct as of the date of distribution. Many regulatory issues are subject to interpretations that can change as industry rules and regulations change, and as compliance issues evolve. Readers are cautioned to consider their individual situations and are encouraged to contact RRS staff for guidance on any issues. The information is not intended as legal or accounting advice, which can only be provided by a duly qualified attorney or certified public accountant.

Hot Topics

EVENTS

- **DEADLINE:** FOCUS Filing Due December 23rd, 2010
- **FINRA:** Rule 3270- Outside Business Activities becomes effective December 15, 2010
- **FINRA:** BD and IA Renewal Deadline, December 13th, 2010
- **FINRA:** BD and IA Renewal Submission Deadline, December 23rd, 2010
- **SEC/ FINRA:** Annual CCO Outreach BD National Seminar, February 8, 2011, Washington, DC.
- **MSRB:** Outreach Seminar, November 2, 2010, New York & December 6, 2010, Chicago ([Link](#))

NOTABLE ITEMS IN THIS EDITION

- **SEC** – Proposes Rules to Improve Oversight of Investment Advisers – Page 2
- **SEC** – Approved FINRA's Proposed Rule Change (SR-FINRA-2010-44) to Expand the OATS Rules to all NMS Stocks – Page 2
- **SEC** – Extends New Short Sale Rule Compliance Date – Page 2
- **SEC** – Approves New Rules Prohibiting Market Maker Stub Quotes – Page 2
- **SEC** – Proposes New Whistleblower Program under Dodd-Frank Act – Page 2
- **SEC** – Charges Two Longtime Madoff Employees with Fraud – Page 3
- **SEC** – Final Rule: Risk Management Controls for Brokers or Dealers with Market Access – Page 3
- **FINRA** – Funding and Liquidity Risk Management Practices – Page 3
- **FINRA** – SEC Approves Amendments to FINRA Rule 8210 to Require Encryption of Information Provided Via Portable Media Device – Page 3
- **FINRA** – SEC Approves New FINRA Rule to Address Abuses in the Allocation and Distribution of New Issues – Page 3
- **FINRA** – Goldman Sachs to Pay \$650K for Failing to Disclose Wells Notices – Page 3
- **MSRB** – Application of MSRB Rules to Municipal Advisors – Page 3
- **MSRB** – Amends Registration Rules for Dealers and Municipal Advisors – Page 3
- **FINCEN** – Rule Strengthens SAR Confidentiality – Page 7

Service Spotlight: BD and IA Filings

All electronic form filings via IARD and Web CRD[®] are due **December 23, 2010, 6 p.m. Eastern Time** prior to the year-end renewal processing shutdown. All post-dated filings must be dated for registration termination to take effect on December 31, 2010. If you need assistance with any of these filings please call us at (561) 368-2245.

Contact:

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SEC

SEC Proposes Rules to Improve Oversight of Investment Advisers

The SEC voted to propose new rules to strengthen their oversight of investment advisers and fill key gaps in the regulatory landscape. ([Link](#))

SEC Approved FINRA's Proposed Rule Change (SR-FINRA-2010-44) to Expand the OATS Rules to all NMS Stocks

FINRA will publish a Regulatory Notice and related OATS Reporting Technical Specifications detailing the approved changes within the next 60 days. The changes will be effective 180 days after publication of the Regulatory Notice and related OATS Reporting Technical Specifications. ([Link](#))

SEC Extends New Short Sale Rule Compliance Date

The SEC has extended the date for compliance with the Commission's new short sale rule to Feb. 28, 2011. The extension was granted to give certain exchanges additional time to modify their market opening, reopening, and closing procedures for individual securities covered by the rule, and in order to provide additional time to market participants for programming and testing of systems for implementation. ([Link](#))

SEC Approves New Rules Prohibiting Market Maker Stub Quotes

The SEC approved new rules proposed by the exchanges and FINRA to strengthen the minimum quoting standards for market makers and effectively prohibit "stub quotes" in the U.S. equity markets. ([Link](#))

Anti-money Laundering Programs

RRS provides a comprehensive suite of services to aid in AML compliance, AML Program development, testing, training and surveillance for broker-dealers, investment advisers and other financial institutions.

- Program Development
- Customer Identification
- Enhanced Due Diligence
- OFAC Compliance
- BSA Compliance
- Suspicious Activity Surveillance
- SAR/CTR Reporting
- Program Testing
- Training Plans and Presentations

For more information contact John Pinto at (202) 463-6575 or JohnPinto@RRSCompliance.com

SEC Proposes New Whistleblower Program under Dodd-Frank Act

The SEC voted unanimously to propose a whistleblower program to reward individuals who provide the agency with high-quality tips that lead to successful enforcement actions. ([Link](#))

SEC Obtains Emergency Asset Freeze in Diamond-Themed Ponzi Scheme

The SEC has obtained an emergency court order freezing the assets of a Colorado man and his company charged with running a Ponzi scheme with money invested for diamond trading. ([Link](#))

SEC Adopts New Rule Preventing Unfiltered Market Access

The SEC voted unanimously to adopt a new rule to require brokers and dealers to have risk controls in place before providing their customers with access to the market. ([Link](#))

SEC Publishes Request for Comment on President's Working Group Report on Money Market Fund Reform Options

The SEC published a request for public comment on the options discussed in the President's Working Group on Financial Markets report on possible money market fund reforms. ([Link](#))

SEC Publishes Agenda and Announces Speakers for Small Business Forum

The SEC published the agenda and announced the speakers scheduled to appear on small business capital formation. ([Link](#))

SEC and CESR Members Announce Efforts to Continue Close Cooperation as National Securities Regulators Implement New Regulatory Reform Initiatives

The SEC and the Committee of European Securities Regulators (CESR) convened a high-level meeting in Paris between SEC Chairman Mary L. Schapiro, CESR Chairman Carlos Tavares, and the chairmen of 29 CESR member regulators to discuss regulatory reform efforts in the United States and the European Union. ([Link](#))

SEC Proposes Rules to Outline Obligations of Security-Based Swap Repositories

The SEC voted unanimously to propose new rules that would require security-based swap data repositories (SDRs) to register with the SEC. The proposed rules also lay out other requirements with which SDRs must comply. ([Link](#))

Former Converse CEO Agrees to \$53 Million Settlement of Options Backdating Charges

The SEC announced that Converse Technology, Inc. co-founder Jacob "Kobi" Alexander has agreed to a \$53.6 million settlement of SEC charges against him in Converse's long-running options backdating scheme. He also will be barred permanently from serving as an officer or director of a public company. ([Link](#))

SEC Charges:

Medical Researcher with Tipping Inside Information about Clinical Trial [\(Link\)](#)

Seven Oil Services and Freight Forwarding Companies for Widespread Bribery of Customs Officials [\(Link\)](#)

Brings Additional Charges in Its Ongoing Investigations into Two Previously Identified Insider Trading Rings [\(Link\)](#)

New York Firms and Chief Compliance Officer for Inadequate Procedures to Protect Nonpublic Information [\(Link\)](#)

Steven Rattner in Pay-to-Play Scheme Involving New York State Pension Fund [\(Link\)](#)

Two Longtime Madoff Employees with Fraud [\(Link\)](#)

Deloitte Partner and Wife in International Insider Trading Scheme [\(Link\)](#)

SEC Final Rules

Risk Management Controls for Brokers or Dealers with Market Access [\(Link\)](#)

Regulation SHO [\(Link\)](#)

RRS COMPLIANCE EXAMINATIONS

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FINRA

November 2010 Notices

The following Notices discuss FINRA rules including notices of recently approved rules and amendments, proposed rules on which FINRA is soliciting comment, and interpretations and guidance relating to existing rules. Notices may also address rules of the SEC or other regulatory agencies.

Regulatory Notices

[10-57](#) Funding and Liquidity Risk Management Practices

[10-58](#) Broker-Dealer, Investment Adviser Firm, Agent and Investment Adviser Representative, and Branch Renewals for 2011

[10-59](#) SEC Approves Amendments to FINRA Rule 8210 to Require Encryption of Information Provided Via Portable Media Device

[10-60](#) SEC Approves New FINRA Rule to Address Abuses in the Allocation and Distribution of New Issues

November 2010 Disciplinary and Other FINRA Actions

FINRA has taken disciplinary actions against the firms and individuals for violations of FINRA rules. [\(Link\)](#)

Goldman Sachs to Pay \$650,000 for Failing to Disclose Wells Notices

FINRA announced that it has fined Goldman, Sachs & Co. \$650,000 for failing to disclose that two of its registered representatives, including Fabrice Tourre, had received formal notices from the Securities and Exchange Commission (SEC) that they were the subjects of investigations. Tourre's "Wells Notice" was issued in connection with the SEC's investigation of an offering of a synthetic collateralized debt obligation (CDO) called ABACUS 2007-ACI (Abacus). [\(Link\)](#)

Municipal Securities

The RRS solutions for Municipal Securities Broker-Dealers include a wide range of preventative compliance services designed to reduce the potential for deficiencies during regulatory examinations. MSRB compliance services include examination, testing and support in the following critical areas:

- Trade Reporting (RTRS)
- Political contributions
- Underwriting activities
- Section 529 sales practices
- Official Statement Delivery
- Books and records
- Pricing
- Order Handling and Execution
- Customer confirmations
- Trade comparison and confirmation
- Supervisory Controls
- Written supervisory procedures

For more information contact John Pinto at (202) 463-6575 or JohnPinto@RRSCompliance.com

MSRB

MSRB Notices for November 2010:

[2010 - 47](#) Application of MSRB Rules to Municipal Advisors

[2010 - 48](#) MSRB Files with the SEC Amendments to Rule A-3(c) to Establish New Nominating Committee

[2010 - 49](#) MSRB Amends Registration Rules for Dealers and Municipal Advisors

[2010 - 50](#) MSRB Opens Municipal Advisor Registration System

[2010 - 51](#) MSRB Receives SEC Approval to Modify Transaction Data Subscription Services

MSRB Proposes Initial Set of Rules for Municipal Advisors

MSRB filed with the SEC a proposal that would extend a core MSRB rule of conduct to municipal advisors and permit them to begin registering with the MSRB, among other changes. [\(Link\)](#)

MSRB Seeks to Create Nominating Committee with a Majority of Public Members

MSRB filed a proposal with the SEC to create a Nominating Committee of the MSRB Board of Directors that consists of a majority of public members. [\(Link\)](#)

FINOP Support Services

RRS provides multiple levels of **FINOP support** for your financial reporting obligations. From preparation of full books and records to net capital reviews and FOCUS filing with **FINRA** and the **NFA**, RRS professional staff can help.

RRS services include:

- General Ledger and trial balance preparation.
- Net capital computation with supporting schedules.
- Monthly or quarterly FOCUS filings.
- Net capital interpretive guidance.

For more information contact Bart McDonald at (561) 368-2245 or BartMcDonald@RRSCompliance.com

NASDAQ—NASDAQ-TRADER—

OTCBB

NASDAQ Changes Halts Trading Status to “Schedule Resumption” of:

RINO International Corporation [\(Link\)](#)

NASDAQ Announces Open Short Interest Positions in NASDAQ Stocks as of:

Settlement Date October 29, 2010 [\(Link\)](#)

Settlement Date November 15, 2010 [\(Link\)](#)

Equity Regulatory Alert:

[2010 - 16](#) NASDAQ OMX Reminds Firms of Rules against Manipulative Trading Strategies Following FINRA Fine of \$2.6 Million for Unlawful Trading

Equity Trader Alert:

[2010 - 69](#) NASDAQ OMX Announces Pricing and Subscription Information for New Short Sale Monitor

[2010 - 70](#) NASDAQ OMX Provides Update on New Short Sale Monitor

[2010 - 72](#) NASDAQ OMX PSX Updates Time at Which it Begins Accepting and Executing Orders

[2010 - 74](#) NASDAQ OMX PSX Updates Transaction Rebates

[2010 - 75](#) DAQ Updates the Investor Support Program Effective December 1, 2010

Equity Technical Update:

[2010 - 23](#) Implementation of Regulation SHO Changes Delayed Until February 28, 2011

[2010 - 24](#) Update on Changes to Regulation SHO

[2010 - 25](#) NASDAQ ACT to Disallow Short Sale Exempt Indicators Until February 28, 2011

[2010 - 27](#) Proposed Rules Enhancing Market Maker Quotation Obligations Approved

[2010 - 29](#) NASDAQ to Offer Mid-Point Peg Post-Only Order Functionality **Effective Monday, December 20, 2010**

Options Trader Alert:

[2010 - 67](#) NASDAQ Options Market to Discontinue the Closing Auction

[2010 - 68](#) PHLX and NOM to Initiate Weekly Series in One Additional Options Class

[2010 - 69](#) NASDAQ OMX PHLX Updates PIXL Pricing

[2010 - 70](#) NOM and PHLX Announce New Routing Fees

[2010 - 71](#) PHLX and NOM to Initiate Weekly Series in One Additional Options Class

[2010 - 72](#) PHLX Updates the Options Regulatory Fee

[2010 - 73](#) Legacy PHLX Specialized Quote Feed Versions to be Retired

[2010 - 74](#) PHLX and NOM Announce Updates to the Weekly Series in Select Options Classes

[2010 - 75](#) PHLX and NOM Announce Updates to the Weekly Series in Select Options Classes

[2010-76](#) NASDAQ OMX PHLX to Calculate Transaction Fees on a Trade Date Basis **Effective January 3, 2011**

Options Technical Update:

[2010 - 20](#) NASDAQ OMX PHLX Updates FIX Technical Specification

[2010 - 21](#) NASDAQ OMX PHLX Updates Technical Specification for Clearing Trade Interface

Financial Products News

2010 - 55 Russell Investments Announces New Equal Weight Indexes on RussellTick Disseminated by NASDAQ OMX Effective November 15, 2010

2010 - 56 NASDAQ OMX to Discontinue Dissemination of BPT Nordic Indexes Effective Tuesday, November 30, 2010

2010 - 57 Index Values Restated for Select NASDAQ OMX Green Economy Indexes

2010 - 58 Index Values Restated for Select NASDAQ OMX Sharia Indexes

NASDAQ OMX Announces 2011 Market Holiday Schedule

NASDAQ OMX is posting its [combined U.S. and European market holiday schedule](#) for the 2011 calendar year. [\(Link\)](#)

NASDAQ OMX Launches Innovative Alpha Indexes

The NASDAQ OMX Group, Inc announced the launch of five NASDAQ OMX Alpha Indexes™ designed to help market participants measure performance between stock and exchange traded funds (ETFs). The new indices will highlight a suite of new derivatives products that will allow investors and traders the opportunity to generate returns even when the market is down. [\(Link\)](#)

Semi-Annual Changes to the NASDAQ Biotechnology Index

NASDAQ OMX Group, Inc. announced the results of the semi-annual re-ranking of the NASDAQ Biotechnology Index® (Nasdaq:NBI), which will become effective prior to market open on Monday, November 22, 2010. [\(Link\)](#)

The NASDAQ OMX CRD Global Sustainability 50 Index Expands to 100 Companies and Releases Semi-Annual Evaluation Results

NASDAQ OMX Group, Inc. and CRD Analytics announced the expansion of the NASDAQ OMX CRD Global Sustainability 50 Index (Nasdaq:QCRD). The index will be expanded to include 100 securities and the name will change to NASDAQ OMX CRD Global Sustainability Index. These changes will be made in conjunction with the semi-annual evaluation, which will become effective prior to market open on Monday, November 22, 2010. To see a full list of securities included in the index, please visit <https://indexes.nasdaqomx.com/>. [\(Link\)](#)

NASDAQ OMX to Create a Direct Relationship with Firms for Delivery of Index Weightings Data, Effective April 4, 2011

Effective close of business on **Friday, April 1, 2011**, NASDAQ OMX will modify its data delivery and access policies related to index weightings data to conform to industry standards. [\(Link\)](#)

Testing Opportunities for Regulation SHO Short Sale Price Test Indicator Continue

As announced in [Equity Technical Update #2010-23](#), the SEC has extended the date for compliance with its new Regulation SHO short sale rule to **February 28, 2011**. [\(Link\)](#)

NASDAQ OMX Global Data Policies Updated

NASDAQ OMX has published an updated version of the [NASDAQ OMX Global Data Policies](#) document. [\(Link\)](#)

NASDAQ OMX Will Terminate Non-Symbology-Compliant Versions of NASDAQ and BX Data Feeds on December 31, 2010

Effective **December 31, 2010**, NASDAQ OMX will turn down the following non-symbology-compliant versions of The NASDAQ Stock Market® (NASDAQ®) and NASDAQ OMX BXSM (BXSM) data feeds:

- NASDAQ TotalView-ITCH – Versions 3.1 and 4.0
- NASDAQ GLIMPSE – Versions 3.1 and 4.0
- NASDAQ TotalView-Aggregated – Version 1.0
- NASDAQ Level 2 – Version 1.0
- NASDAQ Best Bid and Offer (QBBO/NASDAQ Basic) – Version 1.0
- NASDAQ Last Sale (NLS) – Version 1.0
- NASDAQ Market Pathfinders – Version 1.0
- NASDAQ Market Velocity and Forces – Version 2.0
- NASDAQ NOIView – Version 2.0
- NASDAQ OUCH Pricing Feed – Version 1.0
- BX TotalView-ITCH – Versions 3.1 and 4.0
- BX Best Bid and Offer (BX BBO/BX Basic) – Version 1.0
- BX Last Sale (BLS) – Version 1.0
- BX GLIMPSE – Versions 3.1 and 4.0
- BX OUCH Pricing Feed – Version 1.0

To ensure uninterrupted access to NASDAQ and BX data, **all** direct data feed subscribers **must** make the transition to the new symbology-compliant versions within the next six weeks. [\(Link\)](#)

FINRA Updates the OTCBB/OTC Equities High Price Dissemination List

FINRA is publishing its quarterly OTCBB/OTC Equities High Price Dissemination List, which will be available via a Unit of Trade query of the Daily List. This updated list of OTC Equity Securities eligible for trade report dissemination for trades of fewer than 100 shares will be effective November 22, 2010. All changes can be viewed by going to <http://www.otcbb.com/AllDailyList/>, selecting “Unit of Trade Changes” in the “Search by Date Range” and entering November 19, 2010 as the “From” date. [\(Link\)](#)

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NYSE—EURONEXT—AMEX

NYSE Suspends Trading in:

Synthetic Fixed-Income Securities, Inc. ([Link](#))

Ambac Financial Group, Inc. and Related Securities ([Link](#))

NYSE AMEX LLC to Delist Securities of:

Xenonics Holdings, Inc. ([Link](#))

NYSE Euronext Requests Public Statements Regarding Unusual Market Activity from:

Accretive Health, Inc. (NYSE: AH)

NYSE Amex Issues Short Interest Report

Settlement date of October 29, 2010 ([Link](#))

Settlement date of November 15, 2010 ([Link](#))

NYSE Group, Inc. Issues Short Interest Report

Settlement date of October 29, 2010 ([Link](#))

Settlement date of November 15, 2010 ([Link](#))

NYSE Euronext Announces Trading Volumes for October 2010

NYSE Euronext announced trading volumes for its global derivatives and cash equities exchanges for October 2010. Global derivatives average daily volume ("ADV") of 7.5 million contracts traded per day in October 2010 increased 6.2% versus the prior year, but decreased 2.9% from September 2010 levels. The increase in global derivatives ADV versus prior year levels was driven by a 23.8% increase in U.S. equity options ADV, partially offset by an 8.4% decrease in European derivatives ADV. Cash equities ADV in October 2010 were down year-over-year, but both European and U.S. cash trading volumes increased from September 2010 levels by 3.0% and 3.8%, respectively. ([Link](#))

NYSE Weekly Program-Trading Data Releases:

Program Trading Averaged 27.8 Percent of NYSE Volume during Oct. 25-29 ([Link](#))

Program Trading Averaged 26.1 Percent of NYSE Volume during Nov. 1-5 ([Link](#))

Program Trading Averaged 26.7 Percent of NYSE Volume during Nov. 8-12 ([Link](#))

Program Trading Averaged 30.0 Percent of NYSE Volume during Nov. 15-19 ([Link](#))

NYSE Euronext Announces Third Quarter 2010 Financial Results

NYSE Euronext reported net income of \$128 million, or \$0.49 per diluted share for the third quarter of 2010, compared to net income of \$125 million, or \$0.48 per diluted share for the third quarter of 2009. Results for the third quarter of 2010 include \$25 million of pre-tax

merger expenses and exit costs and a \$21 million deferred tax benefit related to the reduction of the UK corporate tax rate. Third quarter 2009 results include \$8 million of pre-tax merger expenses and exit costs and a \$4 million net gain from disposal activities. Excluding the impact of these items, net income in the third quarter of 2010 was \$121 million, or \$0.46 per diluted share, compared to \$138 million, or \$0.53 per diluted share, in the third quarter of 2009. ([Link](#))

Broker-dealer Compliance Support

RRS' regulatory and compliance consulting and support solutions for broker-dealers' includes:

- SEC/FINRA compliance examinations
- AML program development and reviews
- Annual compliance meetings
- Written supervisory policies and procedures
- Regulatory mandates
- Compliance programs and training
- Code of ethics

For more information contact John Pinto at (202) 463-6575 or JohnPinto@RRSCompliance.com

NYSE Technologies Upgrades Risk Management Gateway for Launch in U.S. Liquidity Center

NYSE Technologies, the global commercial technology unit of NYSE Euronext, announced that it has completed performance enhancements to its Risk Management Gateway (RMG) service now offered in NYSE Euronext's U.S. liquidity center in Mahwah, New Jersey. Available now, customers utilizing RMG's real-time risk controls and order management capabilities will benefit from improved functionality resulting in lower latency and greater consistency in latency performance in accessing nearly 50 trading destinations across the U.S. ([Link](#))

NYSE Euronext completes migration of European Cash and Derivatives Markets to Basildon Data Center

NYSE Euronext announced that with the migration of NYSE Liffe, it has completed the migration of its markets to its European data center in Basildon, Essex. The move means that the matching engines for all of NYSE Euronext's markets in Europe are now consolidated in a state-of-the-art data center in Basildon, thirty miles east of London. ([Link](#))

NYSE Liffe U.S. Launches Two New Incentive Programs

NYSE Liffe U.S., the U.S. futures exchange of NYSE Euronext announced the launch of two new incentive programs designed to support trader education and offer more cost-effective access to international customers trading 33.2 oz mini-sized gold and 1,000 oz mini-sized silver futures contracts, as well as 100 oz. gold and 5,000 oz. silver futures contracts on NYSE Liffe U.S. ([Link](#))

E*TRADE and NYSE Liffe U.S. Provide Futures Market Connectivity and Education Initiatives to Individual Investors

NYSE Liffe U.S., the U.S. based futures exchange of NYSE Euronext (NYSE), announced that E*TRADE Securities, LLC, has added the NYSE Liffe U.S. 33.2 oz. mini-sized gold and 1,000 oz. mini-sized silver contracts to its futures trading offerings. [\(Link\)](#)

GM Launches Largest U.S. Initial Public Offering of 2010 at the NYSE

General Motors Inc., led by its Chief Executive Officer Dan Akerson visited the New York Stock Exchange to celebrate the launch of its public offering, in which it raised approximately **\$16 billion**, making it the largest U.S. IPO of 2010, and amongst the largest in history. General Motors began trading under the NYSE ticker symbol "GM". [\(Link\)](#)

NYSE EURONEXT TO LAUNCH A CONSOLIDATED TAPE FOR EUROPEAN EQUITY MARKETS

NYSE Euronext announced plans that its wholly owned subsidiary NYSE Technologies will launch a consolidated tape for European equity markets beginning Q3 2011. The tape will be available both as a real-time consolidated data feed and as a 15-minute delayed 'Tape of Record'. The 'Tape of Record' will be free of charge to all investors and will be made broadly available via both the internet and market data vendors. The consolidated tape will contain complete coverage of post-trade equities data from all European regulated exchanges, MTFs, and OTC markets. The initiative will further increase transparency as a wider access to consolidated post-trade and OTC trading data will be made possible. [\(Link\)](#)

Did you know? IA AML Obligations...

Investment Advisers (including registered and unregistered hedge funds) should keep in mind that although the Patriot Act does not specifically apply to them, they are responsible if one of their clients is on any of the SDN or OFAC lists. OFAC has jurisdiction over any individual, regardless of citizenship, who is physically located anywhere in the US, and American citizens and permanent resident aliens located anywhere in the world. If a hedge fund opens an account for a person or firm sanctioned by the US or residing in a country sanctioned by the US, the Fund would be violating US laws. Therefore, such firms need to have robust OFAC procedures even though they are not specifically subject to the AML requirements under the Patriot Act (yet).

For more information contact John Pinto at (202) 463-6575 or JohnPinto@RRSCompliance.com

FINCEN

FinCEN Rule Strengthens SAR Confidentiality

FinCEN released a final rule – Confidentiality of Suspicious Activity Report as well as an advisory, and two guidance documents, and a Notice of Availability of Guidance that together clarify and strengthen the scope of Suspicious Activity Report (SAR) confidentiality, and expand the ability of certain financial institutions to share SAR information with most affiliates. [\(Link\)](#)

BD and IA Services

RRS provides a full range of services to assist broker-dealers and investment advisers' registration. With renewals ready to begin the first week of November, contact RRS to sign up for our services.

For more information contact John Pinto at (202) 463-6575 or JohnPinto@RRSCompliance.com

FSA

FSA Insider Dealing Investigation: Search Warrants Executed in the UK and Germany and Two Arrested

Search warrants were executed at two addresses in London and one in Germany as part of a FSA investigation concerning insider dealing. The FSA worked with the police and prosecution authority in Hessen, Germany to co-ordinate and carry out the execution of the warrants. [\(Link\)](#)

FSA Fines Mortgage Lender and its Director for Irresponsible Lending and Unfair Treatment of Customers in Arrears

FSA has fined small mortgage lender, Bridging Loans Ltd, £42,000 and its director Joseph Cummings £70,000 for serious failures relating to lending practices and for failing to treat customers fairly in arrears. [\(Link\)](#)

FSA Consults on Changes to its Handbook Following Government Reforms to Workplace Pension Schemes

FSA has published a consultation paper outlining changes to the FSA Handbook following the Government's confirmation of the workplace pension reforms. [\(Link\)](#)

FSA Know Your Rights Booklet Published

FSA has launched a Know Your Rights booklet for bank and building society customers, to clarify the service standards customers can expect, and to mark the first anniversary of the regulation of banking conduct. [\(Link\)](#)

FSA Consults on Remuneration Disclosure Requirements

FSA has published a consultation on the implementation of remuneration disclosure requirements based on those set out in the Capital Requirements Directive (CRD3). [\(Link\)](#)

FSA Recommends Changes to Mortgage Sales to Achieve a Sustainable Mortgage Market

FSA has outlined proposals which focus on enhancing the mortgage sales process, the role of intermediaries and improving disclosure of information for customers. [\(Link\)](#)

FSA Publishes Platform Proposals

FSA has published proposals to ensure that the platform services used to buy and manage investments after January 2013 are fully aligned with standards required by the Retail Distribution Review. [\(Link\)](#)

Five Charged with Insider Dealing

Five individuals, including two former directors and one former senior trader of Blue Index Limited (Blue Index), a specialist Contract for Difference (CFD) brokerage, have been charged by the FSA with 17 counts of insider dealing, contrary to section 52 of the Criminal Justice Act 1993. [\(Link\)](#)

FSA Commences Action against Firms Offering Unauthorized Satellite Television Warranties

FSA has obtained a High Court ruling appointing provisional liquidators over three firms that the FSA considers were engaged in insurance activities without FSA authorization. [\(Link\)](#)

Senior Manager Found Guilty of Insider Dealing and Money Laundering

In a case brought by the FSA Neil Rollins, a former senior manager of PM Onboard Limited, a waste industry firm, was found guilty of five counts of insider dealing and four counts of money laundering at Southwark Crown Court after he traded on the basis of information he obtained as a result of his senior position and laundered the proceeds. [\(Link\)](#)

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Resource Links

Government

- U.S. Securities & Exchange Commission – WWW.SEC.GOV
- North American Securities Administrators Association - WWW.NASAA.ORG
- FINCEN - WWW.FINCEN.GOV
- Commodity Futures Trading Commission – WWW.CFTC.GOV
- Financial Services Authority - WWW.FSA.GOV.UK

SRO

- FINRA - WWW.FINRA.ORG
- NASDAQ - WWW.NASDAQ.COM
- New York Stock Exchange - WWW.NYSE.COM
- Municipal Securities Rulemaking Board - WWW.MSRB.ORG
- National Futures Association WWW.NFA.FUTURES.ORG

Industry

- Alternative Investment Management Association “AIMA” – WWW.AIMA.ORG
- Bank Insurance & Securities Association “BISA” – WWW.BISANET.ORG
- Complinet – WWW.COMPLINET.COM
- Florida Securities Dealers Association “FSDA” – WWW.FLORIDASECURITIES.COM
- Financial Market Association “FMA” – WWW.FMAWEB.ORG
- Financial Services Institute “FSI” – WWW.FINANCIALSERVICES.ORG
- Investment Adviser Association “IAA” – WWW.INVESTMENTADVISER.ORG
- Investment Company Institute “ICI” – WWW.ICI.ORG
- Managed Funds Association “MFA” – WWW.MANAGEDFUNDS.ORG
- National Society of Compliance Professionals “NSCP” – WWW.NSCP.ORG
- Securities Industry and Financial Markets Association “SIFMA” – WWW.SIFMA.ORG

**This list is provided for information purposes only. RRS does not specifically endorse any group noted.*

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RE: November 2010

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