

Routing

- Legal & Compliance
- Senior Management
- Supervisory Principals
- Operations
- Internal Audit
- Registered Representatives
- Registration & Licensing
- Training

Table of Contents

SEC 2

FINRA 3

MSRB..... 4

NASAA..... 5

NASDAQ/NASDAQ
TRADER/OTCBB 5

NYSE/EURONEXT11

FINCEN12

FSA13

Resource Links15

Reader Survey16

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 October 25th, 2010
- **FINRA:** Advertising Regulation Conference, November 9–10, 2010, Washington, DC.
- **MSRB:** Municipal Securities Seminar – Regulatory and Compliance Issues, October 7, 2010, New York.
- **MSRB:** Municipal Securities Seminar – Regulatory and Compliance Issues, October 14, 2010, Chicago.

NOTABLE ITEMS IN THIS EDITION

- **SEC** – Charges Colorado-Based Investment Adviser With Fraudulently Recommending Hedge Funds to Older Investors – Page 2
- **SEC** – Charges Pinnacle Capital Markets for Deficient Customer Identification Program Procedures – Page 2
- **SEC** – Charges Bay Area Investment Adviser for Not Disclosing Conflict of Interest to Investors – Page 2
- **FINRA** – Reminds Firms of Their Sales Practice and Due Diligence Obligations When Selling Municipal Securities in the Secondary Market – Page 3
- **FINRA** – Obligation to Provide Timely, Complete and Accurate Information on Form U5 – Page 3
- **FINRA** – New Alert: Reporting Criterion for Leverage in FOCUS Reports – Page 3
- **FINRA** – Sanctions Trillium Brokerage Services, LLC, Director of Trading, Chief Compliance Officer, and Nine Traders \$2.26 Million for Illicit Equities Trading Strategy – Page 3
- **FINRA** – Proposes to Permanently Give Investors the Option of All-Public Arbitration Panels – Page 4
- **NASAA** – Statement on New Survey Showing Near Unanimous Investor Support for Fiduciary Duty Standard of Care – Page 5
- **FINCEN** – Civil Money Penalty Assessed Against Pinnacle Capital Markets, LLC – Page 12
- **FSA** – Fines Goldman Sachs International £17.5 million for weaknesses in controls resulting in failure to provide FSA with appropriate information – Page 13

Service Spotlight: Form BD/ADV Review

RRS Registration Services experts can review, update and file your Forms BD/ADV to help ensure that the information remain current and accurate. As the summer sets in, things tend to slow down at most firms and also with the regulators. This provides an excellent opportunity for companies to review their Forms BD/ADV and identify any necessary updates. RRS' staff has extensive experience reviewing Forms BD/ADV for appropriate disclosures. The review includes reviewing Form BR for appropriate disclosures and Parts I and II of Form ADV. RRS can also update Form filings, prepare and submit amendments, and help you prepare and process renewals with FINRA and the States.

John Pinto
(202) 463-6575
JohnPinto@RRSCompliance.com

Contact:
Barbara Simmons
(404) 370-9655
BarbaraSimmons@RRSCompliance.com



Renaissance Regulatory Services, Inc.

350 Camino Gardens Blvd. • Suite 105 • Boca Raton, FL 33432 • (561) 368-2245

www.RRSCompliance.com * Research@RRSCompliance.com

Washington, DC – Atlanta, GA – Pittsburgh, PA

SEC

SEC Charges Colorado-Based Investment Adviser With Fraudulently Recommending Hedge Funds to Older Investors

The SEC charged Boulder, Colo.-based investment adviser Neal R. Greenberg with fraud and breach of fiduciary duty in the marketing and recommendation of his firm's hedge funds to investors, including many elderly clients. ([Link](#))

SEC Charges Pinnacle Capital Markets for Deficient Customer Identification Program Procedures

The SEC charged Pinnacle Capital Markets LLC with failing to comply with an anti-money laundering (AML) rule that requires broker-dealers to identify and verify the identities of its customers and document its procedures for doing so. The SEC also charged Pinnacle's managing director Michael A. Paciorek with causing Pinnacle's violations. ([Link](#))

SEC Charges Bay Area Investment Adviser for Not Disclosing Conflict of Interest to Investors

The SEC charged a Bay Area investment adviser with securities law violations for switching his clients between two related investments without informing them that the switch would boost the commissions they had to pay. ([Link](#))

SEC Adopts Temporary Rule Requiring Municipal Advisors to Register With Agency

The SEC announced that it has adopted a temporary rule requiring municipal advisors to register with the SEC by October 1, a deadline established by the newly-enacted *Dodd-Frank Wall Street Reform and Consumer Protection Act*. ([Link](#))

SEC Charges New Jersey Investment Adviser in Multi-Million Dollar Offering Fraud

The SEC charged a Branchburg, N.J.-based investment adviser and three of her firms with operating a multi-million dollar offering fraud involving the sale of phony promissory notes to investors, many of whom are retired or unsophisticated in investments. ([Link](#))

SEC Sets Field Hearings on State of Municipal Securities Markets

The SEC announced that it launched a series of field hearings to examine the municipal securities markets, starting in San Francisco on September 21. Topics included disclosure and transparency, credit ratings, and internal controls. ([Link](#))

SEC, CFTC To Host Joint September Roundtables On Swap and Security-Based Swap Matters

Staff from the SEC and Commodity Futures Trading Commission (CFTC) held two joint public roundtables in September on issues relating to implementation of the *Dodd-Frank Wall Street Reform and Consumer Protection Act*. ([Link](#))

SEC Approves Rules Expanding Stock-by-Stock Circuit Breakers and Clarifying Process for Breaking Erroneous Trades

The SEC approved new rules submitted by the national securities exchanges and FINRA to expand a recently-adopted circuit breaker program to include all stocks in the Russell 1000 Index and certain exchange-traded funds. The SEC also approved new exchange and FINRA rules that clarify process for breaking erroneous trades. ([Link](#))

SEC Proposes Measures to Enhance Short-Term Borrowing Disclosure to Investors

The SEC voted unanimously to propose measures that would require public companies to disclose additional information to investors about their short-term borrowing arrangements. ([Link](#))

SEC Charges Minneapolis Attorney and San Francisco Real Estate Lending Fund Promoters with Misleading Investors

The SEC charged a Minneapolis-based attorney and two San Francisco-area promoters with defrauding investors in a real estate lending fund by concealing the financial collapse of the fund's sole business partner. ([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 Barbara Simmons at (404) 370-9655 or BarbaraSimmons@RRSCompliance.com

SEC Charges Dallas-Based Hedge Fund Adviser for Participating in Stock Offerings After Selling Short

The SEC charged Dallas-based hedge fund adviser Carlson Capital, L.P. with improperly participating in four public stock offerings after selling short those same stocks. ([Link](#))

SEC Charges ABB For Bribery Schemes in Mexico and Iraq

The SEC charged ABB Ltd with violations of the Foreign Corrupt Practices Act (FCPA) for using subsidiaries to pay bribes to Mexican officials to obtain business with government-owned power companies, and to pay kickbacks to Iraq to obtain contracts under the U.N. Oil for Food Program. ([Link](#))

SEC Charges Two Florida Companies and CEOs for Orchestrating Pump-and-Dump Schemes

The SEC charged two Florida-based corporations and their CEOs for orchestrating two separate pump-and-dump schemes in which they issued numerous misleading press releases hyping their operations or services while their respective CEOs repeatedly sold their stock for significant profits. ([Link](#))

Former State Street Employees Charged for Misleading Investors About Subprime Mortgage Investments

The SEC charged a pair of former employees at Boston-based State Street Bank and Trust Company with misleading investors about their exposure to subprime investments. ([Link](#))

SEC Charges Family Insider Trading Ring in Million-Dollar Scheme

The SEC charged a pair of freight railway employees and four family members with perpetrating an insider trading scheme that garnered more than \$1 million in illegal profits. ([Link](#))

SEC Final Rules

Delegation of Authority to Director of its Division of Enforcement ([Link](#))

Adoption of Updated EDGAR Filer Manual ([Link](#))

Rescission of Rules Pertaining to the Payment of Bounties for Information Leading to the Recovery of Civil Penalties for Insider Trading ([Link](#))

Internal Control over Financial Reporting in Exchange Act Periodic Reports of Non-Accelerated Filers ([Link](#))

Removal From Regulation FD of the Exemption for Credit Rating Agencies ([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 Barbara Simmons at (404) 370-9655 or BarbaraSimmons@RRSCompliance.com

FINRA

September 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

[10-39](#) Obligation to Provide Timely, Complete and Accurate Information on Form U5

[10-40](#) Non-Party Witness' Attorney May Attend Hearing While Witness Is Testifying

[10-41](#) FINRA Reminds Firms of Their Sales Practice and Due Diligence Obligations When Selling Municipal Securities in the Secondary Market

[10-42](#) SEC Approves Amendments to Establish Regulation NMS-Principled Rules in Market for OTC Equity Securities

[10-43](#) Amendments to FINRA Rules on Trading Pauses Due to Extraordinary Market Volatility and Clearly Erroneous Transactions in Exchange-Listed Securities

[10-44](#) New Alert-Reporting Criterion for Leverage in FOCUS Reports

Trade Reporting Notices

[9/17/2010](#) Price Validation and Price-Override Protocol

Election Notices

[9/3/2010](#) FINRA Small Firm Advisory Board Election

Information Notices

[9/7/2010](#) August 2010 Supplement to the Security Futures Risk Disclosure Statement

September 2010 Disciplinary and Other FINRA Actions

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

FINRA Sanctions Trillium Brokerage Services, LLC, Director of Trading, Chief Compliance Officer, and Nine Traders \$2.26 Million for Illicit Equities Trading Strategy

FINRA announced that it has censured and fined New York-based Trillium Brokerage Services, LLC, \$1 million for using an illicit high frequency trading strategy and related supervisory failures. Trillium, through nine proprietary traders, entered numerous layered, non-bona fide market moving orders to generate selling or buying interest in specific stocks. By entering the non-bona fide orders, often in substantial size relative to a stock's overall legitimate pending order volume, Trillium traders created a false appearance of buy- or sell-side pressure. ([Link](#))

FINRA Proposes to Permanently Give Investors the Option of All-Public Arbitration Panels

FINRA will file a rule proposal next month that would allow all investors filing arbitration claims the option of having an all-public panel, greatly increasing investor choice in the FINRA arbitration program. The rule proposal, which will be filed for approval with the SEC, would expand to all investor claims a two-year-old FINRA pilot program that gives investors filing an arbitration claim against certain firms the option of choosing an all-public panel. ([Link](#))

FSA and FINRA Sign Cooperation Agreement

FSA and the US FINRA have entered into a Memorandum of Understanding (MOU) to support more robust cooperation between the two regulators. ([Link](#))

FINRA, MSRB Remind Industry of Sales, Due Diligence and Pricing Obligations

FINRA, in coordination with the MSRB issued a Regulatory Notice reminding municipal securities dealers of their sales practice, due diligence and fair pricing obligations when selling municipal securities in the secondary market. ([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 September 2010:

[2010-35](#) Request for Comment on MSRB Guidance on Broker's Brokers

[2010-36](#) MSRB and SIFMA to Co-Host Regulatory and Compliance Seminars

[2010-37](#) MSRB Reminds Firms of Their Sales Practice and Due Diligence Obligations When Selling Municipal Securities in the Secondary Market

[2010-38](#) SEC Approves Establishment of Subscription Service to Information Collected by the SHORT System

[2010-39](#) SEC Approves MSRB Proposal Regarding New Board Composition

[2010-40](#) MSRB Files Proposed Rule Change Relating to Subscription Services for Transaction Price Data

[2010-41](#) MSRB Files Proposal to Increase Transaction Assessments and to Institute a New Technology Fee on Reported Sales Transactions under Rule A-13

MSRB Prepares for Municipal Advisor Rulemaking and Expanded Mission

MSRB announced it commenced its municipal advisor rulemaking and registration activities after October 1, 2010, the effective date for provisions of [Dodd-Frank Wall Street Reform and Consumer Protection Act](#) (Dodd-Frank Act) that relate to regulation of municipal securities. The MSRB also was preparing for its transition to a majority independent public board of directors with municipal advisor representation, which was seated on October 1, 2010. As of this date, the MSRB have a stronger investor and municipal entity protection mandate and its jurisdiction is broadened to include the regulation of municipal advisors. ([Link](#))

MSRB Announces New Officers and Governance Structure

MSRB announced its officers for Fiscal Year 2011, as well as a restructured Board committee and advisory group structure to enable the MSRB to fulfill its expanded mandate to protect state and local governments, in addition to investors and the public interest. ([Link](#))

MSRB Disseminates Variable Rate Municipal Securities Data Through Subscription and New Report

MSRB announced it has received approval from the SEC to provide a real-time subscription to interest rate and other information about municipal auction rate securities (ARS) and variable rate demand obligations (VRDOs). The MSRB also published a report summarizing data it collected about these variable rate securities beginning in early 2009 through May 2010. ([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

NASAA**NASAA Statement on New Survey Showing Near Unanimous Investor Support for Fiduciary Duty Standard of Care**

The following is a statement from NASAA President and Texas Securities Commissioner Denise Voigt Crawford on the release of a survey showing that investors nearly unanimously believe that when they receive investment advice from a financial professional, the person providing the advice should put investor interests ahead of their own. The survey was conducted by ORC/Info group for the Consumer Federation of America, AARP, NASAA, and leading investment adviser and financial planning organizations, including the Certified Financial Planner Board of Standards, Inc., the Investment Adviser Association, the Financial Planning Association and the National Association of Personal Financial Advisors. ([Link](#))

NASAA Statement on FINRA Arbitration Plan

The following is a statement from NASAA President and North Carolina Deputy Securities Administrator David Massey on the announcement by the Financial Industry Regulatory Authority that it plans to file a rule proposal in October to allow investors filing arbitration claims to have the option of choosing an all-public panel of arbitrators. ([Link](#))

David Massey of North Carolina to Lead NASAA

North Carolina Deputy Securities Administrator David S. Massey began a one-year term as President of the North American Securities Administrators Association (NASAA), the oldest international organization devoted to investor protection. ([Link](#))

NASAA Launches Online Resource Center to Help IA Firms Prepare to Switch to State Regulation

NASAA launched an online resource to help investment adviser firms prepare to switch from federal to state regulation. ([Link](#))

NASDAQ—NASDAQ-TRADER—**OTCBB****NASDAQ Changes Halts Trading Status to “Additional Information Requested” of:**

Bank of Florida Corporation ([Link](#))

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

Settlement Date August 31, 2010 ([Link](#))

Settlement Date September 15, 2010 ([Link](#))

Quarterly Changes to the NASDAQ Q-50 Index

The NASDAQ OMX Group, Inc. announced the results of the quarterly re-ranking of the NASDAQ Q-50 Index, which became effective prior to market open on Monday, September 20, 2010. ([Link](#))

Semi-Annual Changes to the NASDAQ Clean Edge Green Energy Index

The NASDAQ OMX Group, Inc. and Clean Edge, Inc. announced the results of the semi-annual evaluation of the NASDAQ Clean Edge Green Energy Index, which became effective prior to market open on Monday, September 20, 2010. ([Link](#))

Semi-Annual Changes to the NASDAQ OMX Clean Edge Global Wind Energy Index

The NASDAQ OMX Group, Inc. and Clean Edge, Inc. announced the results of the semi-annual evaluation of the NASDAQ OMX Clean Edge Global Wind Energy Index, which became effective with the market open on September 20, 2010. ([Link](#))

Semi-Annual Changes to the NASDAQ OMX Clean Edge Smart Grid Infrastructure Index

The NASDAQ OMX Group, Inc. and Clean Edge, Inc. announced the results of the semi-annual evaluation of the NASDAQ OMX Clean Edge Smart Grid Infrastructure Index, which became effective with the market open on September 20, 2010. ([Link](#))

Quarterly Changes to the Wilder NASDAQ OMX Global Energy Efficient Transport Index

The NASDAQ OMX Group, Inc. and Wilder Transport Index LLC announced the results of the quarterly evaluation of the Wilder NASDAQ OMX Global Energy Efficient Transport IndexSM, which became effective with the market open on September 20, 2010. ([Link](#))

2010 NASDAQ OMX Analyst/Investor Day

The NASDAQ OMX Group, Inc. held its 2010 Analyst/Investor Day on Wednesday, September 22, 2010. NASDAQ's senior executive team conducted an in-depth discussion of the company's operations, objectives, and strategy. ([Link](#))

GlobeNewswire Continues Its Global Expansion With MZCAN Partnership in Asia

The NASDAQ OMX Group, Inc. announced the formation of a strategic alliance with MZCAN, the leading investor relations e-solution provider in Asia, for NASDAQ OMX's GlobeNewswire services. Through this partnership, MZCAN will serve as the first Asia-based reseller of GlobeNewswire, utilizing the comprehensive news distribution service to submit and distribute press releases on behalf of its customer base across Asia. ([Link](#))

NASDAQ OMX Introduces the PHLX Options Trade Outline (PHOTO) Data Product Effective September 1, 2010

To support the NASDAQ OMX PHLX market and provide the trading and market data community access to historical trade information from PHLX, NASDAQ OMX is introducing the [PHLX Options Trade Outline \(PHOTO\)](#) product. Effective Wednesday, September 1, 2010, PHOTO data is available via secured FTP. PHOTO is available as either an End-of-Day or Intra-Day file. ([Link](#))

Reminder: September Pricing and Functionality Changes

NASDAQ OMX would like to remind market participants of pricing and functionality changes taking effect in September 2010 for The NASDAQ Stock Market. ([Link](#))

NASDAQ OMX Launches First U.S. Equity Price-Size Exchange

The NASDAQ OMX Group, Inc., the world's largest exchange company, announced that on October 8th, 2010, it will launch NASDAQ OMX PSXsm, the first U.S. equity trading platform with a price-size priority model. The platform, which will be operated as a facility of the NASDAQ OMX PHLX exchange, has been approved by the SEC. ([Link](#))

NASDAQ OMX Commodities and GFI Group Inc. Announce Agreement to Electronically Clear Physical U.S. Power and Natural Gas Transactions

The NASDAQ OMX Group, Inc. and GFI Group Inc. announced a strategic agreement to offer electronic trading and clearing of continental U.S. power and natural gas. The agreement broadens the clearing options for energy traders in the U.S and expands NASDAQ OMX Commodities' global presence. ([Link](#))

Aon and NASDAQ OMX Report Reveals Improved Governance, Ample Capacity Driving Soft Executive Liability Market

Improved [corporate governance](#), fewer securities [class-action lawsuits](#) and ample capacity drive the soft [directors' and officers' liability](#) market, according to the annual [D&O Peer Benchmarking Report](#) presented by [NASDAQ OMX](#) and [Aon](#). ([Link](#))

NASDAQ OMX Announces Fees for Daily Share Volume

Effective Friday, October 1, 2010, NASDAQ OMX implemented fees for the NASDAQ Daily Share Volume report product. NASDAQ Daily Share

Volume is designed to provide insight and transparency into comprehensive share volume information for U.S. equities. The new fees were approved by the SEC in March 2009. ([Link](#))

NASDAQ Protocol Specifications Updated

NASDAQ has updated [protocol specifications](#) to reflect the addition of one directed order destination code and the retirement of two directed order destination codes. ([Link](#))

“Find it – Before the Regulators”

The staff at RRS are continually striving to ensure that the services and support we provide to our clients are the most up to date and comprehensive available. Frequently we are able to forecast regulatory trends based on the information our clients provide to us regarding new products, services or marketing trends. This “Find it – Before the Regulators” insight enables us to develop customized compliance solutions so that our clients can address any potential regulatory deficiencies before the regulators do.

For more information contact us at (561) 368-2245.

Index Values Recalculated for NASDAQ OMX Fixed Income Indexes

Due to incorrect basic data for the constituent LFHY 508 between Wednesday, August 11, 2010 and Thursday, September 2, 2010, NASDAQ OMX has recalculated the following fixed income indexes:

- OMRX All Index (Symbol: OMRXALL)
- OMRX Bond All Index (Symbol: OMRXBONDALL)
- OMRX Bond All 5- y Index (Symbol: OMRXBOND5)
- OMRX Mortgage Bond All Index (Symbol: OMRXMORTALL)
- OMRX Mortgage Bond 5- y Index (Symbol: OMRXMORT5)

NASDAQ OMX requests that data recipients and market data vendors **remove** intraday values from historical databases and manually update index databases to reflect the restated values. ([Link](#))

NASDAQ Updates Routing Fee Schedule to Reflect NYSE Pricing Change Effective Tuesday, September 7, 2010

Effective, Tuesday, September 7, 2010, The NASDAQ Stock Market has updated pricing for routing to the NYSE Closing Auction to reflect NYSE's pricing update. This pricing change has been filed with the SEC on an immediately effective basis. ([Link](#))

NASDAQ OMX Futures Exchange has Filed an Amendment to its By-Laws and Rules Effective Thursday, September 9, 2010

The NASDAQ OMX Futures Exchange has filed an amendment to its By-Laws and Rules effective Thursday, September 9, 2010. The amendments serve to: (i) update the nominating process in the By-Laws to amend the date of the annual meeting and provide more specificity to the board nomination process; (ii) add language to the By-

Laws to specify that NFX shall have a Chief Regulatory Officer; (iii) amend the By-Laws to change the composition of the Executive Committee; (iv) update certain membership rules; (v) amend outdated floor references in the Rules; (vi) update the Rules to amend the Exchange's financial requirements; (vii) update the Rules concerning the disclosure of information and conflicts of interest; (viii) update the summary fine Rule; and (ix) make other minor technical amendments to the Rules. Refer to the [NFX filing](#) for more details. ([Link](#))

Watching the States

When a state regulator comes knocking on your door, it's usually NOT a routine event. Unlike the SEC and FINRA, most broker-dealers and investment advisers typically only deal with state agencies for registration, licensing and complaint response purposes, and rarely have to deal with them during examinations. It is for this reason that many firms get tripped up during state regulatory inquiries. The fact is that most state examinations initiate from complaints, tips or sweeps based on your firm's sales practices or advertising materials and their purpose is rarely routine. Recent examples included sweeps on Senior Seminars, Variable Insurance product sales, and Auction Rate Securities sales.

RRS' staff has extensive experience in dealing with State regulatory matters. Whether it's registration and licensing or responding to a state inquiry, RRS staff can help smooth the process. RRS preventative compliance services include branch office examination, regulatory mandates, complaint assessment, and mystery shopping for branch offices and seminars.

For more information contact us (561) 368-2245 or Research@RRSCompliance.com

Testing Dates Announced for New Originator ID Value for Global Index Data Service

Effective Monday, October 4, 2010, NASDAQ OMX will introduce the following new Originator ID value in the message header of NASDAQ OMX Global Index Data Service: New Originator ID value of "O" Special Processing. In preparation for the new Originator ID value of "O" Special Processing in the message header of GIDS, NASDAQ OMX will begin to support evening test data with the new Originator ID beginning Wednesday, September 15, 2010. ([Link](#))

NASDAQ OMX to Begin Dissemination of New NASDAQ OMX Green Economy Indexes Effective Wednesday, September 22, 2010

On Wednesday, September 22, 2010, NASDAQ OMX began disseminating the following new NASDAQ OMX Green Economy Indexes:

- NASDAQ OMX Green Economy Index (symbol: QGREEN)

- NASDAQ OMX Green Economy Total Return Index (symbol: QGREENX)
- NASDAQ OMX Green Economy Capped Index (symbol: QGREENCP4)
- NASDAQ OMX Green Economy Capped Total Return Index (symbol: QGREENCP4X)

Weightings and component information for these indexes will be available via NASDAQ OMX Global Index Watch. Revised 9-16-2010: The symbols for the capped versions of the indexes were modified. ([Link](#))

PHLX and NOM Announce Amendments to Contrary Exercise Advice Submission Cut-Off Times Effective September 17, 2010

NASDAQ OMX PHLX and The NASDAQ Options Market (NOM) have filed rule change proposals, [SR-Phlx-2010-109](#) and [SR-NASDAQ-2010-097](#), regarding the cut-off times to submit Contrary Exercise Advice (CEA) instructions. Effective Friday, September 17, 2010, PHLX members and NOM participants must submit CEAs by 7:30 p.m., Eastern Time (ET). ([Link](#))

Evening Testing Opportunities for New Reg SHO Circuit Breaker Message

The UTP Security Information Processor (UTP SIP) will introduce a new Regulation SHO Short Sale Price Test Restricted Indicator message format on the UTP data feeds on or before November 10, 2010. The Reg SHO Price Test Indicator message will denote when the SEC short sale price test restriction is triggered under Amended Rule 201 in a NASDAQ-listed security. In preparation for this release, The NASDAQ Stock Market has requested that the UTP SIP offer evening test data for the new Reg SHO Price Test Indicator message beginning September 13, 2010. ([Link](#))

Single Stock Circuit Breaker Functionality to be Expanded to New Securities Effective September 14, 2010

In June 2010, the SEC [approved](#) a pilot program to establish a market-wide trading pause for individual stocks in the S&P 500 Index that experience a price change of 10%. On Friday, September 10, 2010, the SEC [approved](#) new rules submitted by the national securities exchanges and FINRA to amend the Single Stock Trading Pause pilot to include additional issues. Effective Tuesday, September 14, 2010, The NASDAQ Stock Market and NASDAQ OMX BX expanded the Single Stock Trading Pause functionality to the securities included in the [Russell 1000 Index](#) and select [Exchange-Traded Products](#). ([Link](#))

PHLX Updates Specialized Quote Feed Technical Specifications

NASDAQ OMX PHLX has updated the PHLX XL Specialized Quote Feed (SQF) technical specification to version 6.0. SQF 6.0 is a major version release and contains significant performance and feature enhancements over prior SQF versions. SQF 6.0 will go live in September 2010. Earlier versions of SQF will be retired in late fourth

quarter 2010. An updated [technical specification document](#) is available on the NASDAQ OMX Trader website. ([Link](#))

NASDAQ Announces Volume Tier Changes Effective October 1, 2010

Effective Friday, October 1, 2010, The NASDAQ Stock Market introduced a new volume tier for adding shares that execute above \$1.00. This change is subject to filing with the SEC on an immediately effective basis. ([Link](#))

Sponsored Access Agreements Required by October 27, 2010

Pursuant to [NASDAQ Rule 4611\(d\)\(1\)\(A\)](#), [BX Rule 4611\(d\)\(1\)\(A\)](#) and [PHLX Rule 1094](#), both Sponsored Participants and Sponsoring Members must enter into and maintain agreements with NASDAQ OMX Group Inc. to participate in Sponsored Access on NASDAQ OMX trading systems or facilities. In an effort to mitigate risk, NASDAQ OMX requires that firms that participate in Sponsored Access on The NASDAQ Stock Market, NASDAQ OMX BX, The NASDAQ Options Market and NASDAQ OMX PHLX complete the necessary Sponsored Access agreements. Agreements will also be required for NASDAQ OMX PSX once launched. Firms must submit the necessary agreements by Wednesday, October 27, 2010, to participate in NASDAQ OMX Sponsored Access programs. ([Link](#))

NASDAQ OMX PSX Rules Approved; PSX Will Launch on October 8, 2010

NASDAQ OMX PSX, a new U.S. equity trading platform with a price-size priority model, has received SEC [approval](#). PSX will launch on Friday, October 8, 2010. The final weekend test prior to the launch took place on Saturday, September 25, 2010. ([Link](#))

NASDAQ OMX Plans to Introduce NASDAQ OMX PSX Proprietary Data Feeds

NASDAQ OMX will launch a third U.S. equity platform based on a price/size priority market structure. This new market will be called NASDAQ OMX PSX. NASDAQ OMX will launch PSX on October 8, 2010. NASDAQ OMX plans to support the following proprietary data feeds to support trading on PSX:

- PSX TotalView-ITCH
- PSX Basic / PSX Best Bid and Offer
- PSX Last Sale (PLS)
- PSX OUCH Pricing Feed

NASDAQ OMX plans to support the following historical data product to support trading on PSX:

- PSX Historical TotalView-ITCH ([Link](#))

Activation of NASDAQ OMX PSX in UTP

NASDAQ OMX plans to launch a third U.S. equity trading platform, NASDAQ OMX PSX. The unlisted Trading Privileges (UTP) Operating Committee received a request from NASDAQ OMX PHLX LLC, formerly the Philadelphia Stock Exchange, to activate quotation and trading of NASDAQ-listed securities under the new equities market, PSX. The UTP SIP will identify PSX under the UTP Participant code "X." The SEC has

[approved](#) the PSX Rules and as such, PSX plans to commence quoting and trading of NASDAQ -listed securities under the UTP plan on Friday, October 8, 2010. ([Link](#))

RRS COMPLIANCE EXAMINATIONS
SAVE MONEY ON COMPLIANCE AND
INCREASE EFFECTIVENESS
CALL (561) 368-2245
INFO@RRSCOMPLIANCE.COM

NASDAQ to Begin Listing Seven New ETFs on Wednesday, September 22, 2010

On Wednesday, September 22, 2010, The NASDAQ Stock Market list seven new Exchange Traded Funds (ETFs):

- Vanguard Russell 1000 ETF (Symbol: VONE)
- Vanguard Russell 1000 Growth ETF (Symbol: VONG)
- Vanguard Russell 1000 Value ETF (Symbol: VONV) ([Link](#))

NASDAQ OMX PHLX Updates the PHLX XL Opening Process and System Settings

Effective Friday, September 24, 2010, the PHLX opening process utilized the best available bid/offer of all valid width opening quotes on the Exchange as well as markets on other exchanges to determine acceptable OQRs. ([Link](#))

NASDAQ OMX PHLX Updates Technical Specification for Clearing Trade Interface

Effective Friday, September 24, 2010, PHLX has updated the CTI technical specification to reflect the following changes to Trade Messages:

- Added 'Origin Type'
- Added a comment to the 'Strategy id' and 'Strategy leg' Field Notes. ([Link](#))

NFX has Filed with the CFTC Regarding Market Maker Approval of Timber Hill LLC

The NASDAQ OMX Futures ExchangeSM (NFXSM) has filed SR-NFX-2010-10 regarding approval of Timber Hill LLC as a market maker in foreign currency futures contracts. Refer to SR-NFX-2010-10 for more details. ([Link](#))

NASDAQ OMX Increases Bandwidth Recommendations for the Top of PHLX Options (TOPO) Data Feed

NASDAQ OMX is releasing a new bandwidth recommendation for the Top of PHLX Options (TOPO) market data feed. ([Link](#))

NASDAQ OMX Files Enhancements to Market Maker Quotation Obligations

In concert with other U.S. equity markets, NASDAQ OMX has filed rules with the SEC to enhance minimum market maker quotation obligations on The NASDAQ Stock Market and NASDAQ OMX BXSM. For each National Market System (NMS) security in which an exchange member is registered as a market maker, the member will be required to maintain a two-sided trading interest continuously during regular market hours at prices within certain parameters expressed as a percentage reference from the National Best Bid or Offer (NBBO) as applicable. These proposals appear on the SEC website and are open for a standard comment period. The effective date after approval has not yet been determined. ([Link](#))

NASDAQ Protocol Specifications Updated to Support New Liquidity Code

NASDAQ has updated protocol specifications to reflect an additional liquidity code. The new code provides greater detail about how an order that was routed to NASDAQ OMX PSXSM (PSXSM) executed. ([Link](#))

Closing Index Values Restated for NASDAQ OMX 100 Index

NASDAQ OMX® has identified an error in calculation for the following NASDAQ OMX indexes for Monday, September 20, 2010 and Tuesday, September 21, 2010:

- NASDAQ OMX 100 USD (Symbol: QOMX)
- NASDAQ OMX 100 EUR (Symbol: QOMX100EU)
- NASDAQ OMX 100 EUR_GI (Symbol: QOMX100EUGI)
- NASDAQ OMX 100 USD_GI (Symbol: QOMX100USDGI)

IA Compliance Programs

RRS provides a full range of services to assist with your firm's compliance with SEC Rule 206(4)-7, including:

- Comprehensive risk assessment
- Written policies and procedures assessment
- Document review and forensic testing
- Supervisory controls examinations
- Financial statement review
- Best practices assessment
- Implementation assistance
- Ongoing compliance support

For more information contact Barbara Simmons at (404) 370-9655 or BarbaraSimmons@RRSCompliance.com

NASDAQ OMX requests that data recipients and market data vendors **remove** intraday values from historical databases and manually update index databases to reflect the restated closing values. ([Link](#))

PHLX and NOM Update Fee Schedule and Pricing, Respectively

Effective for trades settling on or after Friday, October 1, 2010 (trade date Thursday, September 30, 2010), NASDAQ OMX PHLXSM updated its Fee Schedule, pending filing with the SEC. Effective Friday, October 1, 2010, The NASDAQ Options MarketSM implemented new pricing, pending filing with the SEC. ([Link](#))

NASDAQ OMX Postpones MFDS Message Format Release

As outlined in MFQS News #2010-4, NASDAQ OMX plans to release a new version of the Mutual Fund Quotation ServiceSM inbound message formats to support:

- Advance reporting of dividends, interest payments and other distributions by MFQS fund families and trust sponsors.
- New money market fund data elements as defined in the SEC Money Market Reform Act of 2010.

NASDAQ OMX has decided to postpone this MFQS release and will implement the MFQS 0050 data formats on Monday, March 21, 2011. ([Link](#))

Reminder: NASDAQ OMX Will Turn Down All Non-Symbology-Compliant Versions of NASDAQ and BX Data Feeds on December 31, 2010

NASDAQ OMX® will retire the non-symbology-compliant versions of The NASDAQ and NASDAQ OMX BXSM data feeds at the end of this year. To ensure uninterrupted access to NASDAQ and BX data, all direct data feed subscribers must make the transition to the new symbology-compliant versions by no later than December 31, 2010. Please note that NASDAQ OMX will turn down the non-compliant versions of the NASDAQ and BX data feeds on December 31st even if the symbology initiative is postponed. ([Link](#))

NASDAQ OMX PHLX to Display \$0.00 Bid or \$0.00 Ask Under Certain Circumstances

NASDAQ OMX PHLXSM is implementing a change to the way it displays unexecuted marketable interest after an opening imbalance and how it indicates that PHLX is in a market exhaust or quote exhaust situation, effective Friday, October 1, 2010, subject to SEC review. ([Link](#))

NASDAQ Announces October Pricing Changes

Effective Friday, October 1, 2010, The NASDAQ will modify volume tier criteria, pending filing with the SEC. Upon the launch of NASDAQ OMX PSXSM (PSXSM) on Friday, October 8, 2010, PSX will be added as a destination in the NASDAQ router. Therefore, NASDAQ will update routing pricing for PSX executions effective October 8th. ([Link](#))

NASDAQ OMX PHLX Price Improvement XL to Launch Monday, October 4, 2010

Price Improvement XL, a new electronic price improvement mechanism for NASDAQ OMX PHLXSM, will launch on Monday, October 4, 2010, subject to SEC approval. Pricing for PIXL will be effective immediately upon launch, pending filing with the SEC. ([Link](#))

Closing Index Values Restated for Select Wilshire Indexes

NASDAQ OMX[®] has been notified by the index calculator, Interactive Data, that there was an error in Interactive Data's calculation for the following Wilshire indexes for Tuesday, September 28, 2010.

- Wilshire 5000 Total Market Index (full-cap) (Symbol: W5000)
- Wilshire 5000 Total Market Index (Symbol: W5000FLT)
- Wilshire 4500 Completion Index (Symbol: W4500)
- Wilshire US Large-Cap Index (Symbol: W5KLC)
- Wilshire US Mid-Cap Index (Symbol: W5KMC)
- Wilshire US Large-Cap Growth Index (Symbol: W5KLCG)
- Wilshire US Mid-Cap Growth Index (Symbol: W5KMCG)

NASDAQ OMX requests that data recipients and market data vendors **remove** intraday values from historical databases and manually update index databases to reflect the restated closing values. ([Link](#))

NASDAQ OMX to Begin Dissemination of New NASDAQ OMX Alpha Indexes Effective Monday, October 11, 2010

On Monday, October 11, 2010, NASDAQ OMX will begin disseminating the following new NASDAQ OMX Alpha IndexesTM:

- NASDAQ OMX Alpha AAPL vs. SPY Index (symbol: AVSPY)
- NASDAQ OMX Alpha GLD vs. SPY Index (symbol: GVSPY)
- NASDAQ OMX Alpha TLT vs. SPY Index (symbol: TVSPY)
- NASDAQ OMX Alpha C vs. XLF Index (symbol: CVXLF)
- NASDAQ OMX Alpha EEM vs. SPY Index (symbol: EVSPY) ([Link](#))

NASDAQ Updates Designated Liquidity Provider Program Effective Friday, October 1, 2010

Effective Friday, October 1, 2010, The NASDAQ updated the Designated Liquidity Provider (DLP) Program. DLPs are market makers who have been selected to maintain higher standards of liquidity in qualified NASDAQ-listed Exchange Traded Funds (ETFs), promoting an active and liquid trading market in ETFs. ([Link](#))

NASDAQ OMX Announces Update to Single Stock Circuit Breaker in NASDAQ-Listed

NASDAQ OMX has announced updates to the market-wide trading pause functionality for NASDAQ-listed securities. The NASDAQ will only invoke the Single Stock Trading Pause upon the third execution at or above the 10% threshold and through the National Best Bid or Offer (NBBO) within a five-minute period. NASDAQ OMX BXSM will recognize any trading pause issued by NASDAQ. Refer to the NASDAQ comment letter and SEC Release No. 34-62884 for more information. ([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 were effective September 13, 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 September 10, 2010 as the "From" date. ([Link](#))

SEC Approves New FINRA Rule Relating to the Processing of and Fees for Company-Related Actions for Non-Exchange-Listed Securities

Effective September 27, 2010, new FINRA Rule 6490 (Processing of Company-Related Actions) codifies the requirements in SEA Rule 10b-17 for issuers of a class of publicly trading securities to provide timely notice to FINRA of certain corporate actions (e.g., dividend or other distribution of cash or securities, stock split or reverse split, rights or subscription offering). Issuers must also provide timely notification to FINRA of certain other specified corporate actions. The rule clarifies the scope of FINRA's regulatory authority and discretionary power when processing documents related to announcements for company-related actions for non-exchange-listed equity and debt securities, and implements fees for these services. Issuers must complete the necessary forms and pay the applicable fees within the required time periods or they will be subject to late fees and delayed processing of documents to announce corporate actions. The text of the new rule is set forth on FINRA's website at www.finra.org/rulefilings/2009-089. ([Link](#))

Trading and Market Making

The evolving market structure and changes to the regulatory framework create unique compliance issues for broker-dealers engaged in trading and market making. RRS provides compliance examinations based on FINRA's TMMS examination that includes:

- Regulation NMS Compliance
- Order handling
- Best execution
- Trade reporting
- Order execution and routing disclosures
- Payment for order flow disclosures
- OATS compliance
- REG SHO
- Trader registration
- Anti-competitive practices
- Written supervisory procedures

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

**ASK ABOUT OUR ORDER HANDLING AND BEST
EXECUTION SURVEILLANCE SOLUTIONS**

**CONTACT JOHN PINTO AT
(202) 463-6575**

JOHNPINTO@RRSCOMPLIANCE.COM

NYSE—EURONEXT—AMEX

NYSE AMEX LLC to Delist Securities of:

Jesup & Lamont, Inc. ([Link](#))

Interleukin Genetics, Inc. ([Link](#))

NYSE Euronext Requests Public Statements Regarding Unusual Market Activity from:

China New Borun Corp. ([Link](#))

Geokinetics Inc. ([Link](#))

China New Borun Corporation ([Link](#))

Hyperdynamics Corp. ([Link](#))

NYSE Amex Issues Short Interest Report

Settlement date of August 31, 2010 ([Link](#))

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

NYSE Group, Inc. Issues Short Interest Report

Settlement date of August 31, 2010 ([Link](#))

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

NYSE Euronext Announces Trading Volumes for August 2010

NYSE Euronext announced trading volumes for its global derivatives and cash equities exchanges for August 2010. Global derivatives average daily volume ("ADV") increased 8.4% to 6.3 million contracts traded per day in August 2010. The increase in global derivatives ADV versus prior year levels was driven by a 30.3% increase in U.S. equity options ADV, partially offset by a 6.0% decrease in European derivatives ADV during the seasonally slower summer period. Cash equities ADV in August 2010 were down, with European and U.S. cash trading volumes decreasing 1.9% and 21.8%, respectively, compared to prior year levels. ([Link](#))

NYSE Weekly Program Trading Data Releases:

Program Trading Averaged 29.9 Percent of NYSE Volume during Aug. 23-27 ([Link](#))

Program Trading Averaged 33.4 Percent of NYSE Volume during Aug. 30-Sept. 3 ([Link](#))

Program Trading Averaged 29.0 Percent of NYSE Volume during Sept. 7-10 ([Link](#))

Program Trading Averaged 42.0 Percent of NYSE Volume during Sept. 13-17 ([Link](#))

Program Trading Averaged 29.4 Percent of NYSE Volume during Sept. 20-24 ([Link](#))

NYSE Member Firms Report Second-Quarter 2010 Results

New York Stock Exchange member firms that conduct business with the public reported a second-quarter 2010 after-tax profit of \$2.5 billion and revenues of \$36.0 billion, compared with a \$18.2 billion after-tax profit on revenues of \$63.0 billion in the second quarter of 2009. ([Link](#))

NYSE Announces Quarterly Changes to the NYSE Family of Indexes

NYSE made the following changes to the NYSE U.S. 100, NYSE International 100, NYSE TMT and the NYSE World Leaders Indexes, effective Mon., Sept. 20 as a result of quarterly re-balancing. ([Link](#))

NYSE Announces Fourth-Quarter 2010 Circuit-Breaker Levels

NYSE implemented new circuit-breaker collar trigger levels for fourth-quarter 2010 effective Friday, October 1, 2010. ([Link](#))

Barclays ETN+ S&P VEQTOR™ ETN list on NYSE Arca

NYSE Euronext announced that its wholly-owned subsidiary, NYSE Arca, began trading Barclays ETN+ S&P VEQTOR ETN. The ETNs are linked to the S&P 500 Dynamic VEQTOR Total Return Index which is calculated, maintained and published by Standard & Poor's Financial Services LLC. ([Link](#))

BlackRock Lists iShares MSCI New Zealand Investable Market Index Fund on NYSE Arca

NYSE Euronext announced that its wholly-owned subsidiary, NYSE Arca, began trading the iShares MSCI New Zealand Investable Market Index Fund. The fund is advised by BlackRock Fund Advisors. ([Link](#))

Qatar Exchange successfully launches new state-of-the-art trading system

Qatar Exchange has reached a major mile-stone in its drive to develop in Doha a world class financial center by launching the Universal Trading Platform, with the system successfully going live at the start of trading. ([Link](#))

NYSE Euronext Announces Date for Third-Quarter 2010 Earnings Release and Conference Call

NYSE Euronext will announce earnings for the third-quarter 2010 before the market opens on Tuesday, November 2, 2010. A news release will be issued at approximately 2:30 a.m. (New York) / 7:30 a.m. (Paris) and a conference call with remarks by NYSE Euronext senior management will begin at 8:00 a.m. (New York)/ 1:00 p.m. (Paris). A presentation will be referenced during the call and will be available on our website at <http://www.nyseeuronext.com/ir>. ([Link](#))

NYSE Euronext and APX to Establish NYSE Blue™, a Joint Venture Targeting Global Environmental Markets

NYSE Euronext announced plans to create NYSE Blue, a joint venture that will focus exclusively on environmental and sustainable energy markets. NYSE Blue will include NYSE Euronext's existing investment in BlueNext, the world's leading spot market in carbon credits, and APX, Inc., a leading provider of regulatory infrastructure and services for the environmental and sustainable energy markets. NYSE Euronext will be a majority owner of NYSE Blue and will consolidate its results.

Shareholders of APX, which include Goldman Sachs, MissionPoint Capital Partners, and ONSET Ventures, will take a minority stake in NYSE Blue in return for their shares in APX. Subject to customary closing conditions, including APX shareholder approval and regulatory approval, APX transaction is expected to close by end of 2010. ([Link](#))

NYSE Technologies Collaborates with Eze Castle Integration to Increase Access for Hedge Funds to its Premier Trading Solutions

NYSE Technologies, a leading global provider of end-to-end electronic trading solutions, announced a partnership with Eze Castle Integration to provide the hedge fund industry enhanced access to their global community of trading counterparties. Firms will now have direct connectivity to NYSE Technologies' Marketplace community of over 630 Broker-Dealers and execution destinations globally from Eze Castle Integration's Private Network, which serves as the communications gateway for more than 300 buy-side firms. ([Link](#))

NYSE Arca Tech 100 Index® Announces Change to Index Components

NYSE Euronext Inc. announced that the NYSE Arca Tech 100 Index replaced the following constituents in the index as a result of a corporate action. The changes were effective as of market close on Friday, September 17, 2010. ([Link](#))

NYSE Euronext Launches 'Power Partners' Customer Rewards and Recognition Program

NYSE Euronext has announced its new Power Partners Program, which recognizes and rewards companies that partner with NYSE Euronext to best meet the needs of mutual customers by providing the highest levels of functionality, access and timely enhancements. ([Link](#))

Tokyo Stock Exchange Selects NYSE Technologies to Build Futures Platform

NYSE Technologies, the commercial technology division of NYSE Euronext, announced that it has been selected by the Tokyo Stock Exchange Inc. (TSE) to build and support a new futures trading platform for the exchange. Based on the successful Tdex+ platform already trading options on the TSE since October 2009, this futures trading engine will offer best-in-class latency. ([Link](#))

China's SouFun Holdings, Ltd. Celebrates Initial Public Offering and First Day of Trading on the New York Stock Exchange

SouFun Holdings, Ltd., a leading real estate Internet portal based in Beijing, China, opened for trading on the New York Stock Exchange under the ticker symbol "SFUN" after its successful initial public offering in which it raised a total of \$124.7 million in gross proceeds. Chairman and CEO Vincent Tianquan Mo, joined by members of SouFun's management team, celebrated the company's first day of trading on the NYSE by ringing The Opening BellSM. ([Link](#))

The Philippine Stock Exchange and NYSE Euronext Celebrate Successful Launch of PSE's New Trading Platform

The Philippine Stock Exchange (PSE) and NYSE Technologies, the commercial technology division of NYSE Euronext, jointly announced the successful migration of the PSE to NYSE Technologies' NSC V900 trading platform. The new innovative trading infrastructure will enhance PSE's product range, trading performance and volume capacity. ([Link](#))

Supervisory Controls

RRS' provides a full range of services to assist with your firm's compliance with FINRA Rules 3010, 3012 and 3013, including:

- Comprehensive Risk Assessment
- Review of Supervisory Structure
- Written Policies and Procedures Gap Analysis
- Compliance Program Testing
- Report Preparation
- Draft CEO Certification
- Annual Compliance Meetings and Training
- Ongoing Compliance

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

FINCEN

Civil Money Penalty Assessed Against Pinnacle Capital Markets, LLC

FinCEN announced the assessment of a civil money penalty of \$50,000 against Pinnacle Capital Markets, LLC, Raleigh, N.C., for violating the Bank Secrecy Act. Pinnacle, without admitting or denying the allegations, consented to payment of the civil money penalty. This civil money penalty shall be satisfied by two \$25,000 payments to the United States Department of the Treasury, which include the payment of a concurrent assessment of \$25,000 by the SEC for violations of Section 17(a) of the Securities Exchange Act of 1934 and Rule 17a-8 there under. ([Link](#))

COMPREHENSIVE COMPLIANCE SOLUTIONS

WWW.RRSCOMPLIANCE.COM

FSA

FSA fines Goldman Sachs International £17.5 million for weaknesses in controls resulting in failure to provide FSA with appropriate information

FSA has fined London-based firm Goldman Sachs International (GSI) £17.5 million for breaching FSA Principles. The fine relates to GSI's failure to ensure that it had in place adequate systems and controls to enable it to comply with its UK regulatory reporting obligations. This resulted in a failure to notify the FSA of matters relating to the United States SEC investigation into the Abacus 2007-AC1 synthetic collateralized debt obligation (Abacus). ([Link](#))

FSA fines Moneywise IFA Limited for advice failings in relation to platforms

FSA has fined Moneywise IFA Limited £19,600 for failing to have sufficiently robust compliance arrangements for the investment advice it gave customers using platforms and discretionary portfolios. ([Link](#))

FSA bans insurance broker David Marriott for persistent misuse of client money

FSA has imposed a lifetime ban on David Marriott, former chief executive of two insurance intermediaries, Target Underwriting Ltd and Professional Insurance Select LTD for failing to segregate and protect money from clients' insurance premiums. ([Link](#))

Man arrested in FSA insider dealing investigation

A 64-year-old man was arrested yesterday by the City of London Police Economic Crime Directorate on suspicion of money laundering and providing false information in connection with suspected insider dealing. ([Link](#))

FSA Chairman welcomes the decisions reached on the Basel III package of capital and liquidity reforms

In a speech at the Mansion House tonight, the Chairman of the Financial Services Authority, Lord Turner, will say that to design an effective regulatory response to the financial crisis, we need to move beyond the demonization of over-paid financial traders and recognize the fundamental mistakes made by policy makers. ([Link](#))

FSA hands out three fines for failings related to Lehman-backed structured product sales

FSA has announced fines for one firm and two individuals for failures in relation to the sale of Lehman-backed structured products between November 2007 and August 2008. ([Link](#))

FSA consults on improving auditors' reports on client assets

FSA announced steps to improve the quality and consistency of auditors' reports on client assets. ([Link](#))

Mortgage broker's permission cancelled and individual fined for failing to be open with the FSA

The FSA has taken action against an individual and a mortgage broker for failings including not being open and co-operative in their dealings with the FSA. David Roberts, sole director of A-Z Mortgages Limited, has been fined £14,000 and Hygeia Mortgages and Finance Limited has had its permission to undertake regulated activities cancelled. ([Link](#))

Broker banned and fined £252,239 for payment of cash kickbacks

The FSA has fined Fabio Massimo De Biase, a former cash equities broker, £252,239 for acting without integrity. The FSA has also banned De Biase from working in the financial services industry on the grounds that he is not a fit and proper person. ([Link](#))

FSA bans partner at First Colonial Investments LLP for governance failings

The FSA has banned Gerald Classey, a partner at First Colonial Investments LLP (FCI), for several failings, including failing to exercise proper oversight of the stock-broking business of the firm and not telling the FSA about previous convictions. ([Link](#))

FSA pushes for further improvements in firms' complaints handling standards

The FSA has proposed changes to its complaints handling rules as part of a package of measures to drive up standards of complaints handling within the industry. ([Link](#))

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.FMA-USA.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.

Renaissance Regulatory Services, Inc.

350 Camino Gardens Blvd. • Suite 105 • Boca Raton, FL 33432 • (561) 368-2245

www.RRSCompliance.com

Research@RRSCompliance.com

"Find It - Before the Regulators"

The RRS' staff continually strives to ensure that the services and support we provide to our clients are the most up to date and comprehensive available. Frequently, we are able to forecast regulatory trends based on our extensive regulatory experience and the information our clients provide regarding new products, services or marketing trends. This "Find It - Before the Regulators" insight enables us to develop customized compliance solutions so that our clients can address any regulatory deficiencies before the regulators do. If you have question or suggestions, please speak with your account representative or call us at (561) 368-2245.

READER SURVEY FAX RESPONSE

TO: Louis Dempsey

RE: September 2010

Fax: (561) 807-5442

LouisDempsey@RRSCompliance.com

FROM: _____

FIRM NAME: _____ IA ___ BD ___ OTHER _____

PHONE: _____ FAX: _____

In order for us to better serve the industry with this publication we ask that you provide feedback on this issue.

Do you read the RCU each month?

What topics interest you the most?

What do you find most useful?

What would you like to see in future editions?

Are you a current client of RRS?

Are you interested in receiving information or a call from our Staff to discuss the products and services offered by RRS?

(Please include your phone number or E-mail address to schedule a conference)

Thank you for your time and effort

Bottom Line - We Want to Know!

We Want to Know How We're Doing. If You Have Comments, Complaints or Suggestions Please Do Not hesitate to call (561) 368-2245 or email:

LOUIS DEMPSEY, PRESIDENT

BART McDONALD, EXECUTIVE VICE PRESIDENT

LOUIDEMPSEY@RRSCOMPLIANCE.COM

BARTMCDONALD@RRSCOMPLIANCE.COM