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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:** Monthly FOCUS Filing Due September 26, 2011
- **NASAA:** 2011 Fall Conference, September 11-13, 2011, Wichita, KS
- **MSRB/SIFMA:** Municipal Securities Regulation Seminar September 26, 2011, New York, NY
- **MSRB/BDA:** Municipal Securities Regulation Seminar, October 6, 2011, Denver, CO
- **FINRA:** Advertising Regulation Conference, October 27-28, 2011, Washington, DC

Dodd-Frank Updates!

- SEC
- MSRB
- FEDERAL RESERVE
- CFTC

NOTABLE ITEMS IN THIS EDITION

- **SEC** – Disclosure for Asset-Backed Securities Required by Section 943 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Correction) – Page 2
- **SEC** – Charges Broker-dealer and Executive with Fraud in Sale of Investments to Wisconsin School Districts – Page 2
- **SEC** – Charges former Investment Fund Employee with Insider Trading in Marvel Stock Prior to Disney Deal – Page 2
- **SEC** – Charges Two Florida Men in Ponzi Scheme Defrauding Teachers and Retirees – Page 2
- **FINRA** – Fines Broker-dealer \$500,000 for Failing to Supervise Sales Assistant Who Misappropriated Customer Funds – Page 3
- **FINRA** – Application of the SEC's Financial Responsibility Rules in Response to the Downgrade of U. S. Long Term Credit Rating by Standard & Poor's – Page 3
- **FINRA** – Guidance on Social Networking Websites and Business Communications – Page 3
- **MSRB** – Interpretive Guidance Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities – Page 3
- **MSRB** – MSRB Publishes Timetable of Proposed Municipal Advisor Rule Effective Dates – Page 4
- **NASAA** – NASAA to Welcome Next Century of Investor Protection – Page 5

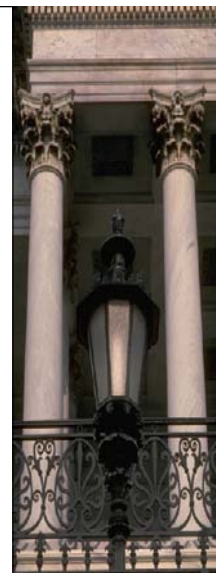
Service Spotlight: Investment Adviser Compliance Program Reviews

As the third quarter comes to a close, CCOs should be wrapping up their ongoing internal reviews or scheduling their one-time annual reviews to meet the requirements of SEC Rule 206(4)-7 under the Investment Adviser Act of 1940 ("Adviser Act"). RRS structures its compliance review to determine if your compliance program is designed to consistently and effectively prevent, detect, and correct compliance problems in a timely manner. The RRS review process is similar in scope to an SEC regulatory examination and incorporates the extensive regulatory and industry experience of our staff.

RRS implements its review through a four stage process involving: 1) risk assessment and scope; 2) onsite examination and testing; 3) compilation and vetting of RRS' analysis and findings; and 4) delivery of a written report and work papers.

Whether you want a high-level review to supplement your own internal reviews or an independent detailed transaction level review, *RRS CAN HELP.*

Contact: **Bart McDonald**
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Washington, DC – Tallahassee, FL

SEC

SEC Proposes:

New Covered Securities Pursuant to Section 18 of the Securities Act of 1933 ([Link](#))

SEC Charges:

Biopharmaceutical Company and Executives with Securities Fraud ([Link](#))

Former Professional Baseball Player Doug DeCinces and Three Others with Insider Trading ([Link](#))

Former Mariner Energy Board Member and Son with Insider Trading ([Link](#))

Stifel, Nicolaus & Co. and Executive with Fraud in Sale of Investments to Wisconsin School Districts ([Link](#))

Former Investment Fund Employee with Insider Trading in Marvel Stock Prior to Disney Deal ([Link](#))

Two Florida Men in Ponzi Scheme Defrauding Teachers and Retirees ([Link](#))

SEC Seeks Public Comment On:

Joint Stable Value Contract Study ([Link](#))

Use of Derivatives by Mutual Funds and Other Investment Companies ([Link](#))

Asset-Backed Issuers and Mortgage-Related Pools under Investment Company Act ([Link](#))

List of No Action Letters:

[8/16/2011](#) WisdomTree Managed Futures Strategy Fund

[8/16/2011](#) WisdomTree Asia Local Debt Fund

[8/29/2011](#) WisdomTree Global Real Return Fund

SEC Final Rules:

[8/1/2011](#) Adoption of Updated EDGAR Filer Manual

[8/8/2011](#) Technical Amendments to Commission Rules and Forms Related to the FASB's Accounting Standards Codification

[8/17/2011](#) Suspension of the Duty to File Reports for Classes of Asset-Backed Securities under Section 15(d) of the Securities Exchange Act of 1934

[8/25/2011](#) Disclosure for Asset-Backed Securities Required by Section 943 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Correction)

U.S. and Chinese Regulators Meet in Beijing on Audit Oversight Cooperation

The Sino-U.S. Symposium on Audit Oversight was held in Beijing. In attendance were officials from the U.S. SEC, U.S. PCAOB, China Securities Regulatory Commission (CSRC), and Chinese Ministry of Finance (MOF). The symposium, which was contemplated by the

outcomes of the third U.S.-China Strategic and Economic Dialogue (S&ED), represented an important step toward Sino-U.S. cooperation on audit oversight of public companies. At the symposium, the officials briefed each other on their respective audit oversight system and inspection procedures. They also exchanged views on how to deepen cooperation on cross-border audit oversight. ([Link](#))

SEC's New Whistleblower Program Takes Effect

With its new whistleblower program officially becoming effective, the SEC launched a new webpage for people to report a violation of the federal securities laws and apply for a financial award. ([Link](#))

SEC Recovers CFO's Bonus and Stock Sale Profits Received During Beazer Homes Accounting Fraud

The SEC announced a settlement with the former CFO of Beazer Homes USA to recover his bonus compensation and stock sale profits from the period when the Atlanta-based homebuilder was committing accounting fraud. ([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

Fee Rate Advisory #2 for Fiscal Year 2012

The SEC announced that in fiscal year 2012 the fees that public companies and other issuers pay to register their securities with the Commission will be set at \$114.60 per million dollars. ([Link](#))

SEC Halts Fraud by Manager of Startup Quantitative Hedge Fund

The SEC announced an asset freeze against a Chicago-area money manager and his hedge fund advisory firm that the SEC charged with lying to prospective investors in their startup quantitative hedge fund. A federal court entered a preliminary injunction order in the case, which was unsealed earlier this week. ([Link](#))

FINRA

FINRA Fines:

Broker-dealer \$500,000 for Failing to Supervise Sales Assistant Who Misappropriated Customer Funds ([Link](#))

Trader; Orders Restitution for Manipulative Trading that Artificially Impacted the Market through a Concealed Account ([Link](#))

Regulatory Notices:

[11-36](#) Changes to Fees for Cancelling or Rescheduling a Qualification Examination or Regulatory Element Continuing Education Session

[11-37](#) Trading Pause Rule Expanded to All NMS Stocks

[11-38](#) Application of the SEC's Financial Responsibility Rules in Response to the Downgrade of U. S. Long Term Credit Rating by Standard & Poor's

[11-39](#) Guidance on Social Networking Websites and Business Communications

[11-40](#) SEC Approves Amendments Clarifying Certain Exceptions under Trade Reporting Rules and Adopting Notice Requirement for Transactions that are Part of an Unregistered Secondary Distribution

August 2011 Disciplinary and Other FINRA Actions

FINRA has taken disciplinary actions against the following firms and individuals for violations of FINRA rules; federal securities laws, rules and regulations; and the rules of the Municipal Securities Rulemaking Board (MSRB). ([Link](#))

Stanford University and the FINRA Foundation Launch Fraud Prevention Research Center

Stanford University's Center on Longevity and the FINRA Investor Education Foundation have joined together to launch the Research Center on the Prevention of Financial Fraud, an interdisciplinary resource for law enforcement, government and research groups studying financial fraud. Financial fraud, ranging from Ponzi schemes to online phishing scams and work from home schemes, swindles Americans out of billions of dollars each year. While emerging technologies continue to fuel the expansion and reach of financial fraud, this joint initiative will support and consolidate scientific research and connect this research to practical prevention and detection efforts. ([Link](#))

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FINRA Warns Investors of Gold Stock Scams

FINRA issued a new Investor Alert called "[Gold" Stocks—Some Investments Mine Your Pocketbook](#) to warn investors about investment scams that promote gold stocks and to provide information on how to invest in legitimate gold investments. With the price of gold bullion at record levels, there has been a proliferation of blogs, websites, YouTube videos and Tweets centered on investing in gold. And while there are legitimate gold investments discussed online, FINRA is concerned that some investors may fall prey to gold-related investment scams. ([Link](#))

MSRB

MSRB Notices for August 2011:

[2011 - 36](#) Interpretive Guidance Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities

[2011 - 37](#) Financial Advisors, Private Placements, and Bank Loans

[2011 - 38](#) Amendments Filed Regarding MSRB Rule G-20 on Gifts and Gratuities

[2011 - 39](#) MSRB and SIFMA to Co-Host Municipal Securities Regulation Seminar in New York

[2011 - 40](#) MSRB Advises Dealers on Certain Obligations in Light of Potential Municipal Ratings Actions

[2011 - 41](#) Request for Comment on Draft Amendments to MSRB Rule G-21 and Draft Interpretive Notice Concerning the Application of MSRB Rule G-17 to Certain Communications

[2011 - 42](#) Request for Comment on Draft Rule G-46 (On Activities of Municipal Advisors)

[2011 - 43](#) MSRB Files with the SEC Amendments to Rule A-3 to Establish a Permanent Board Structure

[2011 - 44](#) Rule G-34(c) ARS and VRDO Data Element Clarification and Reminder of Timeliness and Accuracy Requirement

[2011 - 45](#) MSRB to Provide Written Verification of Municipal Advisor and Dealer Registration Status

[2011 - 46](#) MSRB Files Pay to Play Rule for Municipal Advisors and Changes to Dealer Pay to Play Rule

[2011 - 47](#) MSRB Files Rule G-44 (On Supervision of Municipal Advisory Activities) and Associated Amendments to Rule G-8 (On Books and Records) and G-9 (On Preservation of Records)

[2011 - 48](#) MSRB Files Municipal Advisor Duty Fiduciary Rule and Interpretive Notice

[2011 - 49](#) MSRB Files Interpretive Notice Concerning the Application of MSRB Rule G-17 to Municipal Advisors Advising Obligated Persons or Soliciting Municipal Entities on Behalf of Others

MSRB Proposes Groundbreaking Rules on Underwriters' Duties to Issuers

MSRB [requested approval from the SEC of a notice](#) that would establish detailed obligations of underwriters of municipal securities to their state and local government clients covering clear disclosure of risks and conflicts of interest, among other things. The proposal is a key piece of the MSRB's rulemaking initiatives to protect issuers in the municipal market, which is required by the Dodd-Frank Wall Street Reform and Consumer Protection Act. ([Link](#))

MSRB Warns About Application of Federal Securities Laws to Private Placements; "Bank Loans" May Be Municipal Securities

MSRB said that given the growing use of private placements as an alternative to traditional public municipal securities offerings, it is important that financial advisors to state and local government issuers understand that engaging in certain activities may cause them to be placement agents. The MSRB also warned that certain financings called "bank loans" may, in fact, be private placements of municipal securities. ([Link](#))

MSRB Publishes Timetable of Proposed Municipal Advisor Rule Effective Dates

MSRB [published a timetable](#) of effective dates for MSRB municipal advisor rules and proposed effective dates for rule initiatives. The proposed effective dates for various rule initiatives would go into effect either when the SEC approves its final definition of "municipal advisor" or on the effective date of that definition. ([Link](#))

MSRB Provides Municipal Market Guidance on U.S. Sovereign Credit Downgrade

MSRB [provided guidance to municipal market participants](#) in light of recent events related to the sovereign credit rating of the United States government. ([Link](#))

MSRB Recommends Actions by the Securities and Exchange Commission to Protect Investors

MSRB [provided recommendations](#) on municipal market disclosure to the SEC, including changes that would provide investors with additional information about municipal securities in both the primary and secondary market. The SEC is updating its interpretive guidance on federal laws governing disclosure in the municipal market. ([Link](#))

MSRB Requests Comment on Municipal Advisor Rules on Written Communications and Disclosures

MSRB [requested comment](#) on extending the MSRB's rule on advertisements to cover municipal advisors and on a draft interpretive notice covering other forms of marketing communications. It also [requested comment](#) on a new rule requiring municipal advisors to evidence their engagements in writing, as well as to make certain required disclosures. Comments should be submitted by to the MSRB by September 14, 2011. ([Link](#))

MSRB Proposes Permanent 21-Member Board of Directors

MSRB [proposed to establish](#) a permanent 21-member, public-majority Board of Directors. ([Link](#))

MSRB Publishes New Quarterly Municipal Market Statistics

MSRB released market statistics on second quarter 2011 trading data and other figures for the \$3.7 trillion municipal bond market. ([Link](#))

MSRB to Provide Written Verification of Municipal Advisor and Dealer Registration Status

MSRB announced [it will provide written verification of the registration status of municipal advisors and dealers](#) so state and local governments and others can verify that these firms are currently registered with the MSRB. ([Link](#))

MSRB Proposes Regulations to Further Curb Influence of Political Contributions in the Municipal Market

The MSRB [proposed regulations](#) that would help prevent the influence of political contributions by municipal advisors in the award of business by state and local government officials. ([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 Proposes Fiduciary Duty Rule for Municipal Advisors

The MSRB [proposed a rule and related guidance](#) to govern the fiduciary duty owed by municipal advisors to state and local government clients, and other municipal entity clients. The proposal is a key element in new regulations to safeguard the interests of state and local governments and other municipal entities in municipal finance transactions. ([Link](#))

MSRB Proposes Guidance on Fair Dealing Obligations of Municipal Advisors to Obligated Persons and State and Local Governments

The MSRB [requested approval](#) from the SEC of a notice that would establish fair dealing obligations of municipal advisors when providing advice to obligated person clients or when soliciting business from state or local governments or other municipal entities (such as public pension funds) on behalf of third parties. The proposal is one of a series of rulemaking initiatives the MSRB has filed with the SEC under the Dodd-Frank Wall Street Reform and Consumer Protection Act. ([Link](#))

MSRB Publishes First Report on Municipal Bond Continuing Disclosure Documents

The MSRB [published its first report](#) summarizing the type and number of continuing disclosure documents for municipal securities available on the MSRB's [Electronic Municipal Market Access \(EMMA\)](#) website. ([Link](#))

NASAA

NASAA to Welcome Next Century of Investor Protection

State and provincial securities regulators will gather in Kansas, the home of the first state securities law, next month to commemorate the centennial of blue sky securities regulation and to discuss the past, present and future of investor protection and securities regulation. ([Link](#))

Con Artists Find Profit in Get-Rich Schemes Tied to Economic Uncertainty

The NASAA released its annual list of financial products and practices that threaten to trap unwary investors, many by taking advantage of investors troubled by lingering economic uncertainty and volatile stock markets. ([Link](#))

NASDAQ—NASDAQ-TRADER—

OTCBB

NASDAQ Halts Trading of:

Sinotech Energy LTD. ([Link](#))

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

Settlement Date July 29, 2011 ([Link](#))

Settlement Date August 15, 2011 ([Link](#))

Equity Regulatory Alert:

[2011 - 11](#) NASDAQ OMX Recognizes Additional Qualification Exam and Registration Categories for Proprietary Trading Firms

Equity Trader Alert:

[2011 - 40](#) NASDAQ OMX to Offer Pre-Trade Risk Management for BX and PSX

[2011 - 41](#) PSX Announces Pricing Changes Effective September 1, 2011

[2011 - 42](#) NASDAQ OMX Operations and Preparation for the Approaching Hurricane

[2011 - 43](#) NASDAQ OMX Will Open and Operate Normally on Monday, August 29th

[2011 - 44](#) NASDAQ Announces Pricing Changes Effective September 1, 2011

Equity Technical Update:

[2011 - 11](#) OUCH, FIX Lite and RASH Specifications Updated to Support Pre-Trade Risk Management for BX and PSX

Options Trader Alert:

[2011 - 38](#) The NASDAQ Options Market Transitions Options Customer Service and Trade Support

[2011 - 39](#) The NASDAQ Options Market Sets Port Fees for NOM 2.0

[2011 - 40](#) PHLX Implements Reversal and Conversion Cap, Effective August 18, 2011

[2011 - 41](#) NASDAQ OMX Announces NOM 2.0 Rollout Details

[2011 - 42](#) PHLX Updates Symbols in the Make/Take Pricing Program Effective September 1, 2011

[2011 - 43](#) The NASDAQ Options Market Updates Trading Closing Time for Certain Symbols

[2011 - 44](#) NASDAQ OMX PHLX Updates the PHLX XL System Settings

[2011 - 45](#) NASDAQ OMX to Continue the NOM 2.0 Rollout

Options Technical Update:

[2011 - 8](#) NOM 2.0 Customer Production Test on Saturday, August 6, 2011

[2011 - 9](#) NOM 2.0 Customer Production Test on Saturday, August 13, 2011

[2011 - 10](#) Final NOM 2.0 Customer Production Test on Saturday, August 20, 2011

Options Regulatory Alert:

2011 - 14 Position and Exercise Limits Increase for Standard and Poor's Depository Receipts

Financial Products News:

2011 - 46 NASDAQ OMX to Disseminate a New Global Series of Russell Stability Indexes on RussellTick

2011 - 47 NASDAQ OMX to Disseminate New Russell-Axioma Momentum Indexes on RussellTick

2011 - 48 NASDAQ OMX to Disseminate New Russell U.S. Small Cap IDI Indexes on RussellTick Effective Monday, September 12, 2011

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

UTP Vendor Alert:

2011 - 2 UTP SIP Reminds Firms of Message Sequence Reset Procedures

2011 - 3 Update on UQDF Message Sequence Reset Issue

NASDAQ Welcomes Carbonite to the NASDAQ Global Market

The NASDAQ OMX Group, Inc. announced that the trading of Carbonite commenced on the NASDAQ Global Market on Thursday, August 11,

2011. Carbonite, a provider of online data backup solutions, is listed under the ticker symbol [CARB](#). ([Link](#))

NASDAQ Welcomes Tudou Holdings Limited to the NASDAQ Stock Market

The NASDAQ OMX Group, Inc. announced that the trading of Tudou Holdings Limited, a leading online video platform in China, commenced on The NASDAQ Stock Market on Wednesday, August 17, 2011. Tudou is listed under the ticker symbol [TUDO](#). ([Link](#))

FINRA Announces Name Change Transition from OTCBB to NNQS

FINRA is notifying all interested parties that, as set forth in FINRA Rule Filing [SR-FINRA-2011-019](#), FINRA will rename the OTC Bulletin Board (OTCBB or Over-the-Counter Bulletin Board) facility as the Non-NMS Quotation Service (NNQS). ([Link](#))

NYSE - EURONEXT - AMEX**NYSE AMEX LLC to Delist Securities of:**

Longtop Financial Technologies Limited ([Link](#))

NYSE AMEX Issues Short Interest Report:

Settlement date of July 29, 2011 ([Link](#))

Settlement date of August 15, 2011 ([Link](#))

NYSE Group, Inc. Issues Short Interest Report:

Settlement date of July 29, 2011 ([Link](#))

Settlement date of August 15, 2011 ([Link](#))

NYSE Weekly Program Trading Data Releases:

Program Trading Averaged 30.8 Percent of NYSE Volume during July 25-29 ([Link](#))

Program Trading Averaged 29.8 Percent of NYSE Volume during Aug. 1-5 ([Link](#))

Program Trading Averaged 31.3 Percent of NYSE Volume during Aug. 8-12 ([Link](#))

Program Trading Averaged 32.0 Percent of NYSE Volume during Aug. 15-19 ([Link](#))

NYSE Euronext Accelerates Growth in Asia with Strategic Acquisition of Metabit, a Leading Provider of Market Access Products

NYSE Euronext announced it has entered into a definitive agreement to acquire Metabit, a leading Tokyo-based provider of high performance market access products throughout Japan and Asia. Metabit will operate as a product line within the NYSE Technologies portfolio. The transaction is expected to close in third quarter of 2011. Terms of the acquisition were not disclosed. ([Link](#))

NYSE Euronext Announces Second Quarter 2011 Financial Results

NYSE Euronext reported net income of \$154 million, or \$0.59 per diluted share, for the second quarter of 2011, compared to net income of \$184 million, or \$0.70 per diluted share, for the second quarter of 2010. Results for the second quarter of 2011 and 2010 include \$18 million and \$32 million, respectively, of pre-tax merger expenses and exit costs. The \$18 million in merger expenses and exit costs in the second quarter of 2011 included \$12 million related to the proposed merger with Deutsche Boerse. Second quarter of 2010 results also included a net \$54 million pre-tax gain from disposal activities. Excluding merger expenses, exit costs, disposal activities and discrete tax items, net income in the second quarter of 2011 was \$160 million, or \$0.61 per diluted share, compared to \$167 million, or \$0.64 per diluted share, in the second quarter of 2010. ([Link](#))

NYSE Euronext Goes Carbon Neutral

NYSE Euronext (NYX) announced that it is making the entire company carbon neutral. Building on its existing energy efficiency and conservation efforts, the company announced that it has purchased renewable-energy certificates and carbon offsets that together neutralize the remaining environmental impact of the company's global operations, making it the only global exchange operator and technology provider to achieve such a status. ([Link](#))

NYSE Technologies to Build SFTI Access Center at DuPont Fabros' Piscataway NJ1 Data Center

NYSE Technologies, the global commercial technology unit of NYSE Euronext announced that it has entered into a strategic agreement with DuPont Fabros Technology, Inc. to build and operate a SFTI Access Center at their NJ1 data center facility in Piscataway, NJ. ([Link](#))

European Commission Extends Review of Planned Business Combination of Deutsche Börse and NYSE Euronext

Deutsche Börse AG and NYSE Euronext confirm that the European Commission has initiated a Phase II review of their proposed business combination. The European Commission's decision to open an in-depth investigation was fully anticipated and does not in any way prejudice or prejudice the ultimate outcome. ([Link](#))

NYSE Euronext Announces Trading Volumes for July 2011

NYSE Euronext announced trading volumes for its global derivatives and cash equities exchanges for July 2011. Global derivatives average daily volume ("ADV") of 8.0 million contracts in July 2011 increased 12.6% versus the prior year driven by a 33.7% increase in U.S. options ADV partially offset by a 6.2% decrease in European derivatives. Cash equities ADV in July 2011 was mixed, with European cash ADV increasing 15.8% and U.S. cash trading ADV decreasing 23.9% from July 2010 levels. ([Link](#))

NYSE Technologies Announces Major Enhancements to SuperFeed

NYSE Technologies, the commercial technology division of NYSE Euronext announced significant enhancements to its super-low latency real-time market data solution, SuperFeed. Market participants will now have seamless access to new direct data feed content and value-added services from from NYSE Global Indices, Nasdaq OMX BX, Nasdaq OMX PSX, BATS, Athens Stock Exchange, Johannesburg Stock Exchange, and Cyprus Stock Exchange with the NYSE Technologies proven performance and reliability. ([Link](#))

NYSE Hosts Identity Theft Training for Law Enforcement

LifeLock, the industry leader in identity theft protection and the FBI Law Enforcement Executive Development Association presented an identity theft summit for Federal, State, and Local Law Enforcement. Hosted by the NYSE, the free summit provided law enforcement officials with actual case information, along with information on various generations of identity theft, new scamming techniques and the most effective investigative strategies. More than 150 law enforcement officials representing over 50 different agencies registered to attend the one-day training session. ([Link](#))

NYSE Euronext Selects Solarflare's 10 Gigabit Ethernet Products for its State-of-the-Art Data Centers in the US and UK

NYSE Euronext, a leading exchange operator and provider of innovative financial technology solutions, and Solarflare, the leader in application-intelligent 10 Gigabit Ethernet (10GbE) hardware and software, announced that NYSE Euronext has selected Solarflare's 10 Gigabit Ethernet (10GbE) server adapters and OpenOnload software to accelerate its trading network. NYSE Euronext implemented Solarflare's solution in its next-generation data centers. ([Link](#))

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NYSE Liffe U.S. Passes 100,000 in Open Interest in Mini MSCI Index Futures

NYSE Liffe U.S., the U.S. futures exchange of NYSE Euronext, announced that Open Interest in the family of mini MSCI Index futures trading on the exchange surpassed the 100,000 contract milestone. In just 8 weeks since completing the contract migration from CME of contracts based on MSCI Emerging Markets and MSCI EAFE indices, Open Interest in the mini MSCI complex has increased more than 35% to 102,214 as of August 16, 2011. ([Link](#))

Corporate Board Member/FTI Consulting Survey Finds Companies Grappling with Governance Issues and Rising Risk

The 11th Annual Legal Study by Corporate Board Member and FTI Consulting, Inc. suggests that recent regulatory action, while well-intentioned, is contributing to governance gridlock and increased liability, with the Dodd-Frank Wall Street Reform and Consumer Protection Act and its whistleblower policy at the forefront. Additionally, escalating risk, particularly in the areas of operations, data security, and e-discovery, is a chief concern among directors and general counsel. ([Link](#))

CFIUS Completes Review of NYSE Euronext and Deutsche Boerse Combination

NYSE Euronext announced that it has been notified that the Committee on Foreign Investment in the United States (CFIUS) has completed its review of the combination transaction with Deutsche Boerse AG without objection to the transaction going forward. ([Link](#))

FINCEN

Advisories/Bulletins/Fact Sheets:

[FIN-2011-A013](#) Guidance to Financial Institutions on the Commercial Bank of Syria

FDIC, FinCEN, and the State of Florida Office of Financial Regulation Assess Civil Money Penalties against Ocean Bank

The FDIC, FinCEN, and the State of Florida Office of Financial Regulation announced the assessment of concurrent civil money penalties of \$10.9 million against Ocean Bank, Miami, Florida, for violations of federal and state Bank Secrecy Act and anti-money laundering laws and regulations. Ocean Bank, without admitting or denying the allegations, consented to payment of the civil money penalties, which was satisfied by a single payment to the U.S. Government. ([Link](#))

FSA

FSA Has Fined and/or Banned:

Sir Ken Morrison £210,000 for Disclosure and Transparency Rules Failings ([Link](#))

Firm £8m for Market Abuse ([Link](#))

FSA Published:

New Rules for Platforms ([Link](#))

Recovery and Resolution Plans Consultation ([Link](#))

Amount of Redress Paid to PPI Complainants in First Half of 2011 ([Link](#))

Joint Consultation Paper on the Transfer of Regulatory Responsibility for Credit Unions in Northern Ireland ([Link](#))

FSA Enters Into an Agreement to Sell TRS to the London Stock Exchange

The FSA has entered into a conditional agreement to sell its Approved Reporting Mechanism known as the Transaction Reporting System to the London Stock Exchange for £15m. ([Link](#))

Investment Banker and Two Associates Charged with Insider Dealing

The FSA has charged Thomas Ammann, an investment banker, with three counts of insider dealing contrary to section 52 of the Criminal Justice Act 1993. Christina Weckwerth, who lives in Germany, has been charged with two counts of insider dealing contrary to section 52 of the Criminal Justice Act 1993, and Jessica Mang, has been charged with one count of insider dealing contrary to section 52 of the Criminal Justice Act 1993. ([Link](#))

Tribunal Upholds FSA Decision to Ban and Fine Hedge Fund CEO and CFO £2.1m for Deceiving Investors and Market Abuse

The Upper Tribunal (Tax and Chancery Chamber) has directed the FSA to fine Michiel Weiger Visser £2 million and Oluwole Modupe Fagbulu £100,000 and ban them both from performing any role in regulated financial services for breaching Principle 1 of the FSA's Statements of Principle for Approved Persons and for engaging in market abuse. ([Link](#))

Three Sentenced to Jail for Operating £27.5m Boiler Room Scam

Three men were sentenced at Southwark Crown Court to a total of 19 years in jail for boiler room fraud, following a long running and detailed investigation by the FSA, City of London Police and Eurojust. The Crown Prosecution Service conducted the prosecution. ([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

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- 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
- Complanet – 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: August 2011

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