

Routing

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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 February 24th, 2011
- **MSRB:** 2011 Outreach Seminar, February 15, 2011, Austin, TX
- **FINRA:** Annual Fixed Income Conference, March 7, 2011, New York, NY
- **FINRA:** Annual Conference, May 23 – 25, 2011, Washington, DC.
- **NASAA:** 2011 Public Policy Conference, March 27-28, 2011, Washington, DC

NOTABLE ITEMS IN THIS EDITION

- **SEC** – Releases Staff Study Recommending a Uniform Fiduciary Standard of Conduct for Broker-Dealers and Investment Advisers – Page 2
- **SEC** – Study on Enhancing Investment Adviser Examinations – Page 2
- **SEC** – Publishes Staff Study on Investor Access to Information About Investment Professionals – Page 2
- **SEC** – Approves New Rules Regulating Asset-Backed Securities – Page 2
- **SEC** – Charges Investment Firm with Illegally Dumping Billions of Penny Stock Shares – Page 2
- **SEC** – Charges Former Portfolio Managers with Defrauding Utah Municipal Bond Fund – Page 2
- **FINRA** – Orders Schwab to Pay \$18 Million to Investors for Improper Marketing of YieldPlus Bond Fund – Page 3
- **FINRA** – Final Renewal Statements for Broker-Dealers, Investment Adviser Firms, Agents and Investment Adviser Representatives, and Branches – Page 3
- **FINRA** – SEC Approves Consolidated FINRA Rules Governing Know-Your-Customer and Suitability Obligations – Page 3
- **FINRA** – FINRA Expands the Order Audit Trail System to All NMS Stocks – Page 3
- **FINRA** – Requests Comment on Proposed Amendments to FINRA Rule 5122 to Address Member Firm Participation in Private Placements – Page 3
- **MSRB** – Request for Comment on Pay to Play Rule for Municipal Advisors – Page 4
- **NASAA** – Statement on SEC Study on Investment Adviser Oversight – Page 4
- **NASAA** – Statement on SEC Study on the Obligations of Brokers, Dealers and Investment Advisers – Page 4

Service Spotlight: AML Program Testing

The USA PATRIOT Act, FINRA and NYSE rules require regular and independent testing of a firm's anti-money laundering compliance programs (AML). RRS' AML compliance testing service offers an in-depth review of your firm's AML program to measure their effectiveness at detecting suspicious activity, monitoring OFAC compliance, and performing appropriate due diligence of customers so that a firm can meet the required element for independent annual compliance testing of its AML program.

Contact:
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Washington, DC – Pittsburgh, PA

SEC

SEC Releases Staff Study Recommending a Uniform Fiduciary Standard of Conduct for Broker-Dealers and Investment Advisers

The SEC submitted to Congress a staff study recommending a uniform fiduciary standard of conduct for broker-dealers and investment advisers -- no less stringent than currently applied to investment advisers under the Advisers Act -- when those financial professionals provide personalized investment advice about securities to retail investors. ([Link](#))

Study on Enhancing Investment Adviser Examinations

The Study was prepared by the staff of the Commission's Division of Investment Management with assistance from other Divisions and Offices, and was approved for release by the Commission. ([Link](#))

SEC Publishes Staff Study on Investor Access to Information about Investment Professionals

The SEC announced that it has published a staff study recommending steps to help investors better access information about investment professionals. ([Link](#))

SEC Approves New Rules Regulating Asset-Backed Securities

The SEC voted to adopt two sets of new rules designed to help revitalize the important asset-backed securities (ABS) market by encouraging better disclosure for investors. ([Link](#))

Broker Accused of Defrauding Elderly Nuns Settles Case with SEC

The SEC announced that a Long Island, N.Y.-based broker has agreed to settle charges against him for defrauding a congregation of mostly elderly nuns in the Bronx. ([Link](#))

SEC Proposes Rule for the Timely Acknowledgment and Verification of Security-Based Swap Transactions

The SEC voted to propose a rule governing the way in which certain security-based swap transactions are acknowledged and verified by the parties who enter into them. ([Link](#))

SEC Freezes Assets in Biotech Insider Trading Case

The SEC announced that it has obtained a court order freezing the bank and brokerage accounts controlled by an individual who made more than \$800,000 in illegal profits by trading on inside information tipped to him by an employee of a Seattle-area biopharmaceutical firm. ([Link](#))

SEC Proposes Private Fund Systemic Risk Reporting Rule

The SEC proposed a rule to require advisers to hedge funds and other private funds to report information for use by the Financial Stability Oversight Council (FSOC) in monitoring risk to the U.S. financial system. ([Link](#))

SEC Proposes Net-Worth Standard for Accredited Investors under Dodd-Frank Act

The SEC voted to propose amendments to its rules to conform the definition of "accredited investor" to the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act. ([Link](#))

SEC Adopts Rules for Say-on-Pay and Golden Parachute Compensation as Required Under Dodd-Frank Act

The SEC adopted rules concerning shareholder approval of executive compensation and "golden parachute" compensation arrangements as required under the Dodd-Frank Wall Street Reform and Consumer Protection Act. ([Link](#))

SEC Institutes Proceedings Against California Attorney for Falsifying Documents for Production to SEC Staff

The SEC instituted administrative proceedings against a California-based attorney for engaging in improper professional conduct during an SEC examination. ([Link](#))

SEC Releases Money Market Fund Portfolio and "Shadow NAV" Information to the Public

The SEC announced that investors can for the first time access detailed information that money market funds file with the Commission -- including information about a fund's investments and the market-based price of its portfolio known as its "shadow NAV" (net asset value) or mark-to-market valuation. ([Link](#))

RRS COMPLIANCE EXAMINATIONS

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INCREASE EFFECTIVENESS

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SEC Charges:

Investment Firm with Illegally Dumping Billions of Penny Stock Shares ([Link](#))

Former Portfolio Managers with Defrauding Utah Municipal Bond Fund ([Link](#))

New York Hedge Fund and Wall Street Professionals in Galleon-Related Enforcement Action ([Link](#))

Schwab Entities and Two Executives with Making Misleading Statements ([Link](#))

Government Website Provider and Four Executives with Failure to Disclose CEO Perks ([Link](#))

Former Board Chairman of Home Diagnostics Inc. and Two Business Associates in Insider Trading Scheme ([Link](#))

Arizona-Based Health Food Company and Former Executives with Accounting Fraud ([Link](#))

Long Island-Based Money Manager for Fraudulent Investment Scheme ([Link](#))

N.Y.-Based Penny Stock Promoter with Fraud ([Link](#))

Offshore Company in Massive Life Settlement Bonding Fraud ([Link](#))

New York Investment Firms and Senior Officers with Fraud ([Link](#))

Former CEO of Innospec for Role in Bribery Scheme ([Link](#))

Merrill Lynch for Misusing Customer Order Information and Charging Undisclosed Trading Fees ([Link](#))

Connecticut-Based Hedge Fund Manager for Fraudulent Misuse of Investor Assets ([Link](#))

Maxwell Technologies for Long-Running Bribery Scheme in China ([Link](#))

A Greensboro, N.C.-based investment adviser firm and its owner with defrauding investors in two hedge funds by secretly diverting millions of dollars to themselves through various self-dealing transactions ([Link](#))

SEC Final Rules:

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

Rules of Practice ([Link](#))

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

Issuer Review of Assets in Offerings of Asset-Backed Securities ([Link](#))

Shareholder Approval of Executive Compensation and Golden Parachute Compensation ([Link](#))

No-Action Letters for Investment Advisors

[01/06/11](#) – Adams Express Company

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CUTTING EFFECTIVENESS

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FINRA

FINRA Orders Schwab to Pay \$18 Million to Investors for Improper Marketing of YieldPlus Bond Fund

FINRA announced that it has ordered Charles Schwab & Company, Inc., to pay \$18 million into a Fair Fund to be established by the SEC to repay investors in YieldPlus, an ultra short-term bond fund managed by

Schwab's affiliate, Charles Schwab Investment Management. The \$18 million consists of the \$17.5 million in fees that Schwab collected for sales of the fund, plus a fine of \$500,000, both of which will have been designated as restitution to customers. ([Link](#))

FINRA Foundation and NFL Team Up to Help Players Avoid Investment Fraud, Make Smart Financial Decisions

FINRA Investor Education Foundation and the National Football League (NFL) announced that they are working together to help incoming NFL players spot and avoid investment fraud and begin their playing careers by making informed financial decisions. ([Link](#))

Regulatory Notices:

[11-01](#) Final Renewal Statements for Broker-Dealers, Investment Adviser Firms, Agents and Investment Adviser Representatives, and Branches

[11-02](#) SEC Approves Consolidated FINRA Rules Governing Know-Your-Customer and Suitability Obligations

[11-03](#) FINRA Expands the Order Audit Trail System to All NMS Stocks

[11-04](#) FINRA Requests Comment on Proposed Amendments to FINRA Rule 5122 to Address Member Firm Participation in Private Placements

Information Notices:

[1/6/2011](#) New Rate for Fees Paid Under Section 31 of the Exchange

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

January 2011 Disciplinary and Other FINRA Actions

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

MSRB

MSRB Notices for January 2011:

[2011-01](#) MSRB to Host Outreach Seminar in Austin, Texas

[2011-02](#) MSRB Announces Gateway Registration and Account Management Webinars

[2011-03](#) MSRB Announces Primary Market Submission Service Webinars

[2011-04](#) Request for Comment on Pay to Play Rule for Municipal Advisors

[2011-05](#) Candidates Requested For MSRB Board of Directors

[2011-06](#) MSRB Files with the SEC Rule Changes to Establish Term and Composition of Next Board Class

FINOP Support Services

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

RRS services include:

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

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

NASAA

NASAA Helps Prospective Entrepreneurs Evaluate Franchise Opportunities

As the unemployment rate continues to hover above 9 percent, the uncertainty of the job market may encourage would-be entrepreneurs to take their futures in their own hands by opening a small business. Investing in an established franchise can be an attractive path to becoming your own boss, but the North American Securities Administrators Association (NASAA) cautions investors to be mindful of the risks and realities of franchising. ([Link](#))

NASAA Statement on:

GAO Financial Planner Study ([Link](#))

SEC Study on Investment Adviser Oversight ([Link](#))

SEC Study on the Obligations of Brokers, Dealers and Investment Advisers ([Link](#))

NASDAQ—NASDAQ-TRADER

NASDAQ Halts Trading of:

Oconee Federal Financial Corporation ([Link](#))

United Western Bancorp Inc. ([Link](#))

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

Oconee Federal Financial Corporation ([Link](#))

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

Settlement Date January 14, 2011 ([Link](#))

Equity Regulatory Alert:

[2011 - 1](#) Section 31 Fees to be adjusted per SEC Section 31 Rate Change

[2011 - 2](#) Update on The NASDAQ Stock Market’s Modified Sponsored Access Rule

Equity Trader Alert:

[2011 - 1](#) NASDAQ Pricing Changes

[2011 - 2](#) NASDAQ Clarifies its Calculation of Average Daily Volume

[2011 - 4](#) NASDAQ OMX PSX Updates Transaction Pricing Effective Tuesday, February 1, 2011

[2011 - 5](#) NASDAQ Updates Routing Fees and Closing Cross Pricing Effective February 1, 2011

[2011 - 6](#) NASDAQ OMX Announces New Launch Date for Short Sale Monitor

[2011 - 7](#) NASDAQ to Begin Listing a New ETF on Friday, January 28, 2011

[2011 - 8](#) New Permission Levels for Weblink ACT 2.0

[2011 - 9](#) NASDAQ Introduces the LIST Routing Strategy, Effective February 14, 2011

Equity Technical Update:

[2011 - 1](#) Testing for Reg SHO Changes Available Saturday, February 12, 2011 and Saturday, February 26, 2011

Options Trader Alert:

[2011 - 1](#) NASDAQ OMX PHLX Announces Enhancements to the Complex Order System

[2011 - 2](#) NASDAQ OMX PHLX Updates the Firm Related Equity Option Cap

[2011 - 3](#) NASDAQ OMX PHLX to Implement Enhancements to the Complex Order System on Tuesday, February 1, 2011

[2011 - 4](#) NASDAQ OMX PHLX Announces New Complex Order Pricing

Options Technical Update:

[2011 - 1](#) NASDAQ OMX PHLX Updates Executing Broker Field Indication for Clearing Trades to OCC

[2011 - 2](#) PHLX to Offer a New Port Type for the PHLX XL Specialized Quote Feed

[2011 - 3](#) The NASDAQ Options Market Updates Technical Specifications to Support NOM 2.0

Options Regulatory Alert:

[2011 - 1](#) PHLX Revises Rules Related to Permit Holder Affiliations with Member Organizations

[2011 - 2](#) PHLX Announces Margin Levels for Select Currency Options

[2011 - 3](#) PHLX Amends Obvious Errors and Catastrophic Errors Rule 1092

Financial Products News:

[2011 - 1](#) NASDAQ OMX to Begin Dissemination of New CRSP U.S. Total Market Index on Global Index Data Service (GIDS)

[2011 - 2](#) Select Russell Total Return Indexes on RussellTick to be Disseminated in Real-Time

[2011 - 3](#) NASDAQ OMX to Begin Dissemination of New Third Party European ETF Data on Global Index Data Service (GIDS)

[2011 - 4](#) Missing Index Values Supplied for Select NASDAQ Indexes

[2011 - 5](#) NASDAQ Experienced a Technical Issue Involving Several Indexes

Data Technical News:

[2011 - 1](#) NASDAQ OMX to Implement MFDS Format Changes on Monday, May 23, 2011

[2011 - 2](#) The NASDAQ Options Market Announces Market Data Feed Enhancements

[2011 - 3](#) Reg SHO Testing Availability

NYSE—EURONEXT—AMEX

NYSE Suspends Trading in:

Volt Information Sciences, Inc. ([Link](#))

Capitol Bancorp Limited and Related Securities ([Link](#))

NYSE AMEX LLC to Delist Securities of:

RegeneRx Biopharmaceuticals, Inc. ([Link](#))

NYSE Euronext Requests Public Statements Regarding Unusual Market Activity from:

China Shen Zhou Mining & Resources, Inc. ([Link](#))

Nautilus, Inc. ([Link](#))

Ambow Education Holding Ltd. ([Link](#))

NYSE Amex Issues Short Interest Report

Settlement Date of December 31, 2010 ([Link](#))

Settlement Date of January 14, 2011 ([Link](#))

NYSE Group, Inc. Issues Short Interest Report

Settlement Date of December 31, 2010 ([Link](#))

Settlement Date of January 14, 2011 ([Link](#))

NYSE Weekly Program-Trading Data Releases:

Program Trading Averaged 31.8 Percent of NYSE Volume during Dec. 27-31 ([Link](#))

Program Trading Averaged 27.7 Percent of NYSE Volume during Jan. 3-7 ([Link](#))

Program Trading Averaged 26.1 Percent of NYSE Volume during Jan. 10-14 ([Link](#))

Program Trading Averaged 31.0 Percent of NYSE Volume during Jan. 18-21 ([Link](#))

Initial Public Offerings:

Demand Media, Inc. ([Link](#))

Anti-money Laundering Programs

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

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

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

NYSE Euronext Announces its 2012 and 2013 Holiday Calendar and Early Closings for NYSE, NYSE Amex and NYSE Arca

NYSE Euronext announced the 2012 and 2013 holiday calendar and early closing dates for its U.S. cash equity markets: New York Stock Exchange, NYSE Amex and NYSE Arca. These dates also apply to the NYSE Bonds, NYSE Amex Options and NYSE Arca Options markets. ([Link](#))

Record Year for NYSE Euronext's Global Derivatives Business

NYSE Euronext's global derivatives business achieved a record year in 2010. Overall average daily volume of 8.43 million contracts represented an increase of 24% on 2009. Volumes from clients based outside Europe, particularly in the United States and Asia, continued to show above-average growth. ([Link](#))

NYSE Euronext Led U.S. Market for IPOs and New Listings in 2010

NYSE Euronext led the U.S. market for Initial Public Offerings (IPOs) and new listings both in total capital raised as well as number of transactions in 2010, with \$39.1 billion in IPO proceeds raised on the NYSE through a total of 99 IPOs, including a record 22 IPOs from China and a rising share of technology companies. The NYSE also gained 14 listing transfers from Nasdaq, the largest number since 2003, when 20 companies transferred to the NYSE. And the \$41 billion combined market capitalization of transfers from Nasdaq to the NYSE in 2010 was the highest since 2002, when the total combined market capitalization of Nasdaq transfers to the NYSE was \$59 billion. ([Link](#))

NYSE Euronext Announces Trading Volumes for December 2010

NYSE Euronext announced trading volumes for its global derivatives and cash equities exchanges for December 2010[1]. Global derivatives average daily volume ("ADV") of 6.7 million contracts traded per day in December 2010 decreased 6.2% versus the prior year. The decrease in global derivatives ADV versus prior year levels was driven primarily by a 17.7% decrease in European derivatives, partially offset by an 8.7% increase in U.S. equity options ADV. Cash equities ADV in December 2010 was mixed, with European cash ADV increasing 12.9% and U.S. cash trading volumes decreasing 13.5% from December 2009 levels. ([Link](#))

NYSE Euronext U.S. Options Exchanges Complete First Phase of Platform Capacity Initiative

NYSE Euronext announced that its U.S. options exchanges, NYSE Arca and NYSE Amex options have completed the first phase of a significant technology upgrade program that will double capacity for both exchanges. NYSE Euronext U.S. Options continues to enhance its value proposition to customers by upgrading the core matching engines and functionality for its exchange platforms. ([Link](#))

NYSE Euronext sets up Strategic Committee for NYSE BondMatch

NYSE Euronext announced the formation of a Strategic Committee to assist and advise its Board of Directors in implementing plans,

announced in July 2010, for a Paris-based Multilateral Trading Facility (MTF). Dubbed NYSE BondMatch, this is intended to meet user needs for transparency, liquidity and effective pre- and post-trade services on the euro-denominated bond market. ([Link](#))

NYSE Euronext Leads ETP Listings Globally in 2010

NYSE Euronext announced that NYSE Arca, its fully electronic U.S. market, and its combined European markets in Paris, Amsterdam, Brussels and Lisbon continued to show strong growth in Exchange Traded Products (ETPs) listings in 2010. ([Link](#))

First Clearing Selects NYSE Technologies for Hosted Transaction Hub

NYSE Technologies, the global commercial technology unit of NYSE Euronext, announced that it has been chosen by First Clearing, LLC, an affiliate of Wells Fargo & Company, to install its Hosted Transaction Hub. Consisting primarily of its managed connectivity and Risk Management Gateway (RMG) platforms, NYSE Technologies will integrate this customized infrastructure alongside its core SFTI connectivity service to offer First Clearing enhanced routing capabilities and significant new risk-management functionality. The Hosted Transaction Hub for First Clearing is scheduled to be fully operational in the first quarter of 2011. ([Link](#))

NYSE Euronext Global Index Group Announces 2010 Performance of Indices

In Europe, the NYSE Euronext's Global Index Group added seven new indices. These new indices included the NYSE Alternext OSEO Innovation Index®, which covers French small cap companies which have been identified as innovative. Several new indices were also introduced that support trading strategies around the main proprietary indices, CAC 40® Index; leverage and short offering three, four and five times exposure. ([Link](#))

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FINCEN

Third Quarter Reports of Mortgage Fraud Up Slightly

FinCEN released its third quarter 2010 mortgage fraud report, [Mortgage Loan Fraud SAR Filings](#). The report shows that suspicious activity reports (SARs) characterized by filers as indicating possible mortgage loan fraud (MLF) increased 2 percent to 16,693 in the third quarter of 2010 up from 16,339 MLF SARs in the 2009 third quarter. ([Link](#))

FSA

FSA Has Fined and/or Banned:

Barry Williams £25,000 and banned him from working in regulated financial services for his part in a scheme that defrauded leading London market insurers. ([Link](#))

Two partners of the investment firm Clark Rees LLP £28,000 for failing to ensure the firm made suitable recommendations to its customers regarding Unregulated Collective Investment Schemes. ([Link](#))

City Index Limited £490,000 for failing to provide accurate transaction reports to the FSA. ([Link](#))

Five mortgage intermediaries and fined one of them £104,000. ([Link](#))

Barclays Capital Securities Ltd (Barclays Capital) £1.12 million for failing to protect and segregate on an intra-day basis client money held in sterling money market deposits ([Link](#))

Barclays £7.7 million for investment advice failings and securities as much as £60 million in redress for customers. ([Link](#))

JB Sports Plc (JJB) £455,000 for failing to disclose information to the market about the true cost of two acquisitions. ([Link](#))

RBS and NatWest £2.8million for poor complaint handling. ([Link](#))

Former analyst £50,000 for disclosing misleading information. ([Link](#))

Former Senior Manager Sentenced to 27 months in Prison for Insider Dealing and Money Laundering

Neil Rollins, a former senior manager of PM Onboard Limited, a waste industry firm, was sentenced to 27 months in prison for insider dealing and money laundering. Rollins was also ordered to pay £197,000.66 in confiscation. ([Link](#))

Francois de Dietrich Sentenced to 18 Months Imprisonment for Failure to Comply with Court Order and to Cooperate with FSA Investigation

The High Court in Northern Ireland has committed Francois de Dietrich to an 18 month prison sentence after he failed to comply with a court order obtained by the FSA and statutory information requests from the FSA ordering him to give, amongst other information, details of where his assets were held. ([Link](#))

Investment Banker, His Wife and Family Friend Plead Guilty to Insider Dealing

Christian Littlewood, a senior investment banker and former FSA Approved Person, his wife Angie Littlewood (also known as Siew Yoon

Lew and Angie Lew) and a family friend Helmy Omar Sa'aid have pleaded guilty to 8 counts of insider dealing contrary to section 52 of the Criminal Justice Act 1993. They are alleged to have made approximately £590,000 profit from the trades. ([Link](#))

FSA and FRC Extend Co-Operation and Information Exchange on Audit Issues

FSA and the Financial Reporting Council (FRC) have today agreed a new memorandum of understanding (MOU) to enable a greater degree of co-operation and information exchange between the two regulators. ([Link](#))

FSA Confirms Professional Standards for Investment Advisers from 2013

FSA has confirmed that, after extensive consultation, retail investment advisers will need to hold a Statement of Professional Standing (SPS) if they want to give independent or restricted advice after January 2013. ([Link](#))

FSA Confirms Transfer of Business of Kent Reliance Building Society to OneSavings plc

TFSA announced that on 24 January it confirmed the transfer of the business of Kent Reliance Building Society to OneSavings plc under the Building Societies Act 1986. ([Link](#))

FSA Opens Public Debate on Product Intervention

FSA has published a discussion paper to open a public debate about how the FSA, and in future the proposed Consumer Protection and Markets Authority (CPMA), should pursue the objective of consumer protection and specifically the issue of product intervention. ([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.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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“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: January 2011

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

LOUISDEMPSEY@RRSCOMPLIANCE.COM

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