

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:** Quarterly FOCUS Filing Due April 25, 2012
- **MSRB:** Education and Outreach Seminar in Chicago Illinois, April 11, 2012
- **MSRB AND SIFMA:** Co-Host Chicago Municipal Securities Seminar, Chicago IL, June 13, 2012

NOTABLE ITEMS IN THIS EDITION

- **SEC** – Charges from Investigation of Secondary Market Trading of Private Company Shares – Page 2
- **SEC** – Charges Five With Insider Trading on Confidential Merger Negotiations Between Philadelphia Company and Japanese Firm – Page 2
- **SEC** – Charges Bay Area Investment Adviser for Defrauding Investors With Bogus Audit Report – Page 2
- **FINRA** – Fines Citi International Financial \$600,000 and Orders Restitution of \$648,000 for Excessive Markups and Markdowns – Page 3
- **FINRA** – SEC Approves Rule to Establish an Accounting Support Fee to Fund the Governmental Accounting Standards Board – Page 3
- **NASAA** – The JOBS Act an Investor Protection Disaster Waiting to Happen – Page 4

Service Spotlight: 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.

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SEC

SEC Announces:

Charges from Investigation of Secondary Market Trading of Private Company Shares ([Link](#))

SEC Charges:

CEO of Las Vegas-Based Penny Stock Company and Several Consultants in Pump-and-Dump Scheme ([Link](#))

Former Executive at Coca-Cola Bottling Company with Insider Trading ([Link](#))

Five With Insider Trading on Confidential Merger Negotiations Between Philadelphia Company and Japanese Firm ([Link](#))

Three Mortgage Executives With Fraudulent Accounting Maneuvers in Midst of Financial Crisis ([Link](#))

Chicago-Based Management Consultant With Insider Trading ([Link](#))

Bay Area Investment Adviser for Defrauding Investors With Bogus Audit Report ([Link](#))

Senior Executives at California-Based Firm in Stock Lending Scheme ([Link](#))

Medical Device Company Biomet with Foreign Bribery ([Link](#))

Judge Orders Brookstreet CEO to Pay \$10 Million Penalty in SEC Case

SEC announced that a federal judge has ordered the former CEO of Brookstreet Securities Corp. to pay a maximum \$10 million penalty in a securities fraud case related to the financial crisis ([Link](#))

SEC Obtains Asset Freeze Against Long Island Investment Adviser Charged with Defrauding Investors

SEC announced it has charged a New York-based investment adviser with defrauding investors in five offshore funds and using some of their money to buy himself a multi-million dollar beach resort property on Long Island ([Link](#))

Marshall Gandy Named Head of Examinations Program in SEC's Fort Worth Regional Office

Mr. Gandy has served as a Senior Regional Counsel at FINRA since 2008. Before that he was a trial counsel and enforcement attorney at the SEC, the Presiding Judge in a Dallas County Criminal Court, and an Assistant District Attorney in Dallas County. In his new position as Associate Regional Director for Examinations, Mr. Gandy will lead a staff of approximately 40 accountants, examiners, attorneys, and support personnel responsible for examining broker-dealers, investment companies, investment advisers, and transfer agents in Texas, Oklahoma, and Arkansas ([Link](#))

Availability of Staff Analysis of Market Data Related to Credit Default Swap Transactions

The staff of the SEC made available publicly an analysis of market data related to credit default swap transactions. The analysis, which was conducted by the staff of the SEC's Division of Risk, Strategy, and Financial Innovation, is available for review and comment as part of the comment file for rules the SEC proposed, jointly with the Commodity Futures Trading Commission, to further define the terms "swap dealer," "security-based swap dealer," "major swap participant," "major security-based swap participant," and "eligible contract participant." The SEC and CFTC jointly proposed those rules in December 2010 as one part of the implementation of Title VII of the Dodd-Frank Act ([Link](#))

SEC Issues Risk Alert on Strengthening Practices for Underwriting of Municipal Securities, and Investor Bulletin on Municipal Bonds

SEC issued a Risk Alert on compliance measures to help broker-dealers fulfill their due-diligence duties when underwriting offerings of municipal securities. The agency also issued an Investor Bulletin to help educate investors about municipal bonds ([Link](#))

SEC Establishes New Supervisory Cooperation Arrangements with Foreign Counterparts

SEC announced that it has established comprehensive arrangements with the Cayman Islands Monetary Authority (CIMA) and the European Securities and Markets Authority (ESMA) as part of long-term strategy to improve the oversight of regulated entities that operate across national borders ([Link](#))

Did you know? IA AML Obligations...

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

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

List of No Action Letters:

Investment Adviser Act of 1940 — Section 203(a)
Industrial Alliance, Investment Management Inc ([Link](#))

SEC Final Rules:

Rules of Organization; Conduct and Ethics; and Information and Requests ([Link](#))

Net Worth Standard for Accredited Investors ([Link](#))

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

FINOP Support Services

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

RRS services include:

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

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

FINRA**FINRA Fines:**

Citi International Financial \$600,000 and Orders Restitution of \$648,000 for Excessive Markups and Markdowns ([Link](#))

Regulatory Notices:

[12-12](#) SEC Approves Amendments to FINRA's Code of Procedure
Effective Date: March 30, 2012

[12-13](#) SEC Approves Consolidated FINRA Best Execution Rule
Effective Date: May 31, 2012

[12-14](#) FINRA Requests Comment on Proposed Amendments to NASD Rule 2340 to Address Values of Unlisted Direct Participation Programs and Real Estate Investment Trusts

[12-15](#) SEC Approves Rule to Establish an Accounting Support Fee to Fund the Governmental Accounting Standards Board

[12-16](#) Changes to Qualification Examination Fees and New Service Charge for Regulatory Element Continuing Education Sessions Taken Outside the United States

Trade Reporting Notices:**Information Notices:**

[3/1/12](#) Revised Fee for Fingerprint Processing

[3/8/12](#) New Rate for Fees Paid Under Section 31 of the Exchange Act

FINRA Foundation Military Spouse Fellowship Application Period Open From March 1-31

Now in its seventh year, the FINRA Investor Education Foundation's Military Spouse Fellowship Program has opened the application process for its class of 2012 military spouses. The FINRA Foundation Spouse Fellowship Program provides military spouse recipients with the education and training needed to earn the Accredited Financial Counselor® (AFC®) designation. Military spouses can apply to become a member of the 2012 class of fellows until March 31, 2012 ([Link](#))

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 MSRB ([Link](#))

MSRB**MSRB Regulatory Notices for March 2012:**

[2012-15](#) SEC Approved Amendments to MSRB Rule G-14, on Reports of Sales or Purchases, Including Rule G-14 RTRS Procedures, and Amendments to the Real-Time Transaction Reporting System

[2012-16](#) MSRB Files Restated Interpretive Notice on Sophisticated Municipal Market Professionals

MSRB Seeks Input on Electronic Dissemination of 529 College Savings Plan Disclosures

MSRB announced it is seeking comment on the effectiveness of internet disclosures to investors in 529 college savings plans and the concept of implementing an electronic delivery system of basic plan disclosure documents. 529 plans are established by states for families to invest money to pay for qualified higher education expenses of their beneficiaries ([Link](#))

MSRB Seeks SEC Approval of Rule to Strengthen Regulation of Broker's Brokers

MSRB requested approval from the SEC to put in place a new rule that would establish specific obligations for firms that provide secondary market liquidity for retail investors in municipal securities. The proposed regulations would also increase the duties of dealers that use these firms, called broker's brokers ([Link](#))

MSRB Requests Comment on Proposal Regarding Retail Order Periods

MSRB announced it is requesting comment on amendments to MSRB rules that would govern the responsibilities of dealers in the conduct of retail order periods. The proposed rule changes seek to address concerns regarding dealers' disregard of terms and conditions

established by issuers of municipal securities in connection with bond sales, among other practices ([Link](#))

MSRB Publishes 2011 Municipal Bond Fact Book

MSRB released a new edition of its Fact Book, an annual sourcebook that analyzes trading data, continuing disclosure submissions and other statistics for the \$3.7 trillion municipal bond market. The 2011 *Fact Book* included analysis on the 50 million trades that occurred in the municipal market over the last five years and provides key statistics unavailable elsewhere ([Link](#))

MSRB Requests Comment on Prohibiting Not Reoffered Designation In Connection with New Issues of Municipal Securities

MSRB requested comment on a proposal to prohibit brokers, dealers and municipal securities dealers from using the term “not reoffered” or “NRO” in any written communication unless it also included the initial offering price or yield information about the applicable new issue of municipal securities. The MSRB believes that the proposal would provide timely and full price discovery for all market participants, particularly state and local governments interested in ensuring that their bonds are offered at competitive prices or yields ([Link](#))

MSRB Receives SEC Approval to Begin Displaying Inter-Dealer Yield Data on the EMMA Website

MSRB received approval from the SEC to begin displaying on the MSRB’s Electronic Municipal Market Access (EMMA®) website price and yield data for municipal securities transactions between dealers. Inter-dealer yields will be displayed on the EMMA website beginning April 30, 2012 ([Link](#))

MSRB Seeks Approval on Revised Definition of Sophisticated Municipal Market Professional

The MSRB requested approval from the SEC to redefine those institutional investors capable of independently evaluating investment risks and market value of municipal securities, and exercising independent judgment in evaluating recommendations of a municipal securities dealer ([Link](#))

NASAA

The JOBS Act an Investor Protection Disaster Waiting to Happen

Congress and the White House have sacrificed investor protection for politics and are in danger of repeating a legislative mistake that has allowed promoters of fraudulent securities offerings to steal millions of dollars from investors since 1996, the NASAA said ([Link](#))

Statement on the Jumpstart Our Business Startups (JOBS) Act, H.R. 3606

Jack E. Herstein, president of the North American Securities Administrators Association and Assistant Director of the Nebraska Banking & Finance Department, Bureau of Securities, issued a

statement following a vote by the House of Representatives to approve the Jumpstart Our Business Startups (JOBS) Act, H.R. 3606 ([Link](#))

Statement on Senate Approval of the JOBS Act

NASAA President Jack E. Herstein issued a statement following the Senate vote on the “Jumpstart Our Business Startups (JOBS)” Act ([Link](#))

Offers New Resource to Help Investment Advisers Identify State Registration Requirements

NASAA launched an online resource to help investment advisers switching from federal to state securities regulatory oversight identify individual state registration requirements ([Link](#))

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NASDAQ—NASDAQ-TRADER—

OTCBB

Equity Regulatory Alert:

[2012-3](#) Sales Fees to be Adjusted per SEC Section 31 Rate Change, Effective April 1, 2012

Equity Trader Alert:

[2012-12](#) NASDAQ to Begin Listing New WisdomTree Trust ETF on Thursday, March 8, 2012

[2012-13](#) NASDAQ, BX and PSX Introduce Excessive Messaging Policy

[2012-14](#) Analog Devices, Inc. to Begin Listing on NASDAQ on Monday, April 2, 2012

[2012-15](#) CafePress Inc. Expected to Begin Trading on NASDAQ

Equity Technical Alert:

[2012-8](#) Adjustment to NASDAQ’s Automated Quote Refresh Behavior

Data News:

[2012-3](#) NASDAQ OMX Introduces NASDAQ Depth Non-Display Fee for Direct Access Subscribers

[2012-4](#) NASDAQ OMX Provides Clarification on NASDAQ Depth Non-Display Policy for Internal Use for both Direct and Indirect Subscribers

[2012-5](#) NASDAQ OMX Reminder Regarding Enhanced Display Solution Pricing for NASDAQ Depth Data and Clarification on other Distribution Models

[2012-6](#) NASDAQ OMX Global Data Policies & System Application Update

Data Technical News:

[2012-4](#) NASDAQ OMX Information LLC Updates the Timing of Enhanced Global Index Data Service (GIDS 2.0)

[2012-5](#) Analog Devices, Inc. to Begin Listing on NASDAQ on Monday, April 2, 2012

[2012-6](#) CafePress Inc. Expected to Begin Trading on NASDAQ on Thursday, March 29, 2012

Options Trader Alert:

[2012-15](#) NASDAQ OMX PHLX Introduces Complex "ACE" Parameter

[2012-16](#) NASDAQ OMX PHLX Updates Pricing

[2012-17](#) NOM Lists PHLX Sector Index Options & PHLX and NOM Pricing Update

Options Regulatory Alert:

[2012-4](#) PHLX Amends Registration and Qualification Requirements

Financial Products News:

[2012-12](#) NASDAQ OMX to Disseminate New Russell Volatility Control Indexes on RussellTick Effective March 9, 2012

[2012-13](#) NASDAQ OMX to Disseminate New Russell Europe SMID Indexes on RussellTick Effective Tuesday, March 6, 2012

[2012-14](#) NASDAQ OMX to Begin Dissemination of Two New Indexes Effective Thursday, March 22, 2012

[2012-15](#) NASDAQ OMX Announces Change of Index Names for Select on Russell Global Indexes Thursday, March 22, 2012

[2012-16](#) NASDAQ OMX Announces Change of Index Names for Select NASDAQ OMX Indexes on Monday, March 19, 2012

[2012-17](#) NASDAQ OMX Announces Launch of Additional Indexes in the NASDAQ US All Markets Index Family as Result of Semi-Annual Evaluation

[2012-18](#) Two Russell Indexes to be Disseminated in Real-Time on RussellTick Effective Tuesday, March 27, 2012

[2012-19](#) NASDAQ OMX to Disseminate New Russell Stability Indexes on RussellTick Effective April 5, 2012

[2012-20](#) NASDAQ OMX to Disseminate New Russell Indexes on RussellTick Effective April 5, 2012

[2012-21](#) Russell Index to be Disseminated in Real-Time on RussellTick Effective Monday, April 2, 2012

[2012-22](#) NASDAQ OMX to Disseminate New Russell Fundamental Indexes on RussellTick Effective Tuesday, April 10, 2012

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NYSE - EURONEXT – AMEX

NYSE to Suspend Trading in:

NYSE EURONEXT Announcements:

NYSE Euronext Announces Trading Volumes for February 2012 ([Link](#))

NYSE Euronext Announces Date for First Quarter 2012 Earnings Release and Conference Call ([Link](#))

NYSE Euronext and CF&B Communication announce the 2nd European 'Midcap Event' at NYSE Euronext in Brussels ([Link](#))

NYSE AMEX LLC to Delist of:

Common Stock of Horizon Lines, Inc. and File Form 25 with SEC ([Link](#))

Common Stock of Grubb & Ellis Company and File Form 25 with Securities and Exchange Commission ([Link](#))

NYSE AMEX Issues Short Interest Report:

Settlement date of February 29, 2012 ([Link](#))

Settlement date of March 15, 2012. ([Link](#))

NYSE Group, Inc. Issues Short Interest Report:

Settlement date of February 29, 2012 ([Link](#))

Settlement date of March 15, 2012. ([Link](#))

NYSE Weekly Program-Trading Data Releases:

Averaged 27.6 Percent of NYSE Volume during Feb. 21-24 ([Link](#))

Averaged 33.7 Percent of NYSE Volume during Feb. 27-Mar.2 ([Link](#))

Averaged 29.4 Percent of NYSE Volume during Mar. 5-9 ([Link](#))

Averaged 40.1 Percent of NYSE Volume during Mar. 12-16 ([Link](#))

Averaged 28.0 Percent of NYSE Volume during Mar. 19-2 ([Link](#))

Annual review PSI 20 Index composition

Following the annual review the following changes to the index compositions will be made ([Link](#))

Definitive selection AEX, AMX and AScX

After close of the markets on Friday 16 March 2012, the annual reweighting will take place of the AEX®, the AMX® and the AScX®. Below you will find the changes in the composition of these indices as from Monday March 19, 2012 ([Link](#))

The Expert Indices Committee

The Expert Indices Committee, took the following decisions that will take effect from Monday 19 March 2012 ([Link](#))

NYSE Liffe expands range of Dutch products with the introduction of futures and options on the AMX-Index

NYSE Liffe introduced futures and options on the AMX-Index®, the index for medium sized Dutch companies. AMX-Index® futures were launched on Monday 26 March 2012, and will be followed by trading in AMX-Index® options on Tuesday 10 April 2012 ([Link](#))

PIMCO Celebrates Listing of Total Return Exchange-Traded Fund on NYSE Arca

NYX and PIMCO, a leading global investment management firm celebrated the first day of trading of The PIMCO Total Return ETF by ringing the Opening Bell simultaneously from PIMCO's headquarters in Newport Beach, CA, office and the NYSE. The PIMCO Total Return ETF began trading, Thursday, March 1, 2012 on NYSE Arca, NYSE Euronext's fully electronic U.S. market, under the ticker symbol (TRXT) ([Link](#))

Yelp Celebrates Initial Public Offering and First Day of Trading on the New York Stock Exchange

Yelp, the global online business review site, opened for trading on the NYSE under the ticker symbol "YELP" after its initial public offering in which it raised \$107.25 million in gross proceeds. CEO Jeremy Stoppelman, joined by members of Yelp's management team and employees from their New York office, celebrated the company's first day of trading on the NYSE by ringing The Opening Bell ([Link](#))

NYSE Member Firms Report Fourth-Quarter 2011 Results

NYSE member firms that conduct business with the public reported a fourth-quarter 2011 after-tax loss of nearly \$1.3 billion and revenues of approximately \$30.0 billion, compared with a nearly \$2.0 billion after-tax loss on revenues of about \$30.0 billion in the third-quarter of 2011 ([Link](#))

NYSE Euronext Statement on Bipartisan Efforts to Create New Businesses and Jobs

NYX applauded overwhelming bipartisan support for a package of bills that will unleash America's economic growth potential. These bipartisan initiatives, focused on entrepreneurship and innovation, will stimulate new business and job creation in America. Providing start-ups and emerging growth companies with greater access to capital and eliminating barriers to growth are key to jumpstarting our economy

and job creation engine. We look forward to continued bipartisan support for these critical issues as these bills move to the Senate ([Link](#))

NYSE to Suspend China Mass Media Corp. and Moves to Delist

NYSE Regulation, Inc. announced that it determined that the American Depositary Shares of China Mass Media Corp. – ticker symbol CMM – should be delisted from the NYSE. Trading in the Securities on the NYSE will be suspended prior to the market opening on Monday, March 19, 2012. The Company expects to commence trading on the over-the-counter OTC market that same day under a symbol yet to be determined ([Link](#))

NYSE Euronext and Bloomberg Deliver a Fully Integrated OMS for Fixed Income Clients

NYSE Euronext's fixed income trading platform, NYSE Bonds, and Bloomberg TOMS now offer sell-side fixed income dealers an integrated platform to access the U.S. corporate bond market. Dealers using Bloomberg TOMS, the leading order management platform for U.S. fixed income securities, can now trade on the NYSE Bonds marketplace via the Bloomberg Professional® service, which is used globally by more than 310,000 subscribers ([Link](#))

First-Ever TEDxWallStreet to focus on 'Redefining Success' in a challenging world

The first-ever TEDxWallStreet, a not-for-profit event, was convened on March 30 at the New York Stock Exchange where pioneering thought leaders addressed a diverse audience of 300 business, social and academic influencers, as well as a global audience via live webcast. The discussion focused on "Redefining Success," within the Wall Street community and beyond ([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.

LCH.Clearnet, NYPC, DTCC and NYSE Euronext Collaborate To Provide Unprecedented Clearing and Margining Efficiencies For Market Participants

LCH.Clearnet, NYPC, DTCC and NYSE Euronext, jointly announced that they have agreed to explore expanding the existing combined "one-

pot" cross-margining arrangement to include interest rate swaps cleared by LCH.Clearnet ([Link](#))

NYSE Amex to Continue Trading Halt in Common Stock of China North East Petroleum Holdings Limited

NYSE announced that trading on the NYSE Amex in the Common Stock of China North East Petroleum Holdings Limited – ticker symbol NEP – will remain halted following expiration of the temporary trading suspension initiated by the SEC while NYSE Regulation evaluates the need for further disclosures and the continued listing eligibility of the Company ([Link](#))

NYSE Euronext Named to Ethisphere's 2012 World's Most Ethical Companies List

NYSE announced that it has been recognized by the Ethisphere Institute, a leading business ethics think-tank, as one of the 2012 World's Most Ethical Companies. From among a record number of nominations for the annual award, NYSE Euronext for the third time secured representation on the Ethisphere list by upholding the highest standard of ethics, performance, respect and excellence and for promoting these values to the financial services industry and global business community ([Link](#))

Mobile Network Group admitted to NYSE Alternext

Mobile Network Group, a leading contender in mobile marketing in France, celebrated its listing on NYSE Alternext in Paris ([Link](#))

The NYSE Big StartUp, a Nationwide Jobs Growth Initiative, Connects Startups and Entrepreneurs with Corporate America to Accelerate New Business, Funding and Success

The NYSE Big StartUpSM, a nationwide jobs-growth initiative designed to connect young companies and entrepreneurs with corporate America, was launched by NYX in collaboration with Accion, EO and The Startup America Partnership. The program calls on the nation's corporate community to lend support, experience and resources to startups and small companies to improve procurement, networking, business development, training, marketing and information sharing. Yelp (NYSE: YELP), LinkedIn (NYSE: LNKD) and Microsoft (NASDAQ: MSFT) are among the first corporations to participate in this endeavor. In addition to information and events to be provided as part of the initiative, a microfinance program called the Accion NYSE Job Growth Fund, started with a \$1.5 million commitment by NYSE Euronext, will provide small businesses and startups with the capital and support they need to grow ([Link](#))

NYSE Euronext welcomes Ziggo on its European market

Ziggo, the largest cable operator in the Netherlands, listed on NYSE Euronext in Amsterdam and began trading under the symbol "ZIGGO" after its successful initial public offering. With a total offering valued at approximately € 804 million Ziggo is the largest IPO in Europe in almost a year ([Link](#))

ExactTarget Celebrates Initial Public Offering and First Day of Trading on the New York Stock Exchange

ExactTarget, a global provider of cross-channel interactive marketing solutions, opened for trading on the NYSE under the ticker symbol "ET" after its initial public offering ([Link](#))

NYSE Euronext Statement on S. 1933

NYSE applauded the bipartisan efforts of our leaders in Washington to facilitate capital formation to enable young, innovative emerging companies to access the capital they need to grow and create jobs. The Senate passage of the Jobs Act, which maintains investor protections, will spur the growth of our economy and jumpstart job creation in America. We hope continued bipartisan leadership will carry this bill to the White House for final passage into law ([Link](#))

Vantiv Celebrates Initial Public Offering and First Day of Trading on the New York Stock Exchange

Vantiv, Inc. a leading, integrated payment processor to businesses and financial institutions, opened for trading on the NYSE under the ticker symbol "VNTV" after its successful initial public offering. President and CEO Charles Drucker, joined by members of the company's management team, will celebrate the company's first day of trading on the NYSE by ringing The Closing Bell® ([Link](#))

NYSE Euronext Statement Regarding Decision Not To Appeal European Commission Prohibition of Merger

NYSE announced that it would not pursue an appeal of the decision by the European Commission to prohibit its proposed combination with Deutsche Boerse ([Link](#))

Vipshop Celebrates Completion of IPO and First Day of Trading on the NYSE

Executives and guests of China-based Vipshop Holdings Limited rang the Opening Bell at the NYSE to celebrate the company's successful completion of its IPO and first day of NYSE trading on Mar. 23. Vipshop is the first Chinese IPO on the NYSE in 2012 ([Link](#))

Momentum Builds around First-Ever TEDxWallStreet event with Inclusion of Host and Four Additional Renown Speakers

The Organizers of TEDxWallStreet, a not-for-profit event, announced the host and final four speakers that will complete the already exciting line-up of speakers at this first-ever event. The conference was convened at the NYSE on March 30th where ground-breaking thought leaders and innovators presented to 300 businesses, social and academic influencers, as well as a global audience via live webcast. The discussion was focused on "Redefining Success," in a new age within the Wall Street community and beyond. To celebrate this event, organizers of TEDxWallStreet rang the NYSE Closing Bell ([Link](#))

NYSE Euronext and Uría Menéndez – Proença de Carvalho create a new dynamic for the listing of new companies on the Portuguese Stock Exchange

NYSE Euronext and Uría Menéndez - Proença de Carvalho announced a partnership whose aim is to promote the listing of new companies on the Portuguese stock exchange, namely on Euronext Lisbon^[1] and NYSE Alternext^[2] markets. The latter is dedicated to small and medium-sized enterprises ([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 outlines European clearing strategy and implementation plan

NYSE Euronext outlined its European clearing strategy and implementation plan, detailing the steps that will be taken to leverage its NYSE Liffe derivatives clearing platform to consolidate all of its European derivatives into a single derivatives clearing house, and delivering significant operational and margin efficiencies for clients ([Link](#))

HKEx Selects NYSE Technologies' Exchange Data Publisher for HKEx Orion Market Data Platform

Hong Kong Exchanges and Clearing Limited (HKEx) selected NYSE Technologies' Exchange Data Publisher (XDP)[™] to drive the HKEx Orion Market Data Platform. XDP is an ultra-low latency solution designed to collect, integrate and disseminate real-time market data to local customers and, using regional hubs, to customers around the globe ([Link](#))

NYSE Technologies and Koscom Announce Memorandum of Understanding

NYSE Technologies, the commercial technology division of NYSE Euronext and Koscom Corporation, the technology firm created by the Korean Ministry of Finance and Korea Exchange, announced the signing of a MOU that formalizes a joint commitment to continued technology cooperation and the creation of new international business opportunities. The agreement also supports NYSE Technologies' core capital markets community strategy of connecting a diverse range of key global vendors, market participants and trading destinations to the SFTI network ([Link](#))

NYSE Euronext welcomes DBV Technologies to its European market

DBV Technologies, creator of Viaskin[®], a new product used in the treatment of allergies, celebrated its admission to trading on NYSE Euronext in Paris ([Link](#))

Strategic Planning Committee for SMEs holds first meeting

NYSE is pleased to announce the priorities identified by members of its Strategic Planning Committee for SMEs at their first meeting, held 23 March 2012 in Paris, as well as the agenda the Committee has set itself. At this first session, it also reviewed the results of a survey of small and mid-caps conducted by TNS Sofres ([Link](#))

NYSE Liffe to launch equity options on Ziggo

NYSE Liffe, the Europe-based derivatives business of NYSE Euronext, will add options on the shares of Ziggo to its highly successful range of equity option classes. The launch of options follows the successful initial public offering of Dutch cable operator Ziggo which took place on March 21st. This IPO was the largest in Europe in almost a year. The Ziggo options will be introduced on the Amsterdam derivatives market of NYSE Liffe on 12 April 2012 ([Link](#))

FINCEN

Mortgage Loan Fraud Reports of Suspicious Activity Rose in Third Quarter 2011 Compared with Third Quarter 2010 ([Link](#))

Allen Stanford Convicted in Houston for Orchestrating \$7 Billion Investment Fraud Scheme

A Houston federal jury convicted Robert Allen Stanford, the former Board of Directors Chairman of Stanford International Bank (SIB), for orchestrating a 20-year investment fraud scheme in which he misappropriated \$7 billion from SIB to finance his personal businesses ([Link](#))

FinCEN Analysis Shows How Casino Reporting of Suspicious Activity Has Increased Annually since 2004

[\(Link\)](#)

FinCEN Releases the New Registration of Money Services Businesses (RMSB) [\(Link\)](#)

Consumer Financial Protection Bureau adopts rule to protect consumers sending money internationally

Under the new rule, remittance transfer providers will generally be required to disclose the exchange rate and all fees associated with a transfer so that consumers know exactly how much money will be received on the other end. The rule also requires remittance transfer providers to investigate disputes and remedy errors [\(Link\)](#)

Former Chief Financial Officer of Taylor, Bean & Whitaker Pleads Guilty to Fraud Scheme

Delton de Armas, a former CFO of Taylor, Bean & Whitaker Mortgage Corp. (TBW), pleaded guilty to making false statements and conspiring to commit bank and wire fraud for his role in a more than \$2.9 billion fraud scheme that contributed to the failures of TBW and Colonial Bank. [\(Link\)](#)

FSA

FSA chief executive to leave organization at the end of June

Hector Sants, CEO of the FSA, announced his intention to leave the organization at the end of June 2012, having completed the fundamental design and delivery of the changes needed to achieve the Government's plan to separate prudential and conduct financial regulation in the UK [\(Link\)](#)

Coutts fined £8.75 million for anti-money laundering control failings

FSA fined Coutts & Company £8.75 million for failing to take reasonable care to establish and maintain effective anti-money laundering (AML) systems and controls relating to high risk customers, including Politically Exposed Persons [\(Link\)](#)

Three arrested in FSA insider dealing investigation

FSA, with the assistance of Cheshire and Lancashire Constabularies, executed three search warrants at premises in Northwich and Rossendale. Three individuals, two men aged 43 and 42 and a woman aged 35 have been arrested and are currently in custody to be questioned in connection with an investigation in to insider dealing [\(Link\)](#)

FSA publishes guidance consultation to help firms provide redress to victims of PPI mis-selling

FSA published proposed guidance for firms that sold payment protection insurance (PPI) and began to contact customers who may have been mis-sold a policy but have yet to complain [\(Link\)](#)

FSA bans and fines former Royal Liver Assurance FD George McGregor £109,000

FSA fined former Finance Director at Royal Liver Assurance Limited (RLA), George McGregor, £109,000 for entering into contracts on behalf of RLA without authorization and which benefitted a former RLA employee. The FSA determined that McGregor's behavior merited a fine of £1,000,000 but reduced the amount because this level of fine would cause serious financial hardship. McGregor is also prohibited from performing any function in relation to any regulated activity in the financial services industry [\(Link\)](#)

Pritchard Stockbrokers Ltd enters Special Administration Regime

FSA confirmed that Pritchard Stockbrokers Ltd entered the Special Administration Regime (SAR) on 9 March 2012 and Timothy Ball, Roderick Weston and Alistair Wood at Mazars LLP have been appointed joint special administrators [\(Link\)](#)

FSA publishes censure against Bank of Scotland plc in respect of failings within its Corporate Division between January 2006 and December 2008

FSA confirmed publicly that it has been carrying out an enforcement investigation into HBOS in respect of specific issues relevant to its failure during the wider financial crisis [\(Link\)](#)

FSA publishes an analysis of the main risks facing consumers

FSA published an analysis of the main risks which potentially face consumers in the financial services sector over the next 12 to 18 months [\(Link\)](#)

Head of European Credit Sales at Credit Suisse fined £210,000 for improper market conduct, disclosing client confidential information and exhibiting a lack of skill, care and diligence

FSA fined Nicholas Kyprios, Head of European Credit Sales at Credit Suisse in London, £210,000 for improper market conduct in disclosing client confidential information ahead of a significant bond issue in November 2009 [\(Link\)](#)

Shadow Banking and Financial Instability: Lord Turner speech to the CASS Business School

In a speech to the CASS Business School the Chairman of the FSA, Lord Turner, set out how the 'shadow banking' sector contributed to the financial crisis, the risks it still poses to financial stability and the importance of a sufficiently comprehensive and radical policy response [\(Link\)](#)

WorldSpreads Limited enters Special Administration Regime

FSA confirmed that WorldSpreads, a spreadbetting company, has entered the SAR on 18 March 2012. Upon the application of the directors of WorldSpreads, the High Court has appointed Jane Moriarty and Samantha Bewick of KPMG LLP as joint special administrators [\(Link\)](#)

FSA secures £32 million High Court judgment against three land banks but victims are unlikely to get their money back

FSA won an important victory in the battle against unauthorized businesses after the High Court declared that James Kenneth Maynard, Countrywide Land Holdings Limited and Plateau Development & Land Limited operated a collective investment scheme without authorization and sold plots of land unlawfully to UK consumers. Regional Land and Countrywide were trading names used by Maynard ([Link](#))

FSA publishes Business Plan for 2012/13

FSA published its business plan setting out its priorities for 2012/13, and the implications for the FSA's budget. The document outlined the FSA's specific initiatives for the year ahead, which reflected the continuing challenges facing the financial services industry. This is likely to be the FSA's final business plan before it splits into the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) in 2013 ([Link](#))

FSA publicly censures two Glasgow credit unions

FSA publicly censured two Glasgow based credit unions. Pollok Credit Union jeopardized its own solvency, and therefore the interests of its members, by making large loans to a non-member while Shettleston and Tollcross Credit Union made loans to its directors on terms better than those available to its wider membership ([Link](#))

Coutts fined £8.75 million for anti-money laundering control failings

FSA has fined Coutts & Company (Coutts) £8.75 million for failing to take reasonable care to establish and maintain effective AML systems and controls relating to high risk customers, including Politically Exposed Persons (PEPs). ([Link](#))

FSA bans and fines directors a total of £600,000 for publishing misleading information about Cattles plc

FSA has fined and banned two former directors of Cattles plc (Cattles) and its subsidiary Welcome Financial Services Limited (Welcome) for publishing misleading information to investors about the credit quality of Welcome's loan book and acting without integrity in discharging their responsibilities. The FSA has also publicly censured Cattles and Welcome for publishing misleading information. ([Link](#))

FSA review into anti-bribery and corruption systems and controls in investment banks and proposed new guidance for all firms

FSA publishes the findings of its thematic review into anti-bribery and corruption (ABC) systems and controls in investment banks. ([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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READER SURVEY FAX RESPONSE

TO: Louis Dempsey

RE: March 2012

Fax: (561) 807-5442

LouisDempsey@RRSCompliance.com

FROM: _____

FIRM NAME: _____ **IA** ___ **BD** ___ **OTHER** _____

PHONE: _____ **FAX:** _____

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