

Routing

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

Table of Contents

SEC	2
FINRA	3
MSRB.....	4
NASAA.....	4
NASDAQ/NASDAQ TRADER/OTCBB	4
NYSE/EURONEXT/AMEX.....	5
FINCEN	8
FSA	8
Resource Links	10
Reader Survey	11

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 23rd, 2013
- **DEADLINE:** Quarterly SSOI Due April 26th, 2013

NOTABLE ITEMS IN THIS EDITION

- **SEC** – SEC Proposes Rules to Improve Systems Compliance and Integrity – Page 2
- **SEC** – SEC Seeks Information to Assess Standards of Conduct and Other Obligations of Broker-Dealers and Investment Advisers – Page 2
- **SEC** – SEC Issues Risk Alert and Investor Bulletin on Investment Adviser Custody Rule – Page 2
- **SEC** – SEC Issues Guidance Update on Social Media Filings by Investment Companies – Page 2
- **FINRA** – FINRA Fines a Firm and Clearing Firm \$750,000 for Failing to Supervise Transmittal of Customer Funds to Third-Party Accounts – Page 3
- **FINRA** – FINRA Bars Florida Broker for Unsuitable Recommendations and Unapproved Securities Transactions Involving 31 NFL Players – Page 3
- **FINRA** – FINRA Foundation Study Finds No Rainy Day Savings Can Lead to Mortgage Problems – Page 3
- **MSRB** – Request for Comment on Revisions to Suitability Rule – Page 4
- **MSRB** – MSRB Answers FAQs Regarding an Underwriter's Disclosure Obligations to State and Local Government Issuers under Rule G-17 – Page 4
- **FINCEN** – FinCEN Issues Guidance on Virtual Currencies and Regulatory Responsibilities – Page 8

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.

Contact:

Lauren Epstein
(561) 368-2245

laurenepstein@RRSCompliance.com



Renaissance Regulatory Services, Inc.

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

www.RRSCompliance.com * Research@RRSCompliance.com

Washington, DC

SEC**SEC Announces:**

Agenda for Fixed Income Roundtable ([Link](#))

SEC Proposes:

Rules to Improve Systems Compliance and Integrity ([Link](#))

SEC Charges:

California-Based Lawyer with Issuing Fraudulent Legal Opinion Letters ([Link](#))

Private Equity Firm, Former Executive, and Consultant for Improperly Soliciting Investments ([Link](#))

A State for Misleading Pension Disclosures ([Link](#))

New York-Based Private Equity Fund Advisers with Misleading Investors about Valuation and Performance ([Link](#))

San Diego Lawyers and Others in an International Market Manipulation Scheme ([Link](#))

Hedge Fund Firm with Insider Trading ([Link](#))

Financier with Stealing Investor Funds in Purported Offerings of Pre-IPO Facebook Shares ([Link](#))

Hedge Fund Manager with Insider Trading ([Link](#))

Hedge Fund Manager and Brokerage CEO with Fraud ([Link](#))

California-Based Hedge Fund Analyst and Two Others with Insider Trading ([Link](#))

A Hedge-Fund Advisory Firm with Insider Trading ([Link](#))

List of No Action Letters:

Canadian Stock Transfer Company Inc., March 4, 2013 ([Link](#))

Packerland Brokerage Services, March 18, 2013 ([Link](#))

FundersClub Inc. and FundersClub Management LLC, March 26, 2013 ([Link](#))

RRS COMPLIANCE ADMINISTRATOR

CUT COMPLIANCE COSTS WITHOUT

CUTTING EFFECTIVENESS

CALL (561) 368-2245

INFO@RRSCOMPLIANCE.COM

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 Lauren Epstein at (561) 368-2245 or laurenepstein@rrscompliance.com

SEC Seeks Information to Assess Standards of Conduct and Other Obligations of Broker-Dealers and Investment Advisers

SEC published a request for data and other information to assist the agency in considering whether to make new rules about the standards of conduct and regulatory obligations for broker-dealers and investment advisers when they provide personalized investment advice about securities to retail customers. ([Link](#))

SEC Issues Risk Alert and Investor Bulletin on Investment Adviser Custody Rule

SEC issued a Risk Alert on compliance with its custody rule for investment advisers and it also issued an Investor Bulletin about the rule, which is designed to protect advisory clients from theft or misuse of their funds and securities. ([Link](#))

SEC Issues Guidance Update on Social Media Filings by Investment Companies

SEC published a guidance update from its staff to clarify the obligations of mutual funds and other investment companies to seek review of materials posted on their social media sites. ([Link](#))

Steven Harris and Jay Hanson Reappointed to PCAOB

SEC announced that Public Company Accounting Oversight Board members Steven B. Harris and Jay D. Hanson have been reappointed for five-year terms. ([Link](#))

Hedge Fund Advisory Firm Agrees to Pay More than \$600 Million in Largest-Ever Settlement for Insider Trading Case

SEC announced that a hedge fund advisory firm has agreed to pay more than \$600 million to settle SEC charges that it participated in an insider trading scheme involving a clinical trial for an Alzheimer's drug being jointly developed by two pharmaceutical companies. ([Link](#))

SEC Obtains Asset Freeze Against Massachusetts-Based Investment Adviser Stealing Money from Clients

SEC announced an asset freeze against a Massachusetts-based investment adviser charged with stealing money from clients who were given the false impression they were investing in a hedge fund. ([Link](#))

Foreign Traders Agree to Pay \$3.3 Million to Settle Charges in Nexen Insider Trading Case

The SEC announced that a Chinese businessman and his wife whose trading accounts were frozen last year as part of a major insider trading case have agreed to settle charges that they loaded up on the securities of Nexen Inc. while in possession of nonpublic information about an impending announcement that the company was being acquired by China-based CNOOC Ltd. ([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.

FINRA

FINRA Fines:

A Firm and Clearing Firm \$750,000 for Failing to Supervise Transmittal of Customer Funds to Third-Party Accounts ([Link](#))

Regulatory Notices:

13-10 SEC Approves Supplemental Schedule for Derivatives and Other Off-Balance Sheet Items

13-11 FINRA Provides a Process for Waiving CMA Fees for Less Significant CMA Changes and Refunding of NMA and CMA Fees for Applications Withdrawn Within 30 Days after Filing

13-12 FINRA Adopts Amendments Relating to Regulation NMS Plan to Address Extraordinary Market Volatility

Trade Reporting Notices:

3/25/13 Reporting Reversals of OTC Trades in Equity Securities Effective Date: June 3, 2013

FINRA Bars Florida Broker for Unsuitable Recommendations and Unapproved Securities Transactions Involving 31 NFL Players

FINRA that it has barred broker Jeffrey Rubin of Lighthouse Point, Florida, from the securities industry for making unsuitable recommendations to his customer, an NFL player, to invest in illiquid, high-risk securities issued in connection with a now-bankrupt casino in Alabama. As a result, the customer lost approximately \$3 million. Based on Rubin's referrals, 30 other NFL players also invested in the casino project and lost approximately \$40 million. Rubin also failed to obtain the required approval from his employers to participate in the securities transactions involving the casino. ([Link](#))

FINRA Foundation Study Finds No Rainy Day Savings Can Lead to Mortgage Problems

The FINRA Investor Education Foundation released a new study revealing that households without emergency savings are more likely to experience mortgage payment problems when faced with an income shock. Households without emergency savings, or rainy day funds, were three times more likely than households with emergency savings to make a late mortgage payment—and almost twice as likely to be involved in a foreclosure. These differences exist even after controlling for other factors that can impact mortgage payment behavior—like income, education and geographic region. ([Link](#))

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

Now in its eighth year, the FINRA Investor Education Foundation's Military Spouse Fellowship Program has opened the application process for its class of 2013 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 2013 class of fellows until March 31, 2013. ([Link](#))

FINRA Rulebook Consolidation

Since 2008, FINRA has been in the process of consolidating NASD Conduct Rules into the FINRA Rules. Firms are required to update their written supervisory and control procedures to address the Rule changes as they become effective.

These rule changes have included substantive revisions to existing rules and regulations, as well as new requirements. These significant revisions to industry rules impact all broker-dealers, and firms must stay vigilant in order to stay up-to-date.

RRS can provide planning and support to all aspects of the rule revisions affecting your firm including GAP analysis, project planning, drafting supervisory policies and procedures or training for the new rules.

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

MSRB

MSRB Regulatory Notices for March 2013:

[2013-06](#) MSRB Seeks Input on Annual Planning

[2013-07](#) Request for Comment on Revisions to Suitability Rule

[2013-08](#) MSRB Answers Frequently Asked Questions (FAQs) Regarding an Underwriter's Disclosure Obligations to State and Local Government Issuers under Rule G-17

MSRB Makes Continuing Disclosure Monthly Statistics Available on EMMA

MSRB began providing on its Electronic Municipal Market Access (EMMA®) website statistics on the number and type of disclosure filings that issuers of municipal securities make available to investors throughout the life of a bond. ([Link](#))

NASAA

State Securities Regulators to Outline Legislative Priorities for the 113th Congress

NASAA will release its 2013 Legislative Agenda, outlining specific legislation it will seek in the 113th Congress to enable policymakers to promote investor confidence in U.S. capital markets by striking the most reasonable balance between advancing capital formation and protecting investors. ([Link](#))

NASAA Outlines Legislative Agenda

NASAA unveiled an aggressive advocacy agenda calling for affirmative Congressional action to promote investor confidence. ([Link](#))

NASAA President Delivers Keynote Address at SIFMA Conference

The lack of civil recovery options for harmed investors is weakening the confidence of investors in financial products and markets, the president of the NASAA said in a keynote speech delivered at the Securities Industry and Financial Markets Association (SIFMA) Compliance and Legal Society Annual Meeting in Scottsdale, Arizona. ([Link](#))

RRS COMPLIANCE EXAMINATIONS

SAVE MONEY ON COMPLIANCE AND

INCREASE EFFECTIVENESS

CALL (561) 368-2245

INFO@RRSCOMPLIANCE.COM

NASAA to Team With AARP on Webinar

Join AARP and NASAA for a free, online interactive discussion on Tuesday, April 23, 2013, at 2 p.m. as we answer your questions about ensuring the security of your nest egg. ([Link](#))

NASDAQ—NASDAQ-TRADER—

OTCBB

Equity Trader Alert:

[2013-19](#) NASDAQ to Begin Listing Wright Medical Group CVR on Monday, March 4, 2013

[2013-20](#) UPDATED 3/25/13: SEC Approves Member Accommodation Program and Data Request in Relation to the Facebook Inc. (FB) IPO Cross

[2013-21](#) NASDAQ Pre-Market Trading to Begin at 4:00 A.M. ET on March 18, 2013

[2013-22](#) Community Bankers Trust Corp. to Begin Listing on NASDAQ on March 14, 2013

[2013-23](#) NASDAQ OMX to Re-Launch PSX with ETP Focus

[2013-24](#) NASDAQ to Launch Retail Price Improvement (RPI) Program on March 28, 2013

[2013-25](#) NASDAQ Enhances QView Latency Optics and Announces Pricing

[2013-26](#) NASDAQ Files to Extend Deadline for Submission of Accommodation Claims

[2013-27](#) Limit Up/Limit Down and Market Wide Circuit Breaker Rollout Plan

[2013-28](#) NASDAQ OMX Pricing Updates, Effective April 1, 2013

Data News:

[2013-5](#) REVISED 3-21-13: NASDAQ OMX Introduces New Optional Managed Data Solution Offering for BX and PSX

Data Technical News:

[2013-11](#) Community Bankers Trust Corp. to Begin Listing on NASDAQ on Thursday, March 14, 2013

[2013-12](#) REMINDER: Pre-Market Trading to Begin at 4:00 A.M., ET, on March 18, 2013

[2013-13](#) NASDAQ OMX Announces New LULD Reason Code

[2013-14](#) NASDAQ to Launch Retail Price Improvement (RPI) Program on March 28, 2013

[2013-15](#) NASDAQ OMX to Modify Dissemination of Cross Trades on NLS Plus

Options Trader Alert:

2013-14 Mini Options to Begin Trading on NOM on Monday, March 18, 2013

2013-15 UPDATED 3/21/13: Mini Options to Begin Trading on PHLX on Thursday, March 28, 2013

2013-16 NOM and BX Options Trading System Available Beginning at 7:30 AM ET Effective April 1, 2013

2013-17 NOM, PHLX and BX Options Update Routing Fees and PHLX Updates Certain Transaction Fees, Effective April 1, 2013

2013-18 NOM Updates its Liquidity Rebates in Penny Pilot Options and Certain Other Fees

Options Regulatory Alert:

2013-2 Mini Options Handling on NOM, PHLX and BX Options

2013-3 NOM and BX Options Replace Definition of Theoretical Price under Obvious Error Rules

Financial Products News:

2013-7 NASDAQ OMX Dissemination of New Third Party ETF Data on GIDS 2.0 Beginning March 12, 2013

2013-8 NASDAQ OMX Announces Launch of Additional Indexes in the NASDAQ Global Index Family

2013-9 Updated 3/15/2013: NASDAQ OMX to Launch Two New Indexes Effective Wednesday, March 20, 2013

2013-10 NASDAQ OMX Launched Two New Indexes Effective Tuesday, March 19, 2013

2013-11 NASDAQ OMX Announces Change of Index Name Effective Monday, April 1, 2013

UTP Vendor Alert:

2013-05 NASDAQ Pre-Market Trading to Begin at 4:00 A.M., ET, on March 18, 2013

NYSE - EURONEXT – AMEX**NYSE to Suspend Trading in:**

Preferred Stock of Mexico Equity & Income Fund, Inc. ([Link](#))

Series A Convertible Preferred Shares of beneficial interest of Vornado Realty Trust ([Link](#))

NYSE EURONEXT Announcements:

NYSE Euronext Announces Trading Volumes for February 2013 ([Link](#))

First-Quarter 2013 Circuit-Breaker Levels ([Link](#))

NYSE MKT to Delist Securities of:

Winland Electronics, INC. ([Link](#))

Longwei Petroleum Investment Holding Limited ([Link](#))

NYSE MKT Issues Short Interest Report:

Settlement date of February 28, 2013 ([Link](#))

Settlement date of March 15, 2013 ([Link](#))

Watching the States

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

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

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

NYSE Group, Inc. Issues Short Interest Report:

Settlement date of February 28, 2013 ([Link](#))

Settlement date of March 15, 2013 ([Link](#))

NYSE Weekly Program-Trading Data Releases:

Averaged 30.5 Percent of NYSE Volume during Feb. 25-Mar. 1([Link](#))

Averaged 24.8 Percent of NYSE Volume during Mar. 4-8 ([Link](#))

Averaged 39.0 Percent of NYSE Volume during Mar. 11-15 ([Link](#))

Averaged 27.0 Percent of NYSE Volume during Mar. 18-22 ([Link](#))

NYSE Euronext celebrates 30th anniversary of the AEX-Index

The AEX-Index®, the well-known measure of the performance of securities on NYSE Euronext's Amsterdam Exchange, celebrated its 30th birthday. The AEX® was introduced on 4 March 1983, and was the first national Blue Chip Index in Europe. ([Link](#))

NYSE Euronext and Bloomberg rename their family of clean energy indices

NYSE Euronext and its partner, research company Bloomberg New Energy Finance, announced that they have renamed their family of

clean energy indices. The indices have changed as of 1 March 2013 from NYSE BNEF to NYSE Bloomberg, to highlight more effectively the involvement of both NYSE and Bloomberg in this clean energy index series. The tickers of the indices will also be updated to ensure that they are easy to find and track. ([Link](#))

NYSE Technologies Expands Managed Services in Japan

NYSE Technologies, the commercial technology division of NYSE Euronext (NYSE), announced the further expansion of its connectivity services in Japan via the JPX co-location facility. The service will be available from May 2013 and consequently, NYSE Technologies will cover the widest range of Japanese connectivity solutions. ([Link](#))

Russell announces exclusive agreements with NYSE Euronext and CBOE Holdings for Russell U.S. index options

Russell Investments announced that NYSE Euronext, one of the world's premier exchange operators and technology innovators and home of the NYSE Amex and NYSE Arca exchanges, and CBOE Holdings, Inc., home of Chicago Board Options Exchange (CBOE), the creator of listed options and leader in index options trading volume, will trade Russell U.S. Index-based options exclusively. Russell Indexes, which are used as benchmarks by nearly 70% of U.S. institutional equity investors (as of 12/31/11), believes that this semi-exclusive, dual-listing strategy will allow it to fully harness the complementary strengths of these two leading exchange operators in U.S. options. The semi-exclusive trading in Russell Index-based options will begin in late April. ([Link](#))

NYSE Euronext Hosts International Women's Day at the New York Stock Exchange

In celebration of International Women's Day, the NYSE hosted a gathering of women "Changing the Conversation" through an insightful panel and roundtable discussions on the interconnectivity of philanthropy, education, capital development, technology and communication. ([Link](#))

NYSE Euronext Paris celebrates International Women's Day

NYSE Euronext celebrated International Women's Day with bell ringings and conferences across its global markets to highlight the contributions women have made in entrepreneurial, social, economic, financial and philanthropic arenas. In celebration of International Women's Day, trading at NYSE Euronext Paris was opened by Marie-Jo Zimmermann, representing Moselle's department in the French National Assembly and president of the Assembly's group on women's rights, followed by a conference on "Women on Boards". ([Link](#))

NYSE Euronext Amsterdam celebrates International Women's Day

NYSE Euronext celebrated International Women's Day with bell ringings and conferences across its global markets to highlight the contributions women have made in entrepreneurial, social, economic, financial and philanthropic arenas. In honor of International Women's Day, trading at NYSE Euronext Amsterdam was opened by Simone Brummelhuis,

founder and publisher of The Next Women - Business Media, and initiator of the TheNextWomen100, the list of the 100 most important business women in the Netherlands. ([Link](#))

Rising Pressures on Boards in 2013: 10th Annual Corporate Board Member/Spencer Stuart What Directors Think Survey

Corporate Board Member and global senior executive search firm Spencer Stuart announced the results of the 10th annual What Directors Think survey, a comprehensive report on boardroom trends gleaned from the responses of U.S. corporate directors nationwide. ([Link](#))

Silver Spring Networks Celebrates Initial Public Offering and First Day of Trading on the New York Stock Exchange

Silver Spring Networks, a leading networking platform and solutions provider for smart energy networks, opened for trading on the NYSE under the ticker symbol "SSNI" after its initial public offering. Chairman, President and CEO Scott Lang, joined by members of the Silver Spring Networks team, celebrated the company's first day of trading by visiting the NYSE trading floor for the stock opening and by ringing The Opening BellSM. ([Link](#))

NYSE Liffe U.S. and MSCI Extend Index Licensing Agreement

NYSE Liffe U.S., the innovative U.S. futures exchange of NYSE Euronext, announced that it has signed a license amendment with MSCI, a leading provider of investment decision support tools worldwide, to continue its success in expanding the coverage of its suite of domestic and international index futures products on MSCI equity indices through November 1, 2021. On the heels of a record-setting year in 2012 and continued momentum in 2013, the mini MSCI futures complex reached a single day record volume of 172,181 contracts on March 8th. YTD through March 15, 2013, mini MSCI futures on NYSE Liffe U.S. are trading at an all-time record of 28,000 contracts daily, up 101% vs. Q1 2012 and up 45% vs. full year 2012. Open Interest in mini MSCI futures contracts also stands at 280,000, up 109% vs. end of Q1 2012 and up 20% since year-end 2012. With 26 Block trades at Index Close (BIC) trades in March 2013 alone, NYSE Liffe U.S. has surpassed \$15 billion in notional value for BIC trading on 567 block transactions. ([Link](#))

NYSE Euronext Launches Mini Options

NYSE Euronext announced the launch of mini options contracts on NYSE Arca and NYSE Amex, its U.S. options exchanges, in five actively traded securities and exchange-traded funds. For the first time, NYSE Arca and NYSE Amex options customers are now able to trade mini options with 10 share deliverables as opposed to the standard 100 deliverable contracts. Mini options will be available in Amazon Inc. (AMZN), Apple Inc. (AAPL), Google Inc. (GOOG), SPDR Gold Trust (GLD), and the S&P 500 Index ETF (SPY) effective March 18. ([Link](#))

New York Stock Exchange Reviewing Continued Listing Status of Dex One Corporation

In light of the announcement by Dex One Corporation (ticker symbol -- DEXO) that it has voluntarily filed for reorganization under Chapter 11 in the United States Bankruptcy Court for the District of Delaware, to implement "pre-packaged" Plans of Reorganization, NYSE Regulation, Inc. announces that it will continue to review and monitor the continued listing status of the Company's Common Stock and that the Common Stock will continue to be traded on the NYSE, pending the outcome of the appeal of NYSE Regulation's previously announced delisting determination. ([Link](#))

Model N Lists IPO on the New York Stock Exchange – Celebrates First Day as a Publicly-Traded Company

Redwood Shores, Calif.-based Model N, Inc., a leading revenue management solutions provider to the life science and technology industries, opened for trading on the NYSE under the ticker symbol "MODN" after its initial public offering. GETCO Securities LLC is the Designated Market Maker for the company's stock. ([Link](#))

NYSE Euronext Units Corpedia and Corporate Board Member Enter Into Strategic Alliance With Marsh

Corpedia and Corporate Board Member, NYSE Euronext (NYSE) companies, and Marsh announced that they have entered into a strategic alliance to provide directors and officers with enhanced governance, risk and compliance resources. ([Link](#))

NYSE Euronext and Vigeo launch ESG indices

To promote and support responsible investment (RI), NYSE Euronext (NYSE), the world's largest exchange group, and Vigeo, the leading European expert in responsible performance, have teamed up to launch a range of indices focusing on the three pillars of RI: the environment, social issues and governance (ESG). ([Link](#))

New York Stock Exchange Announces Date of Review of Decision to Remove Dex One Corporation from the List

NYSE Regulation Inc. announced that Dex One Corporation-- has requested a review of the determination to remove the Company from the list, as announced on February 27, 2013. The review will be held on June 27, 2013 before a Committee of the Board of Directors of NYSE Regulation. ([Link](#))

NYSE Reviewing the Continued Listing of the American Depositary Shares of Suntech Power Holdings Co., Ltd.

NYSE Regulation, Inc. announced that it is reviewing and monitoring the continued listing status of the American Depositary Shares of Suntech Power Holdings Co., Ltd.-- ticker symbol STP -- on the NYSE in light of the Company's March 21, 2013 announcement that the Wuxi Municipal Intermediate People's Court in Jiangsu Province, China has formally accepted the petition for the insolvency and restructuring of Wuxi Suntech Power Co., Ltd., the Company's primary operating subsidiary in China. The Court has appointed an administration committee, consisting of local government representatives and accounting and legal professionals, to administer the restructuring of

Wuxi Suntech. The insolvency and restructuring procedure is designed to facilitate an orderly process for both Wuxi Suntech and its creditors. The primary goal is to restructure Wuxi Suntech's debt obligations, while continuing production and operations. ([Link](#))

NYSE Reviewing Listing Status of Ambow Education Holding Ltd.

NYSE announced that it is continuing its ongoing review of the listing status of the American Depositary Shares of Ambow Education Holding Ltd. -- ticker symbol AMBO. Trading was halted in the American Depositary Shares intra-day so that NYSE Regulation, Inc., on behalf of NYSE, can complete its current assessment of the adequacy of certain recent disclosures by the Company and its suitability for continued listing based upon such disclosures and other pertinent information and developments. ([Link](#))

First Advertising Technology IPO of 2013, Marin Software, Celebrates First Day of Trading on the New York Stock Exchange

San Francisco, Calif.-based Marin Software, a provider of a leading digital ad management platform for advertisers and agencies, opened for trading on the NYSE under the ticker symbol "MRIN" after its initial public offering. GETCO Securities LLC is the Designated Market Maker for the company's stock. Marin Software is the first company in the advertising technology sector to go public in 2013. ([Link](#))

COMPREHENSIVE COMPLIANCE SOLUTIONS

WWW.RRSCOMPLIANCE.COM

NYSE Euronext welcomes NYSE-listed Eli Lilly and Company to its European market

NYSE Euronext announced that international pharmaceutical company Eli Lilly and Company (ticker: LLY), based in Indianapolis, Indiana (USA), completed its listing on NYSE Euronext Paris. Eli Lilly and Company is the seventeenth company already listed in the United States to join the European platform since the streamlined, cost-effective Fast Path process was adopted. On 27 February 2013, the company announced its decision to delist from the London Stock Exchange on 27 March this year. Eli Lilly and Company maintains its principal listing on the New York Stock Exchange. ([Link](#))

UCB launches successful bond issue on NYSE Euronext

NYSE Euronext announced a successful €250 million bond issue on its Brussels-market by UCB, the Belgium-based global biopharmaceutical group. ([Link](#))

Pinnacle Foods Inc. Celebrates First Day as Public Company on the New York Stock Exchange

Parsippany, N.J.-based Pinnacle Foods, Inc., manufacturer and distributor of popular food brands such as Birds Eye®, Duncan Hines®, Vlasic®, Mrs. Butterworth's® and other well-recognized brands, opened for trading on the NYSE under the ticker symbol "PF" after its initial public offering. Barclays Capital is the Designated Market Maker for the company's stock. ([Link](#))

FINCEN

FinCEN Issues Guidance on Virtual Currencies and Regulatory Responsibilities

To provide clarity and regulatory certainty for businesses and individuals engaged in an expanding field of financial activity, the FinCEN issued the following guidance, Application of FinCEN's Regulations to Persons Administering, Exchanging, or Using Virtual Currencies. The guidance is in response to questions raised by financial institutions, law enforcement, and regulators concerning the regulatory treatment of persons who use convertible virtual currencies or make a business of exchanging, accepting, and transmitting them. Convertible virtual currencies either have an equivalent value in real currency or act as a substitute for real currency. ([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 Lauren Epstein at (561) 368-2245 or laurenepstein@rrscompliance.com

FSA

FSA publishes discussion paper on transparency

FSA published a discussion paper looking at how transparency and more effective disclosure could improve the accountability of the regulator and the financial services industry, and help consumers make more informed decisions. ([Link](#))

FSA publishes its Internal Audit Report on: review of the extent of awareness within the FSA of inappropriate LIBOR submissions

FSA published its Internal Audit Report (the Report) on the London Interbank Offered Rate (LIBOR). ([Link](#))

FSA publishes consultation on framework for the consumer credit regime

FSA published its consultation on how it plans to introduce a strong and flexible regime to regulate consumer credit. The regime is tailored to address the risks that face consumers without putting undue burdens on firms. ([Link](#))

Equities trader sentenced for insider dealing

In a case brought by the FSA, Paul Milsom, a senior equities trader, has been sentenced at Southwark Crown Court to 2 years imprisonment for disclosing inside information between October 2008 and March 2010. A confiscation order was also made in the sum of £245,000. ([Link](#))

Individual sentenced to four years for insider dealing

In a prosecution brought by the Financial Services Authority (FSA) and heard at Southwark Crown Court Richard Joseph, age 43, has been found guilty of 6 counts of conspiracy to deal as an insider. He has been sentenced to four years on each count, which will be served concurrently. ([Link](#))

A Company fined £2,428,300 for systems and controls failings

FSA fined a company £2,428,300 for significant failings in its systems and controls resulting in Listing Rules and related breaches. A Company could not adequately monitor its financial performance against its budget and against market expectations and therefore failed in its obligations as a listed company to keep the market fully informed of its deteriorating financial position during early 2012. ([Link](#))

New appointments for governance of Financial Conduct Authority

Three new Chairmen have been appointed to the independent Panels which lead the process for constructive challenge of the FCA's policies and practices from the point of view of regulated firms. ([Link](#))

Fyshe Horton Finney Stockbrokers enters Special Administration Regime

FSA confirmed that Fyshe Horton Finney Stockbrokers has entered the Special Administration Regime (SAR) on 20 March 2013. Paul Boyle and David Clements at Harrisons Business Recovery & Insolvency (London) Limited have been appointed joint special administrators. ([Link](#))

FSA finalizes proposals for the regulation and supervision of benchmarks

FSA finalized new rules and regulations for financial benchmarks. This follows the recommendations of the Wheatley Review of the London Inter-Bank Offered Rate (LIBOR). ([Link](#))

FSA confirms approach to using temporary product intervention rules that will be used by the FCA

FSA confirmed its approach to temporary product intervention. This sets out the process for the FCA when it makes emergency rules to protect consumers. ([Link](#))

FCA business plan and risk outlook published

FSA published the business plan and risk outlook for the FCA for 2013/14. The FSA will be replaced by the FCA and the Prudential Regulation Authority (PRA) on 1 April 2013. ([Link](#))

The FSA and the Bank of England relax the barriers to entry for new bank entrants

FSA and the Bank of England have published the results of their review (the Review) into barriers to new entrants to the banking sector. This Review sets out significant changes to regulatory requirements and authorization processes which, taken together, will reduce some of the regulatory barriers to entry into the banking sector and, as a result, enable an increased competitive challenge to existing banks. ([Link](#))

FSA fines a Company £30 million and censures CEO for failing to inform regulator of 2010 acquisition plans

FSA has fined companies a total of £30 million for breaching FSA Principles and UKLA Listing Principles. The fines relate to failure to inform the FSA at the appropriate time that it was seeking to acquire AIA, in early 2010. The FSA has also censured a company's Chief Executive. ([Link](#))

Financial Conduct Authority Board members confirmed

HM Treasury named the members of the Financial Conduct Authority (FCA) Board. The Board will be effective from 1 April 2013 when the FCA begins operating. ([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.

Renaissance Regulatory Services, Inc.

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

www.RRSCompliance.com

Research@RRSCompliance.com

“Find It - Before the Regulators”

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

READER SURVEY FAX RESPONSE

TO: Louis Dempsey

RE: March 2013

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

LOUISDEMPSEY@RRSCOMPLIANCE.COM

BART McDONALD, EXECUTIVE VICE PRESIDENT

BARTMCDONALD@RRSCOMPLIANCE.COM