

**Routing**

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- Senior Management
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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 June 25th, 2013
- **MSRB:** MSRB Education and Outreach Seminar - Boston, MA July 23, 2013

NOTABLE ITEMS IN THIS EDITION

- **SEC** – Charges Gatekeepers of Two Mutual Fund Trusts for Inaccurate Disclosures About Decisions On Behalf of Shareholders – Page 2
- **SEC** – Charges Traders in Massive Kickback Scheme Involving Venezuelan Official – Page 2
- **SEC** – Charges Dallas-Based Trader with Front Running – Page 2
- **SEC** – SEC, FINRA Issue Investor Alert On Pension or Settlement Income Streams – Page 2
- **FINRA** – Charges Three Firms \$900,000 for Inadequate Anti-Money Laundering Programs – Page 2
- **FINRA** – FINRA Provides Guidance on Communications With the Public Concerning Unlisted Real Estate Investment Programs – Page 2
- **FINRA** – SEC Approves Amendments to Require Firms to Report OTC Transactions in Equity Securities as Soon as Practicable, But No Later Than 10 Seconds, Following Execution – Page 3
- **MSRB** – Request for Comment on Proposed Sophisticated Municipal Market Professional Rules – Page 3
- **MSRB** – Enhancements to New Issue Information on EMMA – Page3
- **MSRB** – SEC Approves Amendments to MSRB Rule G-39, on Telemarketing – Page 3

**Service Spotlight: Fixed Income Compliance**

RRS conducts in-depth examinations of your firm's corporate, municipal and other fixed income business operations, supervisory procedures and compliance programs including testing of supervisory control procedures. This service may be used to meet FINRA's annual internal inspection requirements as set forth in NASD Conduct Rules 3010 and 3012. RRS' team of experts has designed fixed income compliance examinations that are as stringent as the regulators. These compliance services include a comprehensive examination of your firm's overall fixed income business, or focused reviews covering specific aspects of your business for SEC, FINRA and MSRB rule compliance.

Contact:

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Washington, DC

## SEC

### SEC Announces:

Departure of Senior Enforcement Official David P. Bergers after 13 Years of Federal Service ([Link](#))

Panelists for Credit Ratings Roundtable ([Link](#))

### SEC Proposes:

Rules for Cross-Border Security-Based Swap Activities ([Link](#))

### SEC Charges:

Gatekeepers of Two Mutual Fund Trusts for Inaccurate Disclosures About Decisions On Behalf of Shareholders ([Link](#))

City for Fraudulent Public Statements ([Link](#))

Traders in Massive Kickback Scheme Involving Venezuelan Official ([Link](#))

China-Based Executives in Scheme to Overstate Revenues and Divert Money for Personal Use ([Link](#))

Charges Chicago-Area Father and Son Conducted Cherry-Picking Scheme at Investment Firm ([Link](#))

City with Defrauding Investors About Tax-Exempt Status of Municipal Bonds ([Link](#))

Institutional Shareholder Services in Breach of Clients' Confidential Proxy Voting Information ([Link](#))

Dallas-Based Trader with Front Running ([Link](#))

France based oil and gas company for Illegal Payments to Iranian Official ([Link](#))

Exchange for Failures During Facebook IPO ([Link](#))

Florida-Based Stock Promoter Charged with Lying to SEC Investigators ([Link](#))

# COMPREHENSIVE COMPLIANCE SOLUTIONS

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### List of No Action Letters:

Steve Tamari Shareholder Proposal (College Retirement Equities Fund) ([Link](#))

Sandra M. Fox Shareholder Proposal (College Retirement Equities Fund) ([Link](#))

Roland Berger Strategy Consultants ([Link](#))

Request for Consideration of the Steve Tamari Shareholder Proposal (College Retirement Equities Fund) ([Link](#))

### SEC Final Rules:

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

### SEC Events:

Sunshine Act Meeting - Washington, D.C. on June 5, 2013 ([Link](#))

### SEC, FINRA Issue Investor Alert On Pension or Settlement Income Streams

SEC and FINRA issued an investor alert entitled Pension or Settlement Income Streams – What You Need to Know Before Buying or Selling Them. ([Link](#))

### National Exam Program Director Carlo V. Di Florio to Leave SEC

SEC announced that Carlo V. di Florio will leave the agency after leading its National Exam Program for more than three years. ([Link](#))

### SEC Names Andrew Bowden as Director of National Exam Program

SEC announced that Andrew J. Bowden has been named Director of the agency's Office of Compliance Inspections and Examinations (OCIE) and will lead its National Exam Program. ([Link](#))

### Bruce Karpati, Chief of Enforcement Division Asset Management Unit, to Leave SEC After 12 Years

SEC announced that Bruce Karpati, chief of the Enforcement Division's Asset Management Unit, will be leaving the agency for the private sector after more than a dozen years of federal service. ([Link](#))

### SEC Names Lona Nallengara as Chief of Staff

SEC announced that Lona Nallengara has been named the agency's chief of staff. ([Link](#))

### SEC Names Keith F. Higgins as Director of Division of Corporation Finance

SEC named Keith F. Higgins as the new director of the agency's Division of Corporation Finance. ([Link](#))

## FINRA

### FINRA Fines:

Three Firms \$900,000 for Inadequate Anti-Money Laundering Programs ([Link](#))

### Regulatory Notices:

[13-18](#) FINRA Provides Guidance on Communications With the Public Concerning Unlisted Real Estate Investment Programs

**13-19** SEC Approves Amendments to Require Firms to Report OTC Transactions in Equity Securities as Soon as Practicable, But No Later Than 10 Seconds, Following Execution

**13-20** FINRA Designates Additional Index Available for Conventional Equity Options Position Limits Calculation

### **Information Notices:**

**5/1/13** New Rate for Fees Paid Under Section 31 of the Exchange Act

### **Firm to Pay \$9 Million for Systemic Email Failures and for Making Misstatements to FINRA**

FINRA announced that it fined a firm \$7.5 million for 35 separate, significant email system failures, which prevented it from accessing hundreds of millions of emails and reviewing tens of millions of other emails. Additionally, the firm made material misstatements to FINRA during its investigation of the firm's email failures. The firm was also ordered to establish a \$1.5 million fund to compensate brokerage customer claimants potentially affected by its failure to produce email. ([Link](#))

### **Carlo di Florio Named FINRA's New Executive Vice President, Risk and Strategy**

FINRA announced that Carlo V. di Florio, currently Director of the SEC's Office of Compliance Inspections and Examinations (OCIE), will join the organization as Executive Vice President, Risk and Strategy. In this role, di Florio will lead FINRA's Office of Risk, Emerging Regulatory Issues, Enterprise Risk Management and Strategy. Di Florio will have overall responsibility for ensuring that FINRA has effective processes for assessing the most significant risks to the investing public and the integrity of our markets, and developing strategic responses to mitigate, manage and monitor those risks and industry trends. In addition, di Florio will manage FINRA's Enterprise Risk Management program to enhance FINRA's internal governance, risk management, quality control and compliance in support of FINRA's mission and strategy. He will start at FINRA on June 24. ([Link](#))

### **National Crime Prevention Council and the FINRA Foundation Partner to Reduce Investment Fraud Among Consumers Nationally**

According to the FBI's latest Financial Crimes Report to the Public, investigations of securities and commodities fraud, also known as investment fraud, have increased by 52 percent since 2008. Additionally, investment fraud is largely underreported, and perpetrators often target retired citizens and seniors. Considering that 77 million baby boomers will be retiring over the next 20 years, as reported by AARP, incidences of investment fraud are likely to increase further. ([Link](#))

### **FINRA, SEC Issue Investor Alert on Pension or Settlement Income Streams**

FINRA and SEC issued an investor alert entitled Pension or Settlement Income Streams—What You Need to Know Before Buying or Selling Them. ([Link](#))

### **Direct Edge Selects FINRA for Market Surveillance**

Direct Edge®, the third largest stock exchange operator in the U.S., has agreed with the FINRA, the independent, non-governmental regulator for all securities firms doing business with the public in the U.S., to provide market surveillance services on behalf of Direct Edge's two licensed stock exchanges. ([Link](#))

### **FINRA Foundation Releases Nation's State-by-State Financial Capability Survey**

FINRA Foundation released the results of America's State-by-State Financial Capability Survey. The survey findings are available at [www.usfinancialcapability.org](http://www.usfinancialcapability.org), which features a clickable map of the United States and allows the public, policymakers and researchers to delve into and compare the financial capabilities of Americans across all 50 states and the nation as a whole. The survey results were released at an event featuring FINRA Foundation Chairman Richard Ketchum; U.S. Securities and Exchange Commission Chair Mary Jo White; Consumer Financial Protection Bureau Director Richard Cordray; Cyrus Amir-Mokri, Assistant Secretary for Financial Institutions, U.S. Department of the Treasury; and Stacey Stewart, U.S. President of United Way Worldwide. ([Link](#))

## **MSRB**

### **MSRB Regulatory Notices for May 2013:**

**2013-10** Request for Comment on Proposed Sophisticated Municipal Market Professional Rules

**2013-11** Enhancements to New Issue Information on EMMA

**2013-12** SEC Approves Amendments to MSRB Rule G-39, on Telemarketing

### **Broker-dealer Compliance Support**

RRS' regulatory and compliance consulting and support solutions for broker-dealers' includes:

- SEC/FINRA compliance examinations
- AML program development and reviews
- Annual compliance meetings
- Written supervisory policies and procedures
- Regulatory mandates
- Compliance programs and training
- Code of ethics

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

### **MSRB Requests Comment on Proposal to Consolidate Guidance for Dealers on Obligations to Experienced Investors**

MSRB is seeking comment on a proposal to consolidate guidance for municipal securities dealers who deal with experienced investors called sophisticated municipal market professionals (SMMPs). ([Link](#))

### ***The Regulators***

#### **FINRA Focuses on Senior Investors and Professional Designations**

FINRA has recently issued a Regulatory Notice and Investor Alert regarding the use of professional designations by registered representatives, particularly as they relate to senior investors, which is an area of increased regulatory and enforcement attention by FINRA, the SEC, and state regulators. Specifically, firms are reminded of the applicability of NASD Rule 2210 relating to misuse of professional designations, and of their obligation to supervise communications that represent a representative's level of expertise. FINRA examinations focus on potential misrepresentations, including use of so-called ghost authoring of written communications that could mislead investors about one's experience and investing successes, and the use of nonexistent or self-conferred degrees or designations, particularly those that hold representative's out as specialists in senior planning and financial matters.

FINRA has made it clear that it does not approve or endorse any professional designations, and views it the supervisory obligations of its member firms to ensure that such designations are not used in a fraudulent or misleading manner, and to ensure that they are adequately supervising sales seminars (particularly those targeted at seniors/retirees), as well as the suitability of products that may then be sold. Given this ongoing attention by regulators, it is important for firms to make certain their supervisory procedures adequately address these areas, that they be communicated throughout the firm, and be aggressively enforced. RRS recommends that all sales seminar materials, scripts etc be reviewed and approved prior to use. If further evidence is needed to show regulators' intense focus on this area, FINRA has issued an announcement on its website promoting the SEC's Third Annual Senior Summit to be held in September.

For more information contact Louis Dempsey (561) 368-2245 or [LouisDempsey@RRSCompliance.com](mailto:LouisDempsey@RRSCompliance.com)

### **MSRB Appoints Milroy A. Alexander to Board of Directors**

MSRB announced that Milroy A. Alexander, a former MSRB Board member and former chief executive officer of the Colorado Housing

and Finance Authority, has joined the Board of Directors to serve as a public representative through September 30, 2013. The MSRB also announced that Benjamin S. Thompson, Managing Principal and Chief Executive Officer of Samson Capital Advisors, will continue his service as a public representative on the Board through September 30, 2014. ([Link](#))

### **MSRB Adds Additional Primary Market Data to EMMA Website**

MSRB announced that additional information about new issues of municipal securities is now available on its Electronic Municipal Market Access (EMMA®) website. ([Link](#))

### **MSRB Publishes First Quarter 2013 Municipal Market Statistics**

MSRB released municipal market statistics for the first quarter of 2013, including data that provide details about the trading patterns and, continuing disclosure documents submitted to the MSRB and other figures for the \$3.7 trillion municipal bond market. The MSRB, which regulates the municipal market, is an independent source of data on the market and operates the Electronic Municipal Market Access (EMMA®) website. ([Link](#))

### **MSRB Produces Short Video about the Municipal Market**

MSRB released a short video that tells the story of the organization and explains the MSRB's role in the \$3.7 trillion municipal securities market. The MSRB plays a unique role in the financial market that raises capital for state and local governments to build roads, schools, bridges, hospitals and other public purpose facilities. ([Link](#))

### **MSRB's Revised Telemarketing Rule Approved**

MSRB announced that the Securities and Exchange Commission has approved the MSRB's revised telemarketing rule to more closely align certain provisions with similar rules of the Federal Trade Commission (FTC). MSRB Rule G-39 prohibits dealers from engaging in deceptive and other abusive telemarketing practices. ([Link](#))

### **MSRB Upcoming Events:**

MSRB Education and Outreach Seminar - Boston, MA July 23, 2013 ([Link](#))

## **NASAA**

### **NASAA Files Amicus Brief Supporting FINRA's Efforts to Reverse Ruling that Allows Schwab to Deny Customer Rights**

NASAA filed an amicus brief supporting FINRA's efforts to overturn a decision by a FINRA hearing panel that allowed Charles Schwab & Company to prevent its customers from participating in class-action lawsuits. ([Link](#))

**NASAA Releases Final IA Switch Report**

NASAA released a report documenting the successful completion of the transfer of mid-sized investment advisers from federal to state oversight as called for by the Dodd-Frank Wall Street Reform and Consumer Protection Act. ([Link](#))

**NASDAQ—NASDAQ-TRADER—****OTCBB****Equity Regulatory Alert:**

[2013-6](#) FINRA Modifies Protocol for Reporting Reversals of OTC Trades

**Equity Trader Alert:**

[2013-39](#) NASDAQ to Begin Listing First Trust Senior Loan ETF on Thursday, May 2, 2013

[2013-40](#) NASDAQ Modifies Functionality for Orders Received in Halted Securities via RASH and FIX Protocols

[2013-41](#) PSX Announces Re-Filing of May 2013 Pricing

[2013-42](#) MoneyGram International, Inc. to Begin Listing on NASDAQ on Monday, May 13, 2013

[2013-43](#) NASDAQ OMX Enhances QView Latency Optics Packet Capture Feature

[2013-44](#) NASDAQ Updates VTE Terminal Fees

[2013-45](#) NASDAQ to Begin Listing WisdomTree Trust ETF on Wednesday, May 22, 2013

[2013-46](#) NASDAQ OMX U.S. Markets will be closed on Monday, May 27, 2013

[2013-47](#) NASDAQ Introduces the MOPB Routing Strategy, Effective June 14, 2013

[2013-48](#) NASDAQ and PSX Pricing Updates, Effective June 3, 2013

[2013-49](#) NASDAQ to Begin Listing First Trust ETF on Monday, June 3, 2013

**RRS COMPLIANCE ASSESSMENTS****REDUCE COMPLIANCE COSTS AND****INCREASE EFFECTIVENESS****CALL (561) 368-2245**[INFO@RRSCOMPLIANCE.COM](mailto:INFO@RRSCOMPLIANCE.COM)**Data Technical News:**

[2013-22](#) MoneyGram International, Inc. to Begin Listing on NASDAQ on Monday, May 13, 2013

[2013-24](#) NASDAQ OMX Will Enhance Dividend Messaging on Mutual Fund Dissemination Service (MFDS) in Third Quarter 2013

[2013-25](#) NASDAQ OMX to Add Adjusted Close Price to NLS and NLS Plus Data Feeds

**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](mailto:laurenepstein@rrscompliance.com)

**Options Trader Alert:**

[2013-24](#) NOM Updates Certain Liquidity Rebate Criteria in Penny Pilot Options

[2013-25](#) PHLX Options on U.S. Treasuries Symbol Changes Effective Monday, May 20, 2013

[2013-26](#) PHLX Updates its XL System Settings

[2013-27](#) PHLX Amends Permit Fees and BX Options Updates Fees and Rebates for Select Symbols, Effective June 3, 2013

[2013-28](#) PHLX Changes Minimum Quote Size Requirement in AAPL, BIDU, BRK.B, GOOG, and PCLN

[2013-29](#) PHLX Implements Make/Take Pricing in SPY

[2013-30](#) PHLX Reduces FLEX Response Time to Fifteen Seconds and Amends Pricing for FLEX Trading

[2013-31](#) PHLX Amends PIXL and Customer Rebates

**Options Regulatory Alert:**

[2013-6](#) PHLX Options Specialist and Remote Specialist Opening Quote Requirements

[2013-7](#) PHLX Announces Margin Levels for Select Foreign Currency Options

**Financial Products News:**

[2013-16](#) NASDAQ OMX Announces Change of Names and Trading Symbols for Select Indexes on Monday, May 13

[2013-17](#) NASDAQ OMX Adds Seven Indexes to the NASDAQ Nordic Index Family Effective Tuesday, May 21, 2013

[2013-18](#) NASDAQ OMX to Launch New Index Effective Thursday, May 23, 2013

[2013-19](#) NASDAQ OMX to Begin Dissemination of New Third Party ETF Data on GIDS Effective Wednesday, May 22, 2013

[2013-20](#) NASDAQ OMX to Discontinue Dissemination of Two NASDAQ Indexes Effective After the Close of Business Friday, May 31, 2013

**NYSE - EURONEXT – AMEX****NYSE EURONEXT Announcements:**

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

**NYSE MKT to Delist Securities of:**

GEOGLOBAL RESOURCES INC. ([Link](#))

**NYSE MKT Issues Short Interest Report:**

Settlement date of April 30, 2013 ([Link](#))

**NYSE Group, Inc. Issues Short Interest Report:**

Settlement date of April 30, 2013 ([Link](#))

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

**NYSE Weekly Program-Trading Data Releases:**

Averaged 24.5 Percent of NYSE Volume during Apr. 22-26 ([Link](#))

Averaged 27.1 Percent of NYSE Volume during Apr. 29-May 3 ([Link](#))

Averaged 23.7 Percent of NYSE Volume during May 6-10 ([Link](#))

Averaged 25.8 Percent of NYSE Volume during May 13-17 ([Link](#))

Averaged 24.4 Percent of NYSE Volume during May 20-24 ([Link](#))

**Ekinops lists on NYSE Euronext in Paris**

Ekinops, a provider of next-generation optical fiber transport solutions for fixed and mobile high-speed broadband networks, celebrated its successful listing on NYSE Euronext (NYSE) in Paris. ([Link](#))

**ING U.S. Celebrates its Public Debut and First Day of Trading on the New York Stock Exchange**

ING U.S., a leading provider of Retirement, Investment, and Insurance products and services in the U.S., opened for trading on the NYSE under the ticker symbol "VOYA" after its initial public offering. GETCO Securities is the DMM for the company's stock. Chairman and Chief Executive Officer Rodney O. Martin, Jr. joined by members of the ING U.S. management team, celebrated the company's first day of trading

by visiting the NYSE trading floor for the stock opening and by ringing The Opening Bell®. ([Link](#))

**Corporate Board Member® and the Center for Audit Quality Aim to Advance Board-Shareholder Relations**

Corporate Board Member®, an NYSE Euronext Company, and the Center for Audit Quality (CAQ) are partnering to host a series of events focusing on the relationship between public company boards and the investor community. Following an investor roundtable held in Washington, D.C. last month, the two organizations will host the Board-Shareholder Forum on June 18, 2013 at the New York Stock Exchange. ([Link](#))

**NYSE Liffe doubles Asian membership and welcomes KGI Futures as its newest member**

NYSE Liffe, the European based global derivatives division of NYSE Euronext, is pleased to announce that it has doubled its Asian membership within the last six months and welcomes KGI Futures Co. Ltd, a leading futures brokerage in Taiwan, as a member of the Exchange's London and Paris markets. ([Link](#))

**HOMAIR VACANCES launches Initial Bond Offer on NYSE Alternext**

NYSE Euronext (NYSE) announced a successful €15 million bond issue by HOMAIR VACANCES, one of Europe's leading mobile home holiday rental specialists, on NYSE Alternext in Paris. It was the market's first Initial Bond Offer (IBO) of 2013 and the largest transaction of its type since NYSE Euronext first introduced this innovative instrument, which allows SMEs to raise both capital and visibility, in the second half of 2012. ([Link](#))

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**ERYTECH celebrates successful listing on NYSE Euronext in Paris**

ERYTECH, a Lyon-based biopharmaceutical company that develops innovative therapies to combat acute leukaemia and other forms of cancer, celebrated its successful listing on NYSE Euronext in Paris (NYSE), raising €17.7 million – more than the figure initially targeted by the company. ([Link](#))

**YMAGIS lists on NYSE Euronext in Paris**

YMAGIS, a company specialized in services and digital technologies for the film industry, celebrated its successful listing on NYSE Euronext (NYSE) in Paris. ([Link](#))

### **Armada Hoffler Properties Inc. Lists IPO on the New York Stock Exchange. Celebrates First Day as a Publicly-Traded Company**

Virginia-based Armada Hoffler Properties Inc., a REIT that develops, builds and owns office, retail and multifamily properties in Mid-Atlantic United States, opened for trading on the New York Stock Exchange (NYSE) under the ticker symbol "AHH" after its initial public offering. Barclays is the Designated Market Maker for the company's stock. ([Link](#))

### **Corporate Board Member/FTI Consulting Survey Identifies Key Legal Risks in 2013 for Companies**

Managing and mitigating risk surrounding cyber security, IT strategy, regulatory compliance, and concerns over leadership succession operations top the list of worries for U.S. directors and general counsel as revealed in the 13th annual Law and the Boardroom Study by Corporate Board Member®, an NYSE Euronext Company, and FTI Consulting, Inc. (NYSE: FCN). The 2013 findings reflect a continued escalation of concern over data security and IT risk, as well as the onus on public companies with regard to new regulation stemming from the Dodd-Frank Act. The survey also suggests that directors and general counsel worry about the need for strong leadership continuity to manage companies through many new and growing challenges. ([Link](#))

### **Cyan Celebrates Initial Public Offering and First Day of Trading on the New York Stock Exchange**

Petaluma, Calif.-based Cyan, a global supplier of software defined networking (SDN) solutions, opened for trading on the New York Stock Exchange (NYSE) under the ticker symbol "CYNI" after its initial public offering. Barclays is the Designated Market Maker (DMM) for the company's stock. Chairman and Chief Executive Officer Mark Floyd, joined by members of the company's management team, celebrated the company's first day of trading by visiting the NYSE trading floor for the stock opening and by ringing The Opening Bell®. ([Link](#))

### **Quintiles Celebrates IPO on the New York Stock Exchange**

Research Triangle Park, N.C.-based Quintiles, a leading global provider of biopharmaceutical development and commercial outsourcing services, visited the New York Stock Exchange (NYSE) to celebrate the company's initial public offering. Quintiles began trading on the NYSE on Thursday, May 9, under the ticker symbol "Q". Barclays is the DMM for Quintiles' stock. ([Link](#))

### **NYSE Euronext Commemorates the 10th Anniversary of the Intellidex Family of Indices**

NYSE Euronext announces the 10th anniversary of the Intellidex Indices, the industry's first 'smart index', designed to objectively identify those stocks within a particular market segment that have the greatest potential for capital appreciation. NYSE Euronext has owned, calculated and maintained the Intellidex Indices, which serves as a basis for the Dynamic series of Invesco PowerShares exchange traded funds (ETFs), since 2003. ([Link](#))

### **America's Top Corporate Law Firms for 2013**

Corporate Board Member magazine and global business advisory firm FTI Consulting, Inc. (NYSE: FCN) announced the results of the 13th annual America's Best Corporate Law Firms study, a comprehensive ranking by U.S. corporate directors and general counsel of the top 25 corporate law firms. ([Link](#))

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### **General Counsel Honored During Annual Legal Recognition Dinner**

Corporate Board Member magazine and global business advisory firm FTI Consulting, Inc. (NYSE: FCN) hosted the sixth annual Legal Recognition Dinner last night at the Grand Hyatt in New York City, honoring five distinguished general counsel and the top 25 national corporate law firms. The law firm winners were selected by directors and general counsel of publicly traded companies as a part of the 13th annual America's Best Corporate Law Firms study. ([Link](#))

### **NYSE Euronext Announces Date for Second Quarter 2013 Earnings Release and Conference Call**

NYSE Euronext (NYSE: NYX) will announce earnings for the second quarter 2013 before the market opens on Tuesday, July 30, 2013. A news release will be issued at approximately 2:30 a.m. (New York) / 8:30 a.m. (Paris) and a conference call with remarks by NYSE Euronext senior management will begin at 8:00 a.m. (New York) / 2:00 p.m. (Paris). A presentation will be referenced during the call and available on our website at <http://www.nyseeuronext.com/ir>. ([Link](#))

### **NYSE Technologies Names Varghese Thomas as Global Head of Infrastructure Solutions**

NYSE Technologies, the commercial technology division of NYSE Euronext (NYSE: NYX), announced the appointment of Varghese Thomas as Senior Vice President and Global Head of Infrastructure Solutions. In this role, Mr. Thomas will be responsible for the development and management of a leading financial hosting, network and managed services business, which provides secure solutions for the global financial services community. The business supports customers with new innovations such as FIX as a Service, Time Series as a Service and other core managed solutions opportunities designed to lower costs and create business efficiencies. Based in New York, Mr. Thomas will work in close collaboration with NYSE Technologies' Content and Liquidity Solutions teams reporting to COO, Terry Roche. ([Link](#))

### **Tableau Software Celebrates Public Debut as “DATA” on the New York Stock Exchange**

Seattle, WA-based Tableau Software, Inc., a provider of business analytics software, opened for trading on the New York Stock Exchange (NYSE) under the ticker symbol "DATA" after its initial public offering. The company's stock opened on the NYSE at \$47, up 52% from its \$31 offer price. GETCO Securities is the Designated Market Maker for Tableau's stock. ([Link](#))

### **Municipal Securities**

The RRS solutions for Municipal Securities Broker-Dealers include a wide range of preventative compliance services designed to reduce the potential for deficiencies during regulatory examinations. MSRB compliance services include examination, testing and support in the following critical areas:

- Trade Reporting (RTRS)
- Political contributions
- Underwriting activities
- Section 529 sales practices
- Official Statement Delivery
- Books and records
- Pricing
- Order Handling and Execution
- Customer confirmations
- Trade comparison and confirmation
- Supervisory Controls
- Written supervisory procedures

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

### **NYSE Member Firms Report First-Quarter 2013 Results**

New York Stock Exchange member firms that conduct business with the public reported a first-quarter 2013 after-tax profit of \$4.2 billion and revenues of approximately \$43.0 billion, compared with a \$4.0 billion after-tax profit on revenues of about \$40.9 billion in the fourth-quarter of 2012. Comparative financial results are reported in the table. ([Link](#))

### **NYSE Euronext to reinforce the role of the capital markets as a financing source for Portuguese companies**

NYSE Euronext is committed to involving the ecosystem in the development of initiatives that present the stock market as an

alternative companies can and should use more and more, especially SMEs, as a means to meet their needs for growth and financing. ([Link](#))

### **EnterNext®, NYSE Euronext’s new SME marketplace, goes live Amsterdam, Brussels, Lisbon, Paris – 23 May 2013**

NYSE Euronext (NYX) announced the opening of EnterNext®, its marketplace for SMEs. This new subsidiary is dedicated to companies that have a capitalization of under €1 billion and already covers over 750 SMEs listed on the regulated market of NYSE Euronext and on NYSE Alternext. With a bold strategy and a NYSE Euronext proven capacity to deliver, EnterNext® has been designed to facilitate the financing requirements and development of European SMEs that operate regionally, nationally and internationally. ([Link](#))

### **Constellium lists on NYSE Euronext in New York and Paris**

NYSE Euronext (NYX) announced that Constellium N.V. (ticker: CSTM), a global leader in innovative and high value-added aluminum products, celebrated its first days of trading and dual listing on its markets in Europe and the United States. ([Link](#))

### **NEXPONOR to be the largest listing on NYSE Alternext in 2013**

The real estate fund NEXPONOR (ticker: ALNOR) promoted by the Associação Empresarial de Portugal (AEP), the Portuguese Entrepreneurial Association, with assets from Exponor, will be admitted to listing on NYSE Alternext on 3 June 2013 with over 65 million euros raised, thus becoming the largest operation registered this year on NYSE Euronext’s market designed for SMEs with more flexible listing requirements. ([Link](#))

### **Interbolsa at the forefront in T2S connectivity**

Interbolsa, a subsidiary of NYSE Euronext and Central Securities Depository for the Portuguese market, has chosen the global provider SWIFT to connect to Target2Securities (T2S), hence placing itself in the forefront of the European post-trading transformation. ([Link](#))

## **PRA**

### **Forecast errors – speech by Ben Broadbent**

In a speech to the Mile End Group of Queen Mary, University of London, Ben Broadbent explains why the existence of “errors” in economic forecasts is not, in and of itself, evidence that those forecasts were flawed when they were made. That, he argues, has lessons for both forecasters themselves, who should remain aware of their limitations, and those who judge forecasts, who are often too inclined to view a forecast “error” as a mistake. He concludes by discussing the role of forecasting on the Monetary Policy Committee. ([Link](#))

### **Bank of England maintains Bank Rate at 0.5% and the size of the Asset Purchase Program at £375 billion**

The Bank of England’s Monetary Policy Committee voted to maintain the official Bank Rate paid on commercial bank reserves at 0.5%. The



Committee also voted to maintain the stock of asset purchases financed by the issuance of central bank reserves at £375 billion. ([Link](#))

### **Monetary policy and monetary policy-making – speech by Martin Weale**

In a speech delivered at the British-American Business Council Transatlantic Conference, Martin Weale – External Member of the Monetary Policy Committee (MPC) – sets out his thoughts on monetary policy-making in the current circumstances. He looks at the new remit, in particular the trade-off between controlling inflation and avoiding undue fluctuations in output, and considers how this is currently impacting the actions of the MPC. He concludes that “a reasonable trade-off between inflation volatility and output volatility means that, in making our policy decisions, we are very conscious that policy affects output as well as inflation and that periods of below-normal output have very substantial costs associated with them.” ([Link](#))

### **Anti-money Laundering Programs**

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For more information contact Lauren Epstein at (561) 368-2245 or [laurenepstein@rrscompliance.com](mailto:laurenepstein@rrscompliance.com)

### **Resolution and future of finance - speech by Paul Tucker**

Speaking at the 9th World Congress of the International Association of Restructuring, Insolvency and Bankruptcy, Paul Tucker – the Bank’s Deputy Governor for Financial Stability and a member of both the Financial Policy Committee (FPC), the Monetary Policy Committee (MPC) and the Board of the Prudential Regulation Authority – outlines the keys steps necessary to further the progress already made by the international regulatory community on resolution since the crisis. ([Link](#))

### **Prudential Regulation Authority statement on bank capital**

The Prudential Regulation Authority (PRA) is taking forward with the major UK banks the adjustments to capital positions identified by the Financial Policy Committee (FPC) relating to expected future losses, conduct costs and prudent risk-weighting. The PRA has set out the capital requirements for Lloyds Banking Group and Royal Bank of Scotland. The two banks have advanced their plans to a position where disclosure is appropriate. Once discussions have concluded with all banks, more information will be provided along with confirmation that, where necessary, banks will take appropriate steps to ensure that they meet the FPC’s recommendation on capital. ([Link](#))

### **The outlook for the UK economy - speech by Paul Fisher**

Speaking in Cardiff, Paul Fisher, the Bank’s Executive Director for Markets and a member of the Monetary Policy Committee, gives a personal view on why the recovery from recession has been slow and is likely to continue to be prolonged. He also reviews the recent institutional changes at the Bank of England which, he says, “will help shape the policy environment for a generation”. ([Link](#))

### **A new regulatory relationship: the Bank, the financial system, and the wider economy - speech by Paul Tucker**

Speaking in London, Paul Tucker reflects on the changing relationship between central banks and the business community. He says that the traditional roles of central banks – “for the first time ever reflected in UK legislation – touch every household and business in this country and, in truth, more widely”. ([Link](#))

### **Rebalancing - speech by Charlie Bean**

Speaking at the Official Monetary and Financial Institutions Forum, Charlie Bean – Deputy Governor for Monetary Policy and member of the Bank of England’s Monetary Policy Committee (MPC) and Financial Policy Committee (FPC) – considers the imbalances that led to the global financial crisis and reviews progress in returning to balance. He notes that the large extent of the imbalances before the crisis requires substantial real adjustment, and that has meant that economic recovery has been sluggish compared with the normal economic cycle. ([Link](#))

## **FCA**

### **Former Mortgage Broker Committed to Crown Court for Conducting Unauthorized Business**

On Monday 29 April 2013, former mortgage broker appeared at Medway Magistrates Court in relation to criminal offences brought against him by the Financial Conduct Authority (FCA). ([Link](#))

**The FCA publishes findings of review into interest-only mortgages and reaches agreement with lenders to contact interest-only borrowers**

FCA published its research into consumers' ability to repay their interest-only mortgages when they mature. The findings show that many people should be in a good position to repay their mortgage when it is due for repayment. ([Link](#))

**Two arrested in FCA insider dealing investigation**

On the 30 April the FCA with the assistance of the City of London Police Economic Crime Directorate executed a search warrant in West London. Two people, a man aged 41 and a woman aged 37, were arrested and questioned in connection with an investigation in to insider dealing and market abuse. ([Link](#))

**International Bank fined for systems and controls failings in its wealth management business**

FCA fined an International bank £3,076,200 for systems and controls failings relating to its provision of retail investment advice and portfolio investment services. ([Link](#))

**FCA publishes a Decision Notice deciding to ban and fine the former non-executive director £154,800 for failing to disclose her conflicts of interest**

FCA publishes a Decision Notice deciding to ban and fine the former non-executive director £154,800 for failing to disclose her conflicts of interest. ([Link](#))

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

## Resource Links

### Government

- U.S. Securities & Exchange Commission – [WWW.SEC.GOV](http://WWW.SEC.GOV)
- North American Securities Administrators Association - [WWW.NASAA.ORG](http://WWW.NASAA.ORG)
- FINCEN - [WWW.FINCEN.GOV](http://WWW.FINCEN.GOV)
- Commodity Futures Trading Commission – [WWW.CFTC.GOV](http://WWW.CFTC.GOV)
- Financial Conduct Authority - [WWW.FCA.GOV.UK](http://WWW.FCA.GOV.UK)
- Prudential Regulatory Authority – [WWW.BANKOFENGLAND.CO.UK](http://WWW.BANKOFENGLAND.CO.UK)

### SRO

- FINRA - [WWW.FINRA.ORG](http://WWW.FINRA.ORG)
- NASDAQ - [WWW.NASDAQ.COM](http://WWW.NASDAQ.COM)
- New York Stock Exchange - [WWW.NYSE.COM](http://WWW.NYSE.COM)
- Municipal Securities Rulemaking Board - [WWW.MSRB.ORG](http://WWW.MSRB.ORG)
- National Futures Association [WWW.NFA.FUTURES.ORG](http://WWW.NFA.FUTURES.ORG)

### Industry

- Alternative Investment Management Association “AIMA” – [WWW.AIMA.ORG](http://WWW.AIMA.ORG)
- Bank Insurance & Securities Association “BISA” – [WWW.BISANET.ORG](http://WWW.BISANET.ORG)
- Complinet – [WWW.COMPLINET.COM](http://WWW.COMPLINET.COM)
- Florida Securities Dealers Association “FSDA” – [WWW.FLORIDASECURITIES.COM](http://WWW.FLORIDASECURITIES.COM)
- Financial Market Association “FMA” – [WWW.FMAWEB.ORG](http://WWW.FMAWEB.ORG)
- Financial Services Institute “FSI” – [WWW.FINANCIALSERVICES.ORG](http://WWW.FINANCIALSERVICES.ORG)
- Investment Adviser Association “IAA” – [WWW.INVESTMENTADVISER.ORG](http://WWW.INVESTMENTADVISER.ORG)
- Investment Company Institute “ICI” – [WWW.ICI.ORG](http://WWW.ICI.ORG)
- Managed Funds Association “MFA” – [WWW.MANAGEDFUNDS.ORG](http://WWW.MANAGEDFUNDS.ORG)
- National Society of Compliance Professionals “NSCP” – [WWW.NSCP.ORG](http://WWW.NSCP.ORG)
- Securities Industry and Financial Markets Association “SIFMA” – [WWW.SIFMA.ORG](http://WWW.SIFMA.ORG)

\*This list is provided for information purposes only. RRS does not specifically endorse any group noted.

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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: May 2013**

**Fax: (561) 807-5442**

[LouisDempsey@RRSCompliance.com](mailto:LouisDempsey@RRSCompliance.com)

**FROM:** \_\_\_\_\_

**FIRM NAME:** \_\_\_\_\_ **IA** \_\_\_\_\_ **BD** \_\_\_\_\_ **OTHER** \_\_\_\_\_

**PHONE:** \_\_\_\_\_ **FAX:** \_\_\_\_\_

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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:

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