

Regulatory & Compliance Update

September 2018

Routing

- ✓ Legal & Compliance
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HOT TOPICS

Items in This Edition

- **SEC** – Statement Regarding Staff Proxy Advisory Letters
- **SEC** – SEC Charges investment advisers with defrauding retail advisory clients.
- **SEC** – SEC Monitoring impact of Hurricane Florence on capital markets.
- **SEC** – SEC Charges cannabis investment fund and founder in fraudulent scheme.
- **SEC** – SEC Charges two brokers with defrauding customers.
- **SEC** – SEC Obtains relief to fully reimburse retail investors sold unsuitable product.
- **SEC** – SEC Charges digital asset hedge fund manager with misrepresentations and registration failures.
- **FINRA** – 18-26 Requests comments on enhancements under consideration by the Securities Industry/Regulatory Council on continuing education.
- **FINRA** – FINRA Releases report on the rise of RegTech.

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Services Spotlight: Regulatory Review Deadlines

RRS Regulatory experts can conduct Supervisory Controls Testing, Written Supervisory Procedures Assessments and comprehensive compliance examinations. Since it is now the fourth quarter, please let us know if RRS can assist with any outstanding projects your firm needs to complete before December 31st. Broker-dealers and investment advisers are increasingly under pressure to conduct comprehensive reviews and assessments of their operations policies, procedures and internal controls and to document those reviews. RRS tailors its audit programs to meet your firm's needs and the requirements of the SEC, FINRA/NASD and NYSE Rules. In fact, RRS provides multiple levels of service designed to meet or exceed regulatory requirements for the periodic review of a firm's operations.

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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.



Events

- DEADLINE: Short Interest Reporting Due 10/17/18
- DEADLINE: FOCUS Filings due 10/24/18
- DEADLINE: SSOI Filings due 10/29/18
- DEADLINE: SIS Filings due 10/29/18
- DEADLINE: Form OBS Filings due 10/31/18

SEC

SEC No Action Letters:

Investment Advisers Act of 1940 — Section 57(a) and Rule 17d-1 ([Link](#))

Securities Act of 1933 – Rule 486(b) ([Link](#))

SEC Upcoming Events:

[\(10/02/18\)](#) Your TSP Account – What to think about when nearing retirement or considering leaving the government

[\(10/04/18\)](#) RISE of California: Retirement Investment Summit on Education

[\(10/04/18\)](#) ISDA North America Conference

[\(10/05/18\)](#) Association of Audit Committee Members Annual Meeting

SEC and NYU to Host Sept. 21 Forum on High Frequency Trading and Liquidity Resiliency

The U.S. Securities and Exchange Commission's Division of Economic and Risk Analysis and Division of Trading and Markets are partnering with New York University's Salomon Center for the Study of Financial Institutions to bring together regulators, practitioners, and academics for a half-day symposium on Sept. 21 at the SEC headquarters in Washington, D.C. Panelists will discuss the impact of high-frequency trading and the resiliency of liquidity in securities markets. ([Link](#))

SEC Staff to Host Roundtable on Regulatory Approaches to Combating Retail Investor Fraud

The Commission staff is interested in views from a broad range of market participants, regulators and industry experts concerning potential steps that might be taken to enhance the ability of regulators, broker-dealers and others to combat retail investor fraud. ([Link](#))

SEC Staff to Host Roundtable on Market Data and Market Access

The Securities and Exchange Commission announced today that its Division of Trading and Markets will host a two-day roundtable on October 25 and 26 on market data and market access. The roundtable agenda is below. ([Link](#))

SEC Staff to Host Nov. 15th Roundtable on the Proxy Process

The Securities and Exchange Commission today announced that its staff will host a roundtable on Nov. 15 to hear investor, issuer, and other market participant views about the proxy process and rules. ([Link](#))

Statement Regarding Staff Proxy Advisory Letters

As recently announced, the Commission staff will be hosting an upcoming Roundtable on the Proxy Process.¹ The Roundtable, which is expected to be in November 2018, will provide the staff an opportunity to engage with market participants on topics including the voting process, retail shareholder participation and the role of proxy advisory firms. ([Link](#))

Agencies Extend Comment Period for Proposed Rule Simplifying and Tailoring the “Volcker Rule”

The Volcker rule generally restricts banking entities from engaging in proprietary trading and from owning or controlling hedge funds or private equity funds. ([Link](#))

A Paris-based Pharmaceutical Company Charged with FCPA Violations

The Securities and Exchange Commission today announced that Paris-based pharmaceutical company has agreed to pay more than \$25 million to resolve charges that its Kazakhstan and the Middle East subsidiaries made corrupt payments to win business. ([Link](#))

SEC Charges Telecommunications Expense Management Company with Accounting Fraud

The Securities and Exchange Commission today charged a telecommunications expense management company for its use of fraudulent accounting practices that artificially boosted company revenues between 2013 and 2015. ([Link](#))

SEC Charges Cannabis Investment Fund and Founder in Fraudulent Scheme

The Securities and Exchange Commission today charged a Texas-based investment fund and its founder with defrauding investors with false promises of massive returns in cannabis-related businesses. The SEC also issued an alert to warn retail investors about marijuana-related securities offerings. ([Link](#))

SEC Charges Two Men with Fraud in Fake Trading Accounts Scheme

The Securities and Exchange Commission today charged two Michigan men with fraud for their roles in a fake accounts scheme perpetrated by a phony day-trading firm. ([Link](#))

SEC Awards More Than \$54 Million to Two Whistleblowers

The Securities and Exchange Commission is awarding \$39 million to one whistleblower and \$15 million to another whose critical information and continued assistance helped the agency bring an important enforcement action. The \$39 million award is the second-largest award in the history of the SEC's whistleblower program. ([Link](#))

SEC Charges Real Estate Broker with FCPA Violations

The Securities and Exchange Commission today announced settled FCPA charges against a New Jersey real estate broker arising out of his attempt to bribe a foreign official while acting as a broker for a company. ([Link](#))

SEC Charges Microcap Fraudsters for Roles in Lucrative Market Manipulation Schemes

The Securities and Exchange Commission today charged a group of 10 individuals and 10 associated entities for their participation in long-running fraudulent schemes that generated over \$27 million from unlawful stock sales and caused significant harm to retail investors who were left holding virtually worthless stock. ([Link](#))

SEC Charges Two Brokers with Defrauding Customers

The Securities and Exchange Commission charged two brokers for recommending excessive levels of trading that were costly for retail customers but lucrative for the brokers. ([Link](#))

SEC Obtains Relief to Fully Reimburse Retail Investors Sold Unsuitable Product

The Securities and Exchange Commission today announced it has obtained monetary relief that will fully reimburse retail investors for losses on a leveraged oil-linked exchange-traded note (ETN) that registered representatives of Syracuse, New York-based broker-dealer and investment adviser recommended without a reasonable basis. ([Link](#))

SEC Charges ICO Superstore and Owners with Operating as Unregistered Broker-Dealers

This is the SEC's first case charging unregistered broker-dealers for selling digital tokens after the SEC issued The DAO Report in 2017 cautioning that those who offer and sell digital securities must comply with the federal securities laws. ([Link](#))

SEC Charges Digital Asset Hedge Fund Manager with Misrepresentations and Registration Failures

The Securities and Exchange Commission today announced its first-ever enforcement action finding an investment company registration violation by a hedge fund manager based on its investments in digital assets. ([Link](#))

A Company is Charged with Violating FCPA

The Securities and Exchange Commission today announced that Connecticut-based company will pay \$13.9 million to resolve charges that it violated the Foreign Corrupt Practices Act (FCPA) by making illicit payments in its elevator and aircraft engine businesses. ([Link](#))

SEC Uses Data Analysis to Detect Cherry-Picking by Broker

The Securities and Exchange Commission today charged a New Jersey-based broker with misusing his access to customers' brokerage accounts to enrich himself and family members at the expense of his customers, many of whom had entrusted him with their retirement accounts. The SEC uncovered the alleged fraud with data analysis used to detect suspicious trading patterns. ([Link](#))



SEC Charges Hedge Fund Adviser with Short-and-Distort Scheme

The Securities and Exchange Commission today charged a hedge fund adviser and his investment advisory firm with illegally profiting from a scheme to drive down the price of San Diego-based pharmaceuticals company, reaping more than \$1.3 million of gains for the adviser and the hedge fund. ([Link](#))

Broker-Dealer to Pay \$2.75 Million Penalty for Providing Deficient Blue Sheet Data

The Securities and Exchange Commission today announced that a company will pay \$2.75 million to settle charges that the broker-dealer firm provided the SEC with incomplete and deficient securities trading information known as "blue sheet data." ([Link](#))

SEC Monitoring Impact of Hurricane Florence on Capital Markets

"The SEC is keeping a close eye on the progress of Hurricane Florence and any effects it may have on investors and capital markets. Dedicated staff stand ready to help ensure investors have access to their securities accounts, to evaluate the need to extend deadlines for filings and other regulatory requirements, and to keep a watchful eye for storm-related scams," said SEC Chairman Jay Clayton. ([Link](#))

SEC Charges a Company for Dark Pool Misrepresentations

The SEC's order found that a company misled users with assurances that high-frequency traders were not allowed to trade in a premium-priced dark pool operated by said company, when two of the most active users reasonably qualified as high-frequency traders and executed more than \$9 billion of orders through the pool. ([Link](#))

Whistleblower Receives Award of Approximately \$1.5 Million

The whistleblower provided the SEC with vital information and ongoing assistance that proved important to the overall success of an enforcement action. However, the SEC's order notes that the award was reduced because the whistleblower did not promptly report the misconduct and benefited financially during the delay. ([Link](#))

SEC Charges Investment Advisers with Defrauding Retail Advisory Clients

The Securities and Exchange Commission today charged an Indianapolis-based investment advisory firm and its sole owner with selling approximately \$13 million of high-risk securities to more than 120 advisory clients – many of whom are current or former teachers or other workers in public education – without disclosing that the firm and its owner stood to receive commissions of up to 18 percent from the sales. ([Link](#))

A Company and Former CEO to Pay More Than \$5 Million to Settle Fraud Charges

The Securities and Exchange Commission today announced that a company and its former CEO have agreed to pay more than \$5 million to settle fraud charges for misleading investors about the impact the documentary film *Blackfish* had on the company's reputation and business. ([Link](#))

Biopharmaceutical Company, Executives Charged with Misleading Investors About Cancer Drug

The Securities and Exchange Commission today announced that a Boulder, Colorado-based biopharmaceutical company, its CEO, and its former CFO will pay more than \$20 million in penalties to settle charges of misleading investors about the company's developmental lung cancer drug. ([Link](#))

SEC Shuts Down \$345 Million Fraud and Obtains Asset Freeze

The Securities and Exchange Commission today announced it has obtained a court order halting an ongoing Ponzi-like scheme that raised more than \$345 million from over 230 investors across the U.S. The SEC also obtained an emergency asset freeze and the appointment of a receiver. ([Link](#))

SEC Provides Regulatory Relief and Assistance for Hurricane Victims

The Securities and Exchange Commission today announced that it is providing regulatory relief to publicly traded companies, investment companies, accountants, transfer agents, municipal advisors and others affected by Hurricane Florence. ([Link](#))

Business Services Company and Former CFO Charged with Accounting Fraud

The Securities and Exchange Commission today charged the former chief financial officer of a company for his role in an accounting fraud involving workers' compensation expenses. ([Link](#))

SEC Staff to Host Nov. 15th Roundtable on the Proxy Process

The Securities and Exchange Commission today announced that its staff will host a roundtable on Nov. 15 to hear investor, issuer, and other market participant views about the proxy process and rules. ([Link](#))

Public Companies Charged with Failing to Comply with Quarterly Reporting Obligations

The Securities and Exchange Commission today announced charges against five public companies for failing to provide financial statements that were reviewed by their independent external auditor when they filed quarterly reports with the Commission on Form 10-Q. ([Link](#))

SEC Charges Unregistered Sales of Securities Issued Under EB-5 Immigrant Investor Program

The Securities and Exchange Commission today announced that an Illinois-based regional center, its CEO, and 37 affiliated limited partnerships have agreed to settle charges related to securities issued under the EB-5 Immigrant Investor Program, which provides foreigners who invest in the U.S. a potential path to becoming a U.S. resident. ([Link](#))

SEC Awards Almost \$4 Million to Overseas Whistleblower

The Securities and Exchange Commission today announced that it has awarded nearly \$4 million to an overseas whistleblower whose tip led it to open an investigation and whose extensive assistance helped it bring a successful enforcement action. ([Link](#))

SEC Staff to Host Roundtable on Market Data and Market Access

The Securities and Exchange Commission announced today that its Division of Trading and Markets will host a two-day roundtable on October 25 and 26 on market data and market access. The roundtable agenda is below. ([Link](#))

Company Charged for Improper Handling of ADR's

The Securities and Exchange Commission today announced that a company will pay more than \$800,000 to settle charges of improper

handling of “pre-released” American Depositary Receipts (ADRs), predominantly by its predecessor entity. [\(Link\)](#)

SEC Charges Former CEO of Chilean-Based Chemical and Mining Company with FCPA Violations

The Securities and Exchange Commission today announced that the former CEO of Chilean-based chemical and mining company has agreed to pay \$125,000 to resolve charges that he violated the Foreign Corrupt Practices Act (FCPA). [\(Link\)](#)

SEC Charges Firm with Deficient Cybersecurity Procedures

The Securities and Exchange Commission today announced that a Des Moines-based broker-dealer and investment adviser has agreed to pay \$1 million to settle charges related to its failures in cybersecurity policies and procedures surrounding a cyber intrusion that compromised personal information of thousands of customers. [\(Link\)](#)

SEC Proposes Amendments to Codify Exemption to Credit Rating Agency Rule

The Securities and Exchange Commission today announced that it has voted to propose rule amendments to codify an existing temporary exemption for credit rating agencies registered with the Commission as nationally recognized statistical rating organizations (NRSROs). [\(Link\)](#)

Brazilian Oil-and-Gas Company Reaches Settlement with SEC

Compliance Tips

For check and application way business -- go to the issuers that you have selling agreements with and request that they not process applications that do not evidence supervisory approval. Some of the larger issuers will do this to assist your compliance function; however, it is you responsibility to adequately review all applications. This would simply be an added back-up if something slipped through as you cannot rely on the issuer to conduct your suitability reviews.

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for Misleading Investors

The Securities and Exchange Commission today charged Brazilian oil-and-gas company with misleading U.S. investors by filing false financial statements that concealed a massive bribery and bid-rigging scheme at the company. [\(Link\)](#)

Online Marketers Charged with Coning Main Street Investors Through Rags-to-Riches Infomercials

The Securities and Exchange Commission today charged a group of internet marketers who allegedly created and disseminated

elaborate rags-to-riches videos to trick retirees and other retail investors into opening brokerage accounts and trading high-risk securities known as binary options. [\(Link\)](#)

SEC Charges Bitcoin-Funded Securities Dealer and CEO

The Securities and Exchange Commission today filed charges against an international securities dealer and its Austria-based CEO for allegedly violating the federal securities laws in connection with security-based swaps funded with bitcoins. [\(Link\)](#)

CEO Charged with Securities Fraud for Misleading Tweets

The Securities and Exchange Commission today charged, CEO and Chairman of Silicon Valley-based company with securities fraud for a series of false and misleading tweets about a potential transaction to take the company private. [\(Link\)](#)

SEC Charges a Company and Two Former Executives with Misleading Investors About Forecasted Earnings Goal

The Securities and Exchange Commission today charged a company and its former CEOs with misleading investors about increased risk that the company would miss a key financial goal announced when the company entered a merger with Alliance Boots GmbH in 2012. [\(Link\)](#)

SEC Charges a Pharmaceutical Company and Former CEO with Lying About Distribution Channel

The Securities and Exchange Commission today charged a pharmaceutical company and its former CFO with repeatedly misleading analysts and investors about the company's prospects. The former CFO, will pay more than \$1 million to settle the charges. [\(Link\)](#)

SEC Charges a Company for the Second Time for FCPA Violations

The Securities and Exchange Commission today charged a company with violating the books and records and internal accounting controls provisions of the Foreign Corrupt Practices Act (FCPA), the second time the SEC has brought an FCPA action against the Michigan-based medical device company. [\(Link\)](#)

SEC Charges a Company and Former Executives with Misleading Investors and Breaching Fiduciary Duty

The Securities and Exchange Commission today charged San Francisco-based company and its former president with fraud for improperly using fund money to benefit the parent company. [\(Link\)](#)

Company Agrees to Pay \$10 Million to Settle Charges Related to Handling of Retail Customer Orders

The Securities and Exchange Commission today announced that a company has agreed to settle charges brought by the SEC and the Office of the New York Attorney General regarding material

misrepresentations and omissions made in connection with its now-closed Retail Execution Services (RES) business' handling of certain customer orders. ([Link](#))

Brokerage Firm to Exit Penn Stock Deposit Business and Pay Penalty for Repeatedly Failing to Report Suspicious Trading

The Securities and Exchange Commission today announced settled charges against clearing for failing to report suspicious sales of penny stock shares totaling millions of dollars. As part of the settlement, the firm has agreed to exit a key penny stock clearing business by significantly limiting the sale of penny stocks deposited. ([Link](#))

CEO Settles SEC Fraud Charges; Electronic Car Company Charged with and Resolves Securities Law Charge

The Securities and Exchange Commission announced today that, CEO and Chairman of Silicon Valley-based electronic car company has agreed to settle the securities fraud charge brought by the SEC against him last week. ([Link](#))

SEC Names Rebecca J. Olsen as Director of the Office of Municipal Securities

The Securities and Exchange Commission today announced that Rebecca J. Olsen has been named Director of the agency's Office of Municipal Securities (OMS). Ms. Olsen has served as OMS's Acting Director since September 2017. ([Link](#))

SEC Names Anita Bandy and Carolyn Welshhans as Associate Directors in Enforcement Division

The Securities and Exchange Commission today announced that Anita B. Bandy and Carolyn M. Welshhans have been named Associate Directors in the SEC's Division of Enforcement. In their new roles, Ms. Bandy and Ms. Welshhans will each supervise approximately 40 attorneys, paralegals, and staff responsible for investigating a wide variety of securities law violations. ([Link](#))

Elad Roisman Sworn in as SEC Commissioner

Elad L. Roisman has been sworn into office as an SEC Commissioner by SEC Chairman Jay Clayton. Mr. Roisman was nominated to the SEC by President Donald J. Trump and his nomination was confirmed by the U.S. Senate on September 5. ([Link](#))

Matt Wolfe Named Associate Director in Office of Derivatives Policy and Trading Practices

The Securities and Exchange Commission today announced that Mark E. Wolfe has been named Associate Director of the Office of Derivatives Policy and Trading Practices in the agency's Division of Trading and Markets. ([Link](#))

Christopher Hetner, Senior Advisor to the Chairman for Cybersecurity Policy, to Leave the Agency

The Securities and Exchange Commission today announced that Christopher R. Hetner, Senior Advisor to Chairman Jay Clayton for Cybersecurity Policy, plans to leave the agency. Mr. Hetner will remain in the Chairman's Office during the identification of and transition to his successor. ([Link](#))

Pamela C. Dyson, Chief Information Officer, to Leave SEC

The Securities and Exchange Commission today announced that Pamela C. Dyson plans to leave the SEC to serve as executive vice president, head of the Technology Group, and Chief Information Officer (CIO) at the Federal Reserve Bank of New York. ([Link](#))

Lacey Dingman, Chief Human Capital Officer and Director of Human Resources, to Leave SEC

The Securities and Exchange Commission today announced that Lacey Dingman, the Chief Human Capital Officer (CHCO) and Director of the Office of Human Resources (OHR), will leave the agency at the end of September. ([Link](#))

FINRA

Information Notices:

Presentation Changes and New Functionality in the Central Registration Depository (CRD) System ([Link](#))

Administrative Changes to the Continuing Education Regulatory Element Programs ([Link](#))

Regulatory Notices:

[18-26](#) FINRA Requests Comment on Enhancements Under Consideration by the Securities Industry/Regulatory Council on Continuing Education

[18-27](#) Restructured Qualification Examinations and Related Examination Fees

[18-28](#) FINRA Requests Comment on a Proposal to Expand OTC Equity Trading Volume Data Published on FINRA's Website

[18-29](#) FINRA Reminds Firms of Their Obligations When Effecting OTC Trades in Equity Securities on a Net Basis

[18-30](#) Enhancements to the REX System and Updates to Data and Other Requirements Applicable to Requests for Extensions of Time Under Regulation T and SEA Rule 15c3-3

[18-31](#) SEC Staff Issues Guidance on Third-Party Recordkeeping Services

[18-32](#) FINRA Reminds Firms of Their Obligations Regarding Transactions in OTC Equity Securities Quoted Pursuant to a Submitted Form 211

[18-33](#) SEC Approves Amendments to the Codes of Arbitration Procedure to Establish a Per-Arbitrator Fee and Honorarium for Late Cancellation of Prehearing Conferences

FINRA Upcoming Events:

2018 Small Firm Conference ([Link](#))

CE Council and FINRA Request Comment on Potential Enhancements for the Securities Industry Continuing Education (CE) Program

The Securities Industry/Regulatory Council on Continuing Education (CE Council) is seeking comment on enhancements under consideration for the continuing education requirements for registered persons. ([Link](#))

FINRA Releases Report on the Rise of RegTech

FINRA today released a white paper outlining recent regulatory technology (RegTech) developments within the securities industry and potential opportunities and implications these technologies may have for broker-dealers. ([Link](#))

FINRA Charges Broker with Fraud and Unlawful Distribution of Unregistered Cryptocurrency Securities

FINRA announced today that it filed a complaint against a broker, charging him with securities fraud and the unlawful distribution of an unregistered cryptocurrency security. This case represents FINRA's first disciplinary action involving cryptocurrencies. ([Link](#))

FINRA Issues Alert Warning Investors if Stock Fraud Following Hurricane Florence

FINRA today issued an Investor Alert warning investors to beware of potential investment scams touting stocks and other investments promising huge financial gains in the wake of Hurricane Florence. ([Link](#))

FINRA Foundation Awards 2018 Ketchum Prize to Dr. Annamaria Lusardi

The FINRA Investor Education Foundation (FINRA Foundation) today awarded Dr. Annamaria Lusardi the 2018 Ketchum Prize for outstanding service and research to advance investor protection and financial capability in the U.S. ([Link](#))

FINRA Launches New SIE Exam to Streamline Examination and Risk Monitoring

Starting Monday, October 1, FINRA will offer a new qualification exam—the Securities Industry Essentials (SIE)—for prospective candidates seeking to enter or re-enter the securities industry. ([Link](#))

MSRB

MSRB Regulatory Notices for September 2018:

[2018-21](#) CE Council Requests Comment on Continuing Education Program Considerations

[2018-22](#) Request for Comment on Draft Interpretive Guidance on Penning and Draft Amendments to Existing Guidance on Best Execution

[2018-23](#) MSRB Expands Advisory Groups and Seeks Volunteers

[2018-24](#) MSRB Answers FAQs Regarding Use of Municipal Advisory Client Lists and Case Studies under MSRB Rule G-40

[2018-25](#) Request for Comment on the Application of Content Standards to Advertisements by Municipal Advisors under MSRB Rule G-40

[2018-26](#) MSRB Proposes a Municipal Advisor Principal Qualification Examination

[2018-27](#) MSRB Facilitates Requests for Interpretive Guidance

This Month's Events:

Virtual Workshop: EMMA® for Municipal Advisors ([Link](#))

Financial Markets Association (FMA) 2018 Legal and Legislative Issues Conference ([Link](#))

Bond Buyer Mid-Atlantic Municipal Market Conference ([Link](#))

Bond Dealers of America (BDA) 10th Annual National Fixed Income Conference ([Link](#))

MSRB Proposes Professional Qualification Requirements for Municipal Advisor Principals

The Municipal Securities Rulemaking Board (MSRB) is charged by Congress with establishing competency standards for municipal advisor professionals. Today, the MSRB filed with the Securities and Exchange Commission (SEC) a proposed rule change to amend MSRB Rule G-3, on professional qualification requirements, to enhance the professional qualification standards for municipal advisor professionals who act in a principal capacity at their firms. ([Link](#))

NASAA

NASAA Statement on Confirmation of Elad Roisman

The following is a statement from Joseph P. Borg, President of the North American Securities Administrator Association (NASAA) and Director of the Alabama Securities Commission on the confirmation by the Senate of Elad L. Roisman to serve on the U.S. Securities and Exchange Commission: ([Link](#))

[NASAA: Watch for Scams in Florence's Wake](#)

In the wake of widespread damage caused by Hurricane Florence, the North American Securities Administrators Association (NASAA) today cautioned investors to watch out for opportunistic investment or charitable scams. ([Link](#))

[Vermont's Michael Pieciak Begins Term as NASAA President](#)

Vermont Commissioner of Financial Regulation Michael S. Pieciak today began a one-year term after having been elected the 101st president of the North American Securities Administrators Association (NASAA), the oldest international organization devoted to investor protection and responsible capital formation. ([Link](#))

[NASAA Coordinated Examinations Focus on Broker-Dealer Heightened Supervision Plans](#)

The North American Securities Administrators Association (NASAA) today released findings of a series of coordinated examinations of broker-dealer firms to survey heightened supervision plans for their registered representatives. ([Link](#))

NASDAQ/NASDAQ TRADER/OTCBB

Equity Corporate Actions Alert:

[2018 – 146](#) (UPDATED) Information Regarding the Merger of United Community Bancorp (UCBA)

[2018 – 147](#) (UPDATED) When-issued Trading Information for frontdoor, inc. (FTDR), a spin off from Servicemaster Global Holdings, Inc. (SERV)

[2018 – 148](#) Reverse Split and CUSIP Number Change for Microbot Medical Inc. (MBOT)

[2018 – 149](#) (UPDATED) Information Regarding the Merger of Energy XXI Gulf Coast, Inc. (EGC)

[2018 – 150](#) Reverse Split and CUSIP Number Change for VIVUS, Inc. (VVUS)

[2018 – 151](#) (UPDATED) Information Regarding the Merger of Echelon Corporation (ELON) and Adesto Technologies Corporation (IOTS)

[2018 – 152](#) Information Regarding the Merger of Express Scripts Holding Company (ESRX) and Cigna Corporation (NYSE: CI)

[2018 – 153](#) Information Regarding the Merger of CA Inc. (CA) and Broadcom Inc. (AVGO)

[2018 – 154](#) Reverse Split and CUSIP Number Change for Altimmune, Inc. (ALT)

[2018 – 155](#) Reverse Split and CUSIP Number Change for Intellipharmaceuticals International Inc. (IPCI)

[2018 – 156](#) Reverse Split and CUSIP Number Change for SAExploration Holdings, Inc. (SAEX)

[2018 – 157](#) (UPDATED) When-issued Trading Information for Altra Industrial Motion Corp (AIMC)

[2018 – 158](#) Information Regarding the Merger of Oclaro, Inc. (OCLR)

[2018 – 159](#) Reverse Split and CUSIP Number Change for Neovasc Inc. (NVCN)

[2018 – 160](#) Information Regarding the Business Combination of Legacy Reserves (LGCY)

[2018 – 161](#) Reverse Split and CUSIP Number Change for CDTI Advanced Materials, Inc. (CDTI)

[2018 – 162](#) (UPDATED) Information Regarding the Merger of Xcerra Corporation (XCRA)

[2018 – 163](#) Information Regarding the Tender Offer of Invuity, Inc. (IVTY)

[2018 – 164](#) Information Regarding the Tender Offer of Reis, Inc. (REIS)

[2018 – 165](#) Reverse Split and CUSIP Number Change for Onconova Therapeutics, Inc. (ONTX)

[2018 – 166](#) (UPDATED) Information Regarding the Merger of First Connecticut Bancorp, Inc. (FBNK) and People's United Financial, Inc. (PBCT)

[2018 – 167](#) Information Regarding the Merger of iKang Healthcare Group, Inc. (KANG)

[2018 – 168](#) (UPDATED) Information Regarding the Merger of CoBiz Financial Inc. (COBZ) and BOK Financial Corporation (BOKF)

[2018 – 169](#) (UPDATED) Information Regarding the Merger of A V Homes, Inc. (AVHI) and Taylor Morrison Home Corporation (NYSE: TMHC)

[2018 – 170](#) Reverse Split and CUSIP Number Change for Neonode Inc. (NEON)

[2018 – 171](#) Information Regarding the Merger of RMG Networks Holding Corporation (RMGN)

[2018 – 172](#) Information Regarding the Merger of Syntel, Inc. (SYNT)

[2018 – 173](#) Information Regarding the Merger of KLX Inc. (KLXI)

[2018 – 174](#) Information Regarding the Merger of Web.com Group, Inc. (WEB)

[2018 – 175](#) Reverse Split and CUSIP Number Change for Reverse Split and CUSIP Number Change for Regulus Therapeutics Inc. (RGLS)

[2018 – 176](#) Information Regarding the Merger of Coastway Bancorp, Inc. (CWAY) and HarborOne Bancorp, Inc. (HONE)

Equity Trader Alert:

[2018 – 66](#) Nasdaq to Begin Listing New First Trust ETF on Thursday, September 6, 2018

[2018 – 69](#) Update on the Consolidated Audit Trail ("CAT") Reporting Technical Specifications for Industry Members

[2018 – 70](#) FINRA / Nasdaq TRF Chicago Port Fee Waiver and Report HQ Migration

[2018 – 71](#) Nasdaq to Observe a Moment of Silence on Tuesday, September 11, 2018

[2018 – 72](#) Nasdaq to Begin Listing New Invesco ETF on Wednesday, September 12, 2018

[2018 – 77](#) REMINDER: Tick Pilot Quoting and Trading Requirements to End September 28, 2018

[2018 – 78](#) Nasdaq BX Enhances Minimum Quantity Functionality

[2018 – 79](#) FINRA/Nasdaq TRF Short Sale Reporting Transition Ends on October 12, 2018

[2018 – 80](#) Nasdaq to Begin Listing New First Trust ETF on Friday, October 5, 2018

[2018 – 81](#) Nasdaq to Begin Listing New Legg Mason ETF on Thursday, October 4, 2018

Futures Trader Alert:

[2018 – 18](#) Initial Listing & Margin Notice for U.S. DV01 Treasury Futures Contract for Trade Date September 5, 2018

[2018 – 19](#) NFX Spot Month Position Limits Notice for September 2018

[2018 – 20](#) Delayed Open for September 11, 2018 NFX Trading Session

[2018 – 21](#) Delayed Open for September 11, 2018 NFX Trading Session Update

[2018 – 22](#) Delayed Open for September 11, 2018 NFX Trading Session Update: Now Open

[2018 – 23](#) NFX Supramax 6TC to 10TC Open Interest Migration Trades

[2018 – 24](#) NFX Extends Tenors for Crude, Refined and Power Contracts

[2018 – 25](#) U.S. 10-Yr DV01 Treasury Futures (TYDX) Fee Change Effective October 1, 2018

[2018 – 26](#) Initial Listing & Margin Notice for Power Futures Contracts for Trade Date October 12, 2018

Options Trader Alert:

[2018 – 37](#) Nasdaq Introduces an Open Orders Combo Report

[2018 – 38](#) Update on the Consolidated Audit Trail ("CAT") Reporting Technical Specifications for Industry Members

[2018 – 39](#) Nasdaq Changes Minimum Quote Size Requirement in "TLRY"

[2018 – 40](#) Nasdaq ISE Updated Pricing Effective October 1, 2018

Options Regulatory Alert:

[2018 – 25](#) Reminder: Nasdaq Announces Regulation SCI BC/DR Test Details

[2018 – 26](#) Nasdaq Market Regulation announces changes to Post-Trade Reporting Specialist/PMM Opening Quote Performance

[2018 – 27](#) PHLX, NOM, BX, ISE, GEMX and MRX - Quarterly Quote Spread Parameter Relief through December 21, 2018

[2018 – 29](#) Amendment, Reorganization and Enhancement of Registration Rules

UTP Vendor Alert:

[2018 – 12](#) Statement from the SIP Operating Committees

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NYSE/EURONEXT/AMEX

NYSE Weekly Program-Trading Data Releases:

Market Data: The Lifeblood of Efficient Engagement in Global Markets

Columbia Business School Professor Charles Jones has released a research paper that examines the role and evolution of equity market data, and reaffirms that exchanges deliver moderately priced, high value market data that enables users to fuel investment decisions for better business returns. The New York Stock Exchange commissioned the paper to provide the industry with a fact-based review of the U.S. equity exchange market data landscape. ([Link](#))

Intercontinental Exchange Reports August 2018 Statistics

Intercontinental Exchange, Inc. (NYSE:ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, today reported August 2018 trading volume and related revenue statistics, which can be viewed on the company's investor relations website at <http://ir.theice.com/ir-resources/supplemental-information-in-the-Monthly-Statistics-Tracking-spreadsheet>. ([Link](#))

NYSE Regulation: ING Financial Markets to Pay \$5 Million to Settle Charges

New York Stock Exchange Regulation ("NYSE Regulation") announced today that ING Financial Markets LLC ("ING") has agreed to pay \$5 million to settle charges for improperly handling "pre-released" American Depository Receipts ("ADRs"). ([Link](#))

ICE Data Services and OneMarketData to Offer Real-Time Streaming Tick Data and Analytics

Intercontinental Exchange, Inc. (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced that ICE Data Services will offer an on-demand tick data and analytics service, utilizing OneMarketData's OneTick platform. ([Link](#))

ICE Futures Europe Emissions Auction Result

Intercontinental Exchange (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced that today's auction of 5,741,500 EU Allowances (EUAs) held on behalf of the UK Government's Department for Business, Energy & Industrial Strategy (BEIS) was cancelled as a result of the total volume of bids falling short of the volume of the allowances being auctioned. ([Link](#))

NYSE Welcomes Eventbrite on Its First Day as a Publicly-Traded Company

Eventbrite CEO and Co-Founder joined by members of the company's founders and senior executive team, rang the NYSE

Opening Bell®, followed by a visit to the Designated Market Maker location on the Trading Floor to observe the price discovery process. ([Link](#))

Intercontinental Exchange Appoints Andrew Surdykowski as General Counsel, Elizabeth King as Chief Regulatory Officer, and Octavia Spencer as Corporate Secretary

Intercontinental Exchange, Inc. (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced today that Andrew Surdykowski has been named the company's next General Counsel, succeeding Johnathan Short, who intends to retire after 14 years in that role. ([Link](#))

FINCEN

Exceptional Relief from Beneficial Ownership Requirements for Legal Entity Customers of Rollovers, Renewals, Modifications, and Extensions of Certain Accounts

The Financial Crimes Enforcement Network (FinCEN) grants exceptional relief under the authority set forth in 31 U.S.C. § 5318(a)(7) and 31 CFR § 1010.970(a) to covered financial institutions from the obligations of the Beneficial Ownership Requirements for Legal Entity Customers (Beneficial Ownership Rule) 31 CFR § 1010.230. "Covered financial institutions" are banks, brokers or dealers in securities, mutual funds, futures commission merchants, and introducing brokers in commodities. ([Link](#))

Federal Banking Agencies and FinCEN Announce Exemption from Customer Identification Program Requirements for Premium Finance Loans

Under 31 C.F.R. § 1020.220(b), the appropriate FBA with the concurrence of the Secretary of the Treasury may by order or regulation exempt any bank or type of account from the requirements of the CIP rules. The Secretary's authority under this provision has been delegated to FinCEN. ([Link](#))

PRA

Monetary Policy Committee Dates for 2019

Dates for Monetary Policy Committee (MPC) announcements on Bank Rate and publication of MPC meeting minutes and the quarterly Inflation Report. ([Link](#))

Launch of the Public Register for the UK Money Markets Code

The Bank of England's Money Markets Committee (MMC) – comprised of market participants from a wide range of banks, other financial and non-financial institutions – has launched a Public Register today (17 September). ([Link](#))

Index Linked Treasury Stock

In accordance with the terms of the prospectus dated 12 October 1983, the Bank of England announces that the rate of interest payable on the above stock for the interest payment due on 16 April 2019 will be £4.2818 per £100 nominal of stock. ([Link](#))

PRA Review Find That 70% of Banks Recognize that Climate Change Poses Financial Risks

In accordance with the terms of the prospectus dated 12 October 1983, the Bank of England announces that the rate of interest payable on the above stock for the interest payment due on 16 April 2019 will be £4.2818 per £100 nominal of stock. ([Link](#))

FCA

Five Sentenced in FCA Prosecution of £2.8m Investment Fraud

In a case brought by the Financial Conduct Authority (FCA), 5 individuals have been sentenced to a total of 17.5 years' imprisonment for their roles in a share fraud carried out through a series of boiler room companies which led to the loss of more than £2.8m of investors' money. ([Link](#))

FCA Appoints New Director of Competition

At the FCA, Sheldon will be a central figure in delivering one of the organization's operational objectives — to promote competition in consumers' interest. In addition to delivering market studies, for example those currently ongoing into the mortgage and wholesale insurance brokerage market, Sheldon will be responsible for the FCA's activities to enforce prohibitions on anti-competitive behavior within the financial services industry. ([Link](#))

The Financial Conduct Authority Bans Former Deutsche Bank Trader

This person formerly worked at Deutsche Bank where he traded interest rate derivative products referenced to benchmarks including EURIBOR. The FCA has found that said person lacks integrity and therefore fitness and propriety to carry out such a role. ([Link](#))

Someone Sentenced to 11 Years Imprisonment in FCA Prosecution of £2.8m Investment Fraud

This person was today sentenced to 11 years' imprisonment for his role in a share fraud carried out through a series of boiler room companies which led to the loss of more than £2.8 million of investors' money. He was the controlling mind, instigator and the main beneficiary of the fraud. ([Link](#))

FCA Announces Outcome of Investigation into a Chain of Insurance Companies

The Financial Conduct Authority (FCA) has today announced that its remaining investigations into firms, following its thematic review into the fair treatment of longstanding customers in the life insurance sector, have each been closed. ([Link](#))

FCA Conduct Authority Publishes Decision Notice Concerning a Company

The company failed to take reasonable care to organize and control its affairs responsibly and effectively to ensure potential instances of market abuse could be detected and reported. ([Link](#))

Resource Links	
<p style="text-align: center;">Government</p> <ul style="list-style-type: none"> • 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 Conduct Authority - WWW.FCA.GOV.UK • Prudential Regulatory Authority – WWW.BANKOFENGLAND.CO.UK 	<p style="text-align: center;">SRO</p> <ul style="list-style-type: none"> • 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
<p>Industry</p> <ul style="list-style-type: none"> • 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.

Reader Survey

“Find It - Before the Regulators”

The RRS staff continually strives to ensure that the services and support we provide to our clients is the most up to date and comprehensive available. We can forecast regulatory trends based on our extensive regulatory experience and the information our clients provide regarding new products, services and/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 any questions or suggestions, please speak with your account representative or call us at (561) 368-2245.

Reader Survey Fax Response Form

To: Louis Dempsey
 Fax: (561) 807-5442
LouisDempsey@RRSCompliance.com

Name:				
Firm:		IA:	BD:	Other:
Phone:			Fax:	

For us to improve this publication, we ask that you please provide us with feedback by answering the following questions:

- 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 meeting)

Thank you for your time and effort!

Bottom line - we want to know!

We want to know how we are doing. If you have any comments, complaints or suggestions then please do not hesitate to call (561) 368-2245 or email:

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