

July – Compliance Call Notes

- ➔ CRS forms need to be FIRST in the email
- ➔ “Standard”/Templated emails to clients – need to go into AdView
- ➔ Ticket Charges / Program Fees – your “business” needs to be consistent. Can’t “pick-up” the ticket charges/program fees on some accounts/clients and not others – everyone needs to be treated the same.
- ➔ UIT – Confirm Cusip on Order Ticket before placing order... NetX keeps prepopulated wrong Cusip
- ➔ Pershing is not allowing checks to be sent overnight, right now. FCCS/NFS is still sending checks out overnight
- ➔ BIA form – Doesn’t need OSJ approval
- ➔ The **Commission versus Fee** brochure is no longer required – the language is now included in the CRS Supplement
- ➔ Student Loan “forgiveness”/re-payment plans – We now have an advisor who has extended their knowledge in this area
- ➔ WPW and CMAP – no account min. if use prefix HGJ or CQ4
- ➔ PFE – ADVISING vs DOING. The FPE only covers you for ADVISING in the scope of business mentioned on the form. (example – you can advise on outside 401k account for your client’s, but you cannot place the trades in the account for the client)
- ➔ Advisory & Program Fees: CIR will now sell funds to make cash available for fees, beginning in August. They will sell 12 month’s worth - So make sure you don’t re-balance the cash or another sell will happen.

Per CIR Notification: *As part of an ongoing effort to continually enhance the advisor-directed WealthPort® program, Cambridge has added an additional service for these accounts. While it is expected that financial professionals are to manage the cash position for these accounts, trades will be placed by Cambridge as part of the overall account management if there is insufficient cash available to allow for fees to be debited from the account. This will begin in August for accounts billed in July and continue each month thereafter.*

Financial professionals will have until around the 25th of each month to trade accounts to make cash available. If at around the 25th of each month the prior management fee has not been debited due to insufficient cash, the Cambridge Trading Team will place trades to make cash available for fee billing. Financial professionals will receive a notice prior to Cambridge placing any trades. The Trading Team will liquidate on a best efforts basis, from the highest valued position in the account – excluding interval funds, alternative investments, precious metals, and fixed income products. If the account bills monthly and has insufficient cash to debit the fee, twelve times the fee will be generated in an effort to limit trading activity; if the account bills quarterly, cash equivalent to four times the fee will be generated. Trades will be placed regardless of market conditions.

➔ Source of Funds – See bulletin (<https://www.cir2.com/Internal/Communications-from-Cambridge/Bulletins/Home-Office/Source-of-Funds-Requirements-/>)

Always:

- Submit **all** advertising into Adview
- Submit correspondence **ON TIME**
- CyberFraud – be mindful of communications with clients & within the office

- **Make sure you U-4 and OBA are current and up to date**
(when changes occur, you need to report within 24 hours)