



## Regulatory Corner



### DOL Rule

As many of you have heard by now, President Trump signed an executive order that will delay the DOL rule. This is great news! Speculation is that it will get thrown out all together or major portions of it. Please read the two articles below.

Investment News: [Financial Industry expects quick action...](#)

Finsum: [Trump Prepares to Repeal Fiduciary Rule](#)

### FINRA New CEO

After reading this article, we can only hope that some of the “complaining” that we have done is going to pay off. The general consensus among the broker-dealer community is enough is enough. Many of us are openly stating our objections to the regulatory burden and cost of that burden.

[FINRA's new chief Robert Cook vows to take a 'fresh look' at enforcement](#)

The recently appointed CEO acknowledged Monday night that he'd heard loud and clear the complaints brokerage industry executives had with their principal regulator...

**Note From The Home Office:** The items posted in this publication are required reading. They are an element of our Firm Continuing Education program. In an effort to keep costs down, we provide this publication with the expectation that you read everything, all links, all podcasts, all webinars, etc. Some items require you to register so we know if you did or did not participate. Nothing is optional, you can not print this and read it. Failure to comply with our program will result in alternative CE at your cost.

## Did you know this about HTS????

The change from SWS to HTS has proven to provide some challenges but we are hopeful things will begin to settle down and work as they should. Lots of administration and procedural changes but we will highlight the following:

### Hilltop Securities Personnel and Department Email Contact Information—HEAT Tickets

**Email Addresses:** If you aren't already, please use only the @hilltopsecurities.com email address when contacting a department or person at HTS. HTS uses their firstname.lastname@hilltopsecurities.com Please delete any @swst.com email addresses you have in your address book or auto-complete files.

Department email addresses are not so user friendly. Most of the departments now use a HEAT Ticket system and we are still getting answers on how each department uses it. They are not consistent so we are working with HTS to see what can be done. We no longer have a dedicated person to help us, we go into a pool where a representative will “grab” our request. Here are the department email addresses that we must use and they do create a HEAT Ticket:

- [acats@hilltopsecurities.com](mailto:acats@hilltopsecurities.com) (this is to send ACAT department transfer papers)
- [newaccounts@hilltopsecurities.com](mailto:newaccounts@hilltopsecurities.com) (this is to send new acct documents to and any questions you might have)
- [retirements@hilltopsecurities.com](mailto:retirements@hilltopsecurities.com) (this is to communicate with retirements for anything other than a disbursement)

The Who to Call or contact list on the Learning Exchange no longer has individual people—it only has the department email addresses. The premise of this is to remove us from contacting with individuals directly and use a system that monitors work flow. They have asked that we do not email the department to follow-up on a ticket because it creates another ticket, but there is no other way to contact them if something hasn't been done. Please continue to email until you get your request taken care of.

## REQUIRED READINGS

### [FINRA Podcasts](#)

(link is to page that all are located on)  
Monthly Recaps: Oct - Nov - Dec  
Communication with Public Rule

**\*\*\*Rule 4530 Attestation\*\*\***

### READ BELOW

- Any customer complaints?
- Any criminal or civil activity?
- Any bankruptcy, liens or judgements?

By responding to the Quarterly Review you acknowledge a negative response to the questions above. IF you have a positive response, contact the Home Office immediately.

## Topics of Importance

- Annual Compliance Program
  - ACC
  - U4-OBA
  - Compliance Meeting
  - Questionnaire
  - Attestation
- Revised Workbook Blotters
- HTS Report Distribution
- IFS Module-Fund Disbursements
- Address Changes: HTS vs PICI

## New Forms or Revised Forms

- [WSP Manual - Mar 1 Publish](#)
- [HO P&P Manual - Mar 1 Publish](#)
- [CIB - Mar 1 Publish](#)
- [Account Change Form 1-2017](#)
- [Blotter Workbooks - Begin Mar 1](#)



## Techie Talk

### CYBER Security

Not a joke. The regulators take it seriously and so should you.

All computers must have security software that provides up to date scans for security issues. Failure to have this will cost you! All computers will be checked during branch audits.

Read this article on  
[Cyber Security](#)



## Annual Compliance Program

The new year brings our annual compliance program. The following elements are to be completed no later than March 31, 2017. Early birds will not get harassed by us to complete it!!

### ACC—Annual Compliance Certification

This is our online form that must be completed by every person associated with the firm whether you are a producing broker or an office assistant. The certification is found on the Compliance website—Forms & Documents—bottom section under compliance. You must complete this in one sitting, can't save it and come back later.

### Review U-4 / Outside Business Activity

You will be receive a snapshot of your U4 information for review. Pay specific attention to your outside business activity to be sure it is accurate and up-to-date. If not, complete an OBA form and submit to the Home Office so we can update CRD records.

### Firm Compliance Meeting

The firm conducts its annual compliance meeting via a narrated power point presentation that all firm associates must view. It is about a little over an hour in length and is not optional.

### CE Compliance Questionnaire

This is something new this year. In the past we have had "exams" and "essay" items to review the CE information we presented. We must have a means to show that you really are participating and are retaining some of what we are presenting. The CE Compliance Questionnaire will contain a series of questions for you to complete and submit electronically. This will cover items presented in the Quarterly Reviews and the compliance meeting.

### ACP Certification

Each associate must sign the Annual Compliance Program Certification. This document, which you sign, states that you have completed all the firm's continuing education requirements and are in full compliance with all information presented. That form must be signed and the original mailed to the Home Office. Copies, scans, faxes are not acceptable. Must be the original mailed to us.

ANY questions about any element of our ACP, let us know.

## Revised Workbook Blotters

You will receive a new workbook via email. Please begin to use this new workbook starting March 1st but keep the old one in your files. Each workbook will be customized according the business mix that you do. Remember that workbook blotters are to be transmitted to the home by the 10th of the following month. We do not remind you so set your calendars.

## HTS Report Distribution

Please review the reports in this module and the supplemental document that explains what all the reports are. At a minimum, you should be reviewing your trade activity and confirms on a daily basis; client statements on a monthly basis and towards the end of the year, account fee reports.

## IFS Module—Checks, ACH's and IRA Distributions

The Home Office now processes all check requests, ACH requests and retirement distributions. A separate email was sent with detailed instructions. We have begun using this system so please be patient as we learn this new process. Wire transfers and journals are still processed through HTS cashier. If you have any questions about this new procedure, let us know.

## Address Changes—HTS vs PICI

HTS receives anything with a clients address change, they will now make that change and maybe we will get notified. We can always check the "Accounts Changed" report—daily. We have fought the battle and lost this one. Due to this and other clarifications, we will no longer require a new updated set of account documents when there is ONLY an address change. If anything else changes, i.e.; investment objections, marital status, suitability, ownership then we will need a set. We are requiring that you provide them to the clients but it is there option to complete them or not. The Account Information Change form has been updated to include a statement near clients signature that states there are no other changes to their account documents. In all instances, even if HTS has already made the change, we need the Account Information Change form completed by the client. We want something in our records to show that yes they requested the change and their attestation to no other changes.

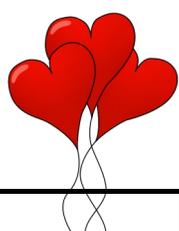


**Alternative Investing**  
*What keeps you from talking to your clients about alternatives? Let us know.*

*Let go of things you can't change,  
 Focus on things you can.*



A good change HTS has implemented is when client mail is returned for the first time, HTS will notify us instead of waiting until 5-6 months later when they close the account. This gives us time to contact the client and find out what is going on. Please be sure to respond to such emails in a timely manner. Checking Contact Management for activity and documents is very helpful in this.



**Upcoming Events** **March 2017: Publishing new WSP, updated HO P&P Manual & CIB**  
**March 31 - Deadline for Annual Compliance Program Completion**

**Recruiting Program**

You may be able to help us grow, reduce your overall costs and earn cash (without the responsibility of supervision) all at the same time! We have instituted a "recruiting inducement bonus program" (note: this program is not applicable to brokers who are contracted to your OSJ office). Just make the introduction and we'll take it from there! The program will pay a recruiting bonus once referral is contracted.

Please contact Mike Jordan to further discuss any situation you may be aware of – all we need is an introduction.