

Regulatory Compliance

**MYTHBUSTERS**

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*The Advisor's Advisor*

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Myth No. 1 

2

Investment advisers are required to have in place an anti-money laundering (AML) program.

**BUSTED**

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Myth No. 2 

3

Investment advisers can use social networking websites.

**PLAUSIBLE**

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Social Networking Gone Mad 

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A grid of numerous social networking and web service logos, including MySpace, Facebook, YouTube, and many others.

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Myth No. 3 

5

Privacy protection and information handling continues to be form over substance.



A rusty metal sign with the word "BUSTED" written on it.

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Myth No. 4 

6

If an adviser has a client's information for tax purposes, the adviser can use it for advisory services.



A rusty metal sign with the word "PLAUSIBLE" written on it.

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Myth No. 5



The regulators are too busy with scandals to have time for routine compliance examinations.



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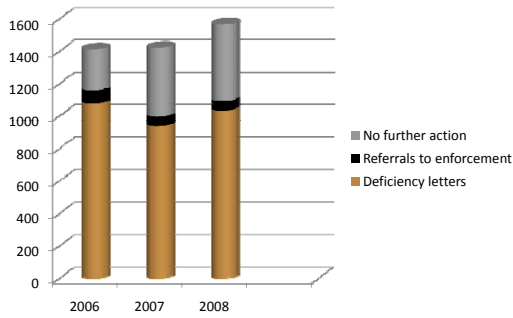
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SEC Regulatory Examinations for IAs



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Myth No. 6



There is going to be an overhaul of regulation of the financial services industry.



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Myth No. 7 

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Advisers are going to face an onslaught of new rules.



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SEC Speaks 

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- "[I]n a profit and loss driven world, there is always a risk that companies facing uncertain economic future may choose to cut compliance expenses as a shortsighted way to save money."  

Christopher Cox  
Chairman, SEC
- "While many firms are considering reductions and cost-cutting measures, we remind you of your firm's legal obligation to maintain an adequate compliance program reasonably designed to achieve compliance with the law".
- "Providing adequate resources to compliance programs and functions and ensuring that CCOs and compliance personnel are integrated into the activities of the firm are essential to that process."
- "[W]e're going to take a no-excuses approach."
- "You've got to be living under a rock not to know you have compliance obligations under the securities laws."  

Lori Richards  
Director, OCIE

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Myth No. 8 

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Market conditions present an unprecedented opportunity for an investment adviser to grow their practice.



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