2021 COMPLIANCE WORKSHOPS

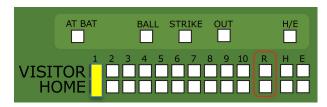


Implementing Effective Policies and Procedures to Comply with the New Marketing Rule

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- John D. Pollard, Jr., EJF Capital LLC
- John Holzwarth, ACA Group
- Laura L. Grossman, Investment Adviser Association







- Understand and analyze rule structure
 - General prohibitions
 - Testimonials & endorsements
 - Third-party ratings
 - Performance
 - Definitions
 - Advertisement (two prongs)



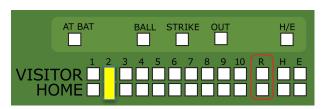
2021 COMPLIANCE WORKSHOPS

IAA Virtual Compliance Workshops

Thursday, Nov. 4 • Thursday, Nov. 18

25th ANNIVERSARY

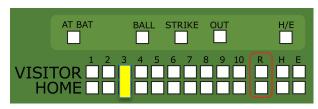
2nd Inning



- Assess impact of rule on current advertising activities and solicitation arrangements
- Inventory in-scope communications/content
 - Pitch books, one-on-one meetings, investor calls, collateral,
 RFPs, social media, websites
 - Performance calculations, hypothetical, predecessor
 - Solicitation/referral arrangements, placement agent agreements



3rd Inning

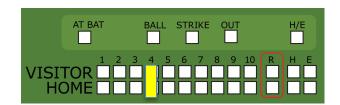


- As marketing materials are presented for approval, consider performing parallel reviews under both the current rule and new rule
 - Identify in-scope content by category
 - Begin sensitizing team to what will need to change







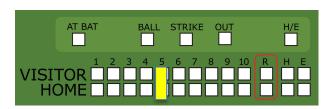


- Perform a gap analysis
 - Live communications
 - Schedule of communications









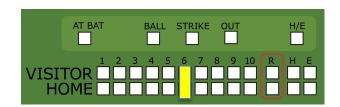
- Broaden assessment to stakeholders outside of compliance
 - Preview what will happen under new rule
 - Avoid surprises







6th Inning



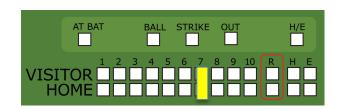
Training

- Break up rule into digestible sessions
- Most relevant changes for each audience segment
- Benefits
- Relief that can no longer be relied upon
- New obligations and limitations









- Execute transition
 - Design policies, procedures and controls
 - Develop documents and materials around Marketing Review
 - Flow chart/decision tree



7th Inning Stretch

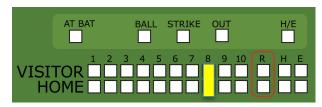
- What makes policies and procedures effective?
 - Process-oriented
 - Specificity in assigning responsibilities
 - Who, what, when, how evidenced, where evidenced
 - Procedure to follow if something goes wrong











- Coordinate with third parties
 - Promoters
 - Solicitation agreements, placement agent agreements, disclosure
 - Third-party ratings
- Testing

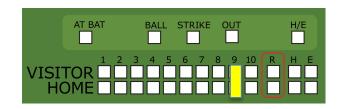






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- Prepare to go live
 - Master checklist
 - Practice/more testing
 - Conduct a mock run through for each type of marketing the firm expects to use
 - Prepare data collection for new Form ADV questions



2021 COMPLIANCE WORKSHOPS

Thank You

- Michael B. Koffler, <u>michaelkoffler@eversheds-sutherland.com</u>
- John D. Pollard, Jr., <u>JPollard@ejfcap.com</u>
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