

2024 / Investment Adviser Compliance Conference

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EFFECTIVE STRATEGIES & BEST PRACTICES

Compliance in the Era of M&A

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EFFECTIVE STRATEGIES
& BEST PRACTICES

Introduction

- Overview of Key Transaction Types
- Panelist Experience
- Lifecycle of a Transaction
 - Introductory Phase
 - LOI
 - Due Diligence
 - Integration
- Role of Outside Counsel

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Due Diligence Process

- Overview of Due Diligence Process
 - Pre-LOI
 - Post-LOI
- Key Documents Requested
- Role of Compliance
- Best Practices

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Due Diligence Process (continued)

- Important considerations and potential “deal breakers”
 - People and Culture
 - Financial Arrangements
 - Processes and Tools
 - “Assignment” and Change of Control Considerations
 - Other Investment Advisers Act and Investment Company Act Issues

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Integration

- Certain Key Risk Areas:
 - Marketing Materials, Endorsements, Testimonials
 - Portfolio Management Systems and Prior Deal Commitments
 - Constraints on Other Operations/Compliance Functions
 - Affiliated Entities and Conflicts of Interest
 - Soft Dollar Arrangements
 - Calculation of Fees; Expense Allocations

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Integration (continued)

- Certain Key Risk Areas (continued):
 - Employee Contracts / Compensation Arrangements
 - Books and Records / Legacy Firm Data
- Best Practices for Compliance Testing and Annual Reviews

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Closing Remarks

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Appendix: Select SEC Case Studies

- *Securities and Exchange Commission v. Navellier & Associates, Inc., and Louis Navellier*, Civil Action No. 17-CV-11633 (District of Massachusetts, filed August 31, 2017), <https://www.sec.gov/litigation/complaints/2017/comp23925.pdf>
- *In the Matter of Sam P. Douglass and Anthony R. Moore* (February 24, 2011), <https://www.sec.gov/litigation/admin/2011/34-63953.pdf>
- *In the Matter of Timbervest, LLC, et al.* (September 17, 2015), <https://www.sec.gov/litigation/opinions/2015/ia-4197.pdf>
- *In the Matter of Morgan Stanley Smith Barney, LLC* (January 13, 2017), <https://www.sec.gov/litigation/admin/2017/34-79794.pdf>
- *In the Matter of Wells Fargo Clearing Services* (August 25, 2023), <https://www.sec.gov/files/litigation/admin/2023/34-98221.pdf>

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