



THE ROUNDTABLE SERIES
BEACON STRATEGIES, LLC

THE ART OF COMPLIANCE

NEW ORLEANS

MARCH 8-10, 2023

The Art of Compliance

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Thank You to Our Partners





A G E N D A

Wednesday, March 8th

6:00pm-8:30pm **New and Old Friends Reception / Dinner
(French Quarter Balcony)**

Thursday, March 9th

7:30am-8:15am **Morning Nourishment (Mercier Terrace)**

8:30am - 8:45am Opening Comments and Introductions (Crescent View Room)

8:45am - 9:20am Case Study

9:20am - 9:30am Partner Challenge - Skience

9:30am - 9:40am Community Questions

9:40am - 10:15am Case Study

10:15am - 10:25am Community Questions

10:25am - 10:35am Partner Challenge - SS&C Black Diamond

10:35am - 10:50am **Break**

10:50am - 11:20am Breakout Session

11:20am - 11:30am Partner Challenge - Salesforce

11:30am - 11:40am Community Questions

11:40am - 11:50am Partner Challenge - Red Oak

11:50am - 12:50pm **Lunch**

12:50pm - 1:30pm Case Study

1:30pm - 1:40pm Partner Challenge - CapitalRock

1:40pm - 2:15pm Case Study



A G E N D A

2:15pm-2:45pm

2:45pm - 3:15pm

3:15pm - 3:25pm

3:25pm - 3:35pm

3:35pm - 3:55pm

6pm

Break

Breakout Session

Partner Challenge - Surge Ventures

Community Questions

Beacon Roundtable Wrap Up

Muriel's Jackson Square (meet in lobby at 5:30)

MURIEL'S
JACKSON SQUARE

muriels.com



ATTENDEES



Barrett Schultz
COASTALONE



Matthew Martin
LPL Financial



Jodee Brubaker-Rager
Geneos
WEALTH MANAGEMENT, INC.



Daneil Quattlebaum
RAYMOND JAMES



Veronica Harrell
SFA



Coty Calvin
SFA
Investments



Carie Heckler
LION STREET
FINANCIAL
Owned by Fiercely Independent Advisors



Claire Gorman
HIGHTOWER



Shawn Baxter
Avantax
Wealth Management™



Sarah Kreisman
Independent
Financial Group, LLC



John Boudreau
Allstate



Maureen Mattson
LINCOLN
INVESTMENT



Doug Wright
The
Investment
Center, Inc.



Nathaniel Tjoa
M Financial Group®

ATTENDEES



Jane Riley
THE LEADERS GROUP



Liz Legacy
M Financial Group®



Scott Solod
HAMMOND ILES



Ann Robinson
FARMERS INSURANCE



Ian McKenny
National Life Group®



Kimberlee Levy
Concorde



Leslie Ayers
AG Advisor Group
IN YOUR CORNER

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Nirav Doctor



Greg Blausey



Sid Yenamandra



Martin Orbach



Brian Justice



Stephen Pope



Cathy Vasilev



Hayden Galloway



Connor Thomas



Joe Kozeniewski



Nick Thacker



PARTNER PROFILES

CASE STUDIES

PRESENTED BY
Beacon Strategies, LLC

Presenter **Leslie Ayers, Advisor Group**
Chief Supervision Officer

Firm 
IN YOUR CORNER

Topic

With new scrutiny under the heading of SEC Risk Management what does that mean for review of Investment Products along with Solution Provider Technology, plus Tech Debt? From a current position? How are you looking to expand to support Risk Management demands? What actions are you embarking on? What is your forward-looking plan to create a framework for oversight and action/case management?

Overview:

Firms have a choice in where they choose to spend money or dedicate human capital. While the size of the firm can impact choices, so does the firm's appetite for risk. Whether evaluating your product shelf or deciding on a technology vendor, ensure that you are applying a consistent set of standards. Every firm must employ a framework for managing both strategic and non-strategic initiatives, with a pulse on the regulatory landscape.

Specifics:

Investment Product Review

- Firms must establish a baseline set of criteria by product type that determines whether a product is even up for discussion – no firm should try to be everything to every client
 - Should you charge sponsors/carriers/tpmms a due diligence fee?
- Firms should establish a review committee comprised of individuals that understand the product on paper as well as in application – not to mention the impact that having a product on your shelf can have on your E&O premiums
 - What functions should be represented?
- Firms should not shy away from having additional criteria for recommending certain products to clients – but be sure that you can manage to what you require
- What is your rationale for additional criteria – a deterrent or meaningful protection?



CASE STUDIES



Technology

- Have enterprise solutions – CRM, DOL, RegBI, eDelivery, Consolidated Reporting, Financial Planning
 - Where vendors have enterprise and street versions how do you steer users?
- For smaller tech needs consider 3-5 that you promote – with due diligence – e.g security review, output to client
 - Should you do this in-house (maybe by committee) or outsource?
- Be sure that you understand and are able to support the technology – and not just how to use – but what it takes to keep the wheels on the bus (e.g. data feeds, carrier support)

Call Outs:

- Avoid processes wrought with exceptions – you lose credibility with your financial professionals and the regulators
- Don't bite off more than you can handle when it comes to a technology deployment – better to start with the minimal viable product to satisfy a regulation/requirement and expand later
- Ensure that Compliance and Supervision are at the table
- Re-evaluate committee members regularly – roles change as do the people in those roles; consider who their influencers are

CASE STUDIES

Presenter

Liz Legacy, Allstate, LLC
Chief Compliance Officer

Firm



M Financial Group®

Topic

Given dynamic and expanding regulatory demands, how is your Compliance organization managing the volume of change? Change management is normally associated with operations or technology, yet in recent years new regulatory demands like Reg BI, the Marketing Rule, and the in and out again DOL rule, have put abnormal pressure on Compliance Teams. How does your team look at change management? Are there any tools that you are utilizing? How is your team evolving to expand its ability to capture the needed data, oversee (manually or automated rules), and act?

Overview:

Change has been a constant in our organization, whether it is related to strategic initiatives, regulatory change, board changes, leadership changes, etc. Working in the state of change is constant and creates challenges with multifaceted impacts to an organization.

Specifics:

Time

- To Implement
- To Execute
- Constraints
- Conflicting Projects/Priorities

Corporate Culture

- Mission, Vision, and Values
- Compliance Culture
- Firm Culture

Change Management Lifecycle

- Prepare
- Plan
- Implement
- Review Progress
- Analyze Result

Communication Plan

- Internal
 - Buy In
 - Resources
 - Training
- External
 - Resources
 - Training
 - Support

Business Assessment

- Impacts
- Challenges

Risk Assessment

- Exposure
 - Business
 - Client
 - Industry
- Mitigation
 - Reasonable Efforts
 - Spirit of Rule/Regulation
- Slow and Steady
 - Not leading
 - Not lagging
- Regulation by Enforcement

Regulatory Oversight/Exams

- FINRA
- SEC
- State
- Industry Advocates

Technology

- Stack Assessment
- Implementation Timelines (new and old)
- Resource Constraints
 - No Tech
 - Low Tech
 - All Tech
- Data
 - Sources
 - Location
 - Integration
 - Integrity

Future Steps:

Creating Taskforce/ Workflows that demonstrate enterprise accountability, regulatory impacts/ obligations, and field dynamics.

Technology Implementation

More integration and turnkey solutions out of the gate and then on customization as needs and functionality is uncovered.

CASE STUDIES

Presenter

Ann Robinson
Chief Compliance Officer

Firm



Topic

Data Management has always been the Achilles heel for Compliance. Traditionally, firms have struggled with pulling together custody, brokerage, and direct (alternative, insurance, and direct to fund, ect.). How is your firm effectively organizing these data streams together, coupled with aligning client data and expectations? Beyond, with new data and regulatory demands how is traditional data management of 17-a demands being looked at especially as changes to the WORM data retention, and client data privacy demands, and safeguards are being rolled out at the state level contrasting SEC/FINRA regulatory demands.

Overview:

How is your firm effectively organizing these data streams together, coupled with aligning client data and expectations?

Specifics:

1. Traditional data management of 17-a4 (WORM) vs Audit-Trail Requirement

The records may be preserved consistent with the WORM Requirement; or, alternatively The records may be preserved on an electronic recordkeeping system that maintains a complete time-stamped audit trail that includes:

- (1) all modifications to and deletions of the record or any part of it;
- (2) the date and time of actions that create, modify or delete the record;
- (3) if applicable, the identity of the individual creating, modifying or deleting the record; and
- (4) any other information needed to maintain an audit trail of each distinct record in a way that maintains security, signatures and data to ensure the authenticity and reliability of the record and will permit recreation of the original record (Audit-Trail Requirement).

Note: The amended rule does not appear to prohibit firms from choosing to adopt the AuditTrail Requirement for certain electronic records and continue to rely on the WORM Requirement for their other electronic records.

File a Third-Party Access Undertaking with their DEA; or alternatively

File an undertaking signed by a designated executive officer representing that the officer has access to and the ability to provide records preserved on the firm's electronic recordkeeping system (Designated Executive Officer Undertaking).

The designated executive officer can appoint in writing up to two designated officers and three designated specialists to assist the designated executive officer in fulfilling the designated executive officer's obligations as set forth in the undertaking.

2. Client data privacy demands
 1. Clients expect to be informed of which categories of personal data are collected, how the data is used, or sold.
 2. Customers are more educated on Privacy Regulations.
3. State level contrasting SEC/FINRA regulatory

Federal

Gramm-Leach-Bliley Act (GLBA) consists of three sections: The Financial Privacy Rule, which regulates the collection and disclosure of private financial information; the Safeguards Rule, which stipulates that financial institutions must implement security programs to protect such information; and the Pretexting provisions, which prohibit the practice of pretexting or accessing private information using false pretenses. The Act also requires financial institutions to give customers written privacy policy notices that explain their information-sharing practices. GLBA compliance requires that companies develop privacy practices and policies that detail how they collect, sell, share and otherwise reuse consumer information. Consumers also must be given the option to decide which information, if any, a company is permitted to disclose or retain for future use. A related requirement governs data storage and security as part of a comprehensive written information security policy. This objective addresses protections against “any anticipated threats or hazards” to data that could result in “substantial harm or inconvenience” to consumers.

Regulation S-P (17 C.F.R. § 248.1 et seq.), adopted by the SEC pursuant to the Gramm-Leach-Bliley Act (the “GLBA”), implements the GLBA’s requirements with respect to privacy of consumer personal information for registered investment advisers, investment companies, and broker-dealers (each, a “financial institution”).

State

California, Colorado, Connecticut, Utah, and Virginia have state laws to create enhanced data privacy rights and protections for consumers.

1. California Consumer Protection Action Act (CCPA) and the California Privacy Rights Act (CPRA)

Eversheds Sutherland (US) LLP – “While the California Privacy Rights Act (CPRA), brings California’s sweeping privacy law closer to Europe’s GDPR, it is still a distinct privacy regulation. In other words, compliance with the GDPR, while very helpful, is not enough to satisfy the California Consumer Privacy Act of 2018 (CCPA)/CPRA.”
2. Utah Consumer Privacy Act, UCPA

Utah law provides only for regulatory enforcement with no private right of action, and it does not cover individuals acting in an employment or commercial context. It also exempts entities covered by the federal Gramm-Leach-Bliley Act (GLBA); but only exempts protected health information (PHI) subject to the Health Insurance Portability and Accountability Act (HIPAA), not the HIPAA-regulated entities themselves.
3. Virginia Consumer Data Protection Act (VCDPA)
4. Colorado Privacy Act (ColoPA)

CASE STUDIES

Data Security

Utah, California, Virginia and Colorado (and similar to the GDPR's "appropriate" standard), controllers are obligated to use "reasonable" administrative, technical and physical data security practices to protect personal data, which will vary with the business's size, scope, and type, and the volume and nature of the personal data they control.

Future Steps:

Do you have a data inventory?

Identifying "Sensitive Data" and requirements for both federal and state laws.

How do you ensure data is secure in your firm?

Do you follow your own retention schedule?

How do you delete data that is "WORM" due to 17a-4?

Determine whether each law applies and conduct a gap assessment.

Call Outs:



Summary of Rule 17a-4 Amendments

<https://www.finra.org/sites/default/files/2022-12/rule-17a-4-amendments.pdf>



Morgan Lewis US Data Privacy Tracker

<https://www.morganlewis.com/-/media/files/document/2022/morgan-lewis-us-data-privacy-tracker.pdf?rev=3e319a126b4749d5ac831d36c62daf-9f&hash=6E5814958A1821E210672087004C7316>



US State Privacy Legislation Tracker

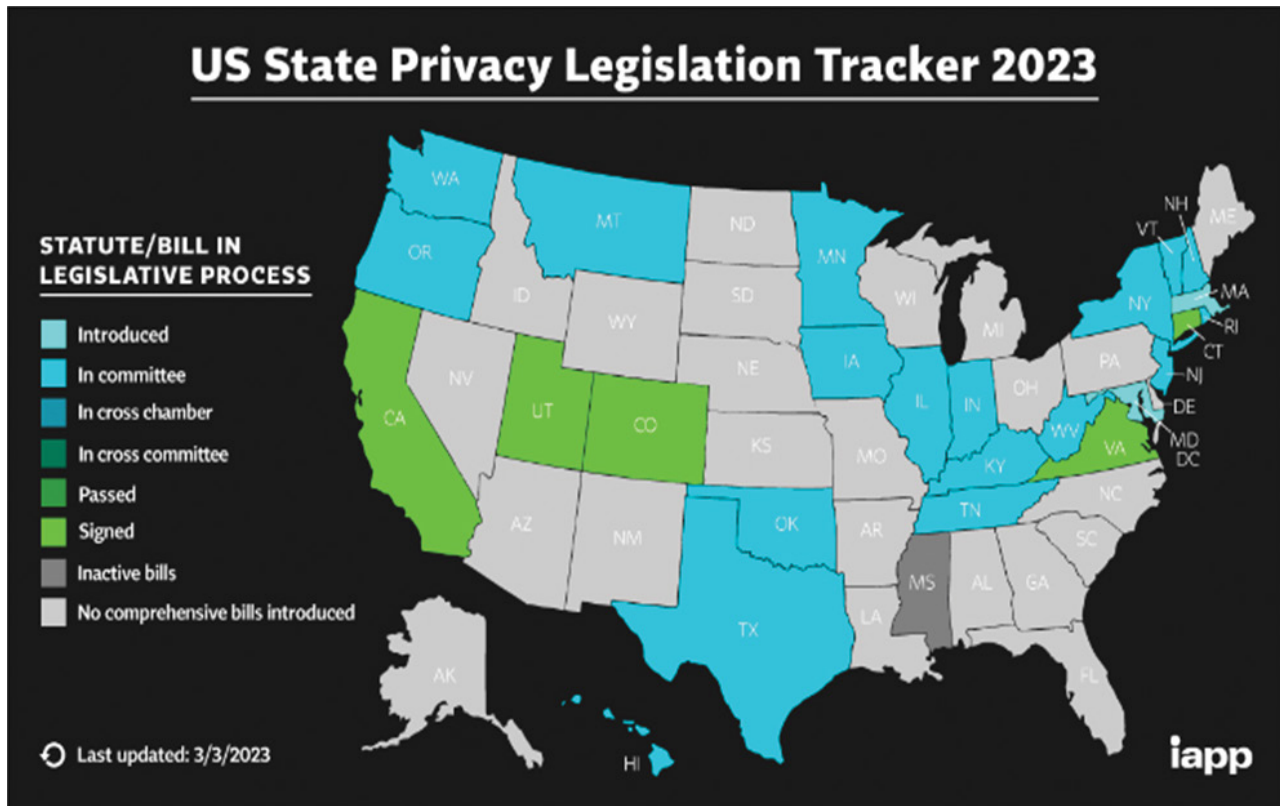
https://iapp.org/media/pdf/resource_center/State_Comp_Privacy_Law_Chart.pdf

US State Privacy Legislation Tracker

2023

Comprehensive Consumer Privacy Bills

STATE	LEGISLATIVE PROCESS	STATUTE/BILL (HYPERLINKS)	COMMON NAME	CONSUMER RIGHTS							BUSINESS OBLIGATIONS				
				Right to access	Right to correct	Right to delete	Right to opt out of certain processing	Right to portability	Right to opt out of sales	Right to opt in for sensitive data processing	Right against automated decision making	Private right of action	Opt-in default (requirement age)	Notice/transparency requirement	Risk assessments
LAWS SIGNED (TO DATE)															
California		CCPA	California Consumer Privacy Act (2018; effective Jan. 1, 2020)	X	X	X	X	X		L	16	X		X	
		Proposition 24	California Privacy Rights Act (2020; fully operative Jan. 1, 2023)	X	X	X	S	X	X	X	L	16	X	X	X
Colorado		SB 190	Colorado Privacy Act (2021; effective July 1, 2023)	X	X	X	P	X	X	X	X-	S/13	X	X	X
Connecticut		SB 6	Connecticut Data Privacy Act (2022; effective July 1, 2023)	X	X	X	P	X	X	X	X-	S/13	X	X	X
Virginia		SB 1392	Virginia Consumer Data Protection Act (2021; effective Jan. 1, 2023)	X	X	X	P	X	X	X	X-	S/13	X	X	X
Utah		SB 227	Utah Consumer Privacy Act (2022; effective Dec. 31, 2023)	X		X	P	X	X			13	X		X
ACTIVE BILLS															



CASE STUDIES

3. Customer Information Protection

<https://www.finra.org/rules-guidance/key-topics/customer-information-protection>

<https://www.finra.org/rules-guidance/key-topics/customer-information-protection/firm-checklist-compromised-accounts>

4. Key highlights from the CCPA regulations:

- Data Minimization and Explicit Consent for “Unexpected” Uses: The proposed regulations include a section on the new data minimization requirement, which requires businesses to collect, use, retain and/or share consumers’ personal information in a way that is “reasonably necessary and proportionate” to the original purpose for collecting it. The regulations also add a requirement that any processing be “consistent with what an average consumer would expect when the personal information was collected.” Any processing that goes beyond what the average consumer might expect requires explicit consent. This may require businesses to seek express consent for many processing practices that are currently common place. For example, the draft regulations state that while a cloud service provider could use consumer personal information it collects to improve the cloud storage services provided, the business “should not use” that information to develop other unrelated products or services, “such as a facial recognition service,” without the consumer’s explicit consent because such a use is not reasonably necessary, proportionate, or compatible with the purpose of providing cloud storage services. We encourage companies to review their current processing practices to determine whether they meet the new test and if not, consider what might need to be done to address this new requirement.
- Notice at Collection Requirements Apply to both First and Third Parties: The proposed regulations clarify that more than one business may control the collection of a consumer’s personal information and thus have an obligation to provide a notice at collection. For example, a first party may allow another business to control the collection of personal information from consumers browsing the first party’s website. Both the first party that allows the third parties to collect personal information via its website, as well as the third party controlling the collection of personal information, must provide a notice at collection. This addition to the regulations helps clarify parties’ respective obligations in a “joint controller” scenario. It also underlines the importance of cookie consent banners (or “cookie doors”) to effectuate this notice at collection, delineate who controls the collection of each data element, and allow consumers meaningful control over which business they choose to engage with.
- Non-Compliant User Interface may be considered a “Dark Pattern”: The proposed regulations provide insight into what user interfaces the CCPA may deem a “dark pattern.” A “dark pattern” is a user interface that has the effect of substantially subverting or impairing user autonomy, decision-making, or choice, regardless of intent. The proposed regulations set forth various requirements companies must meet when setting up user interfaces for consumers to use when exercising their rights under the CPRA and for obtaining consumer consent. For instance, the methods must be easy to understand, have symmetry in choice, avoid confusing language or interactive elements, avoid manipulative language or choice architecture, and be easy to execute. Any violation of those requirements constitutes a “dark pattern” under the proposed regulations.

- **Expanded Contracting and Due Diligence Requirements:** The proposed regulations expand the contracting requirements, arguably even beyond those set out in the CPRA statute, and create new duties for businesses that disclose personal information to service providers, contractors, and third parties. For example, the proposed regulations require contracts with service providers to identify the specific business purposes and service for which personal information will be processed (akin to what the GDPR requires) and prohibit generic descriptions of such purposes, such as referencing the entire contract generally. Businesses would also have a duty to conduct due diligence on service providers, contractors, and third parties in order to take advantage of the CPRA's liability shield for compliance failures of the service provider, contractor, or third party without the business's knowledge. For example, the regulations suggest that a business that "never enforces the terms of the contract nor exercises its rights to audit or test the service provider's or contractor's systems" may not be able to claim that it does not have reason to believe the provider was in violation of the CCPA. This means that even initial due diligence and contractual protections may not be sufficient, and that continual diligence will become necessary to protect companies from CCPA liability.
- **Mandatory Recognition of Opt-Out Signals:** The proposed regulations would require businesses to recognize opt-out preference signals even though the CPRA makes recognition optional. This controversial decision by the CPPA will likely be discussed at length by commenters on the regulations.
- **No Use of Cookie Banners to Submit Opt-Out Requests:** In addition to the mandatory recognition of opt-out signals, the proposed regulations restrict how and where businesses may permit consumers to submit requests to opt-out of the sale or sharing of their information. Most notably, the regulations draw a clear line in saying that companies cannot use their cookie banners or similar cookie consent tools as a means for consumers to submit opt-out requests. The regulations rationalize that cookies and cookie banners are about the "collection" of data, whereas opt-out requests are about further sharing of data. Businesses therefore cannot bundle these distinct user controls together. Instead, companies must provide a method for submitting requests to opt-out of the sale/sharing of data that "addresses the sale and sharing of personal information," such as an opt-out preference signal paired with an interactive form accessible via a "Do Not Sell My Personal Information." This prohibition on bundling controls may mean that companies cannot streamline their notice at collection practices and instead will have to provide more notices, in more locations.
- **Right to Limit and Right to Correct:** The proposed regulations recognize the consumer's right to limit sensitive information and to correct information. The proposed regulations also would require businesses to confirm receipt of any request to delete, request to correct, or request to know by a consumer. Previously, businesses only needed to confirm a request to delete.
- **Businesses must comply with the regulations by January 1, 2023.**

CASE STUDIES

Presenter

John Boudreau, Allstate, LLC

Chief Compliance Officer, Allstate Financial Services, LLC

Firm



Topic

Information Security is front and center with the regulators. How is your firm imputing safeguards to protect the investors data and the advisors from themselves? How are you delving into balancing network security with device security? What resources are you employing? How is your firm taking these challenges, and implanting structure and security while not shutting down the business of advisors managing their investor customers assets.

Overview:

- Our approach to Information Security is focused on:
 - People
 - Processes
 - Technical controls
- Balance supervision requirement with the fact that our registered representatives are independent contractors

Specifics:

- Foundation of approach is based on Policy Development and Education
 - Reinforced annually as part of compliance training
 - Special topics communicated as needed
- End Device compliance is mandatory to access the network
 - Device encryption
 - Malware protection
 - Passphrase complexity and age
 - Ability to remote wipe devices if lost or stolen
- VPN is required to access the network. Allstate manages the encryption key
- Data loss prevention tools are in place to prevent exfiltration of data
- Proofpoint to prevent emailing personally identifiable information
- Disable exporting data to thumb drives or CD burning

Future Steps:

- Pen testing for the branches
- Phishing training for registered representatives
- Considering whitelisting approach for certain apps in use by independent contractors

Call Outs:

- Largest concern is a rogue internal bad actor
- DOL Independent Contractor proposal could limit what we can do from a supervisory perspective

BREAKOUT SESSIONS

1. What is the ideal framework that is needed to help wealth firms best comply with the SEC's Marketing Rule?
2. What is the next generation of information security that will extend into the 1099[LL1] ecosystem that helps safeguard the enterprise wealth firms, their advisors, and their invest

BREAKOUT SESSIONS

3. What optimizes employee retention and talent acquisition? What does the work structure look like? How can an effective culture of compliance be built? What does the office versus work from home balance versus go to the office with purpose look like? How important is salary? How do benefits fit into this mix? What matters to employees these days versus what is needed to run the business
4. Fiduciary [LL3] versus Commission. What is the process for the ongoing alignment and safeguarding the customer in alignment of their shared expectations? With the expansion of Financial Planning, Risk Tolerance, and Fiduciary demands what is the roadmap for annual check-ins versus previous recommendations along with its oversight?



COMMUNITY QUESTIONS

1. How are you obtaining fee information for ERISA plans per DOL requirement?
2. How are you handling advisers who require client appreciation attendees to bring a non-client?
3. Do you think ESG rules will be instituted by the SEC?
4. What are your thoughts about using an outside consultant for audits? Who have you used and what was your experience? How are you handling remote audits? Are you moving back toward more in-person?



COMMUNITY QUESTIONS

5. For any dual registrants—do you offer an IA-only model and, if so, how do you do that? How do you deal with licensing and not cannibalizing your own business?

6. If you have a dual registrant who is suspended by FINRA how do you handle IA fees? Do you pay them? What about Trails?

7. How do you handle the FINRA fees for expungement—do you charge them back to the rep?

8. What is your biggest compliance concern this year?

COMMUNITY QUESTIONS

9. Who has gone through a buyout of their firm and what words of wisdom do they have for someone who is just going through it?

10. Is anyone using a good third-party vendor management software?

11. 3rd Party Vendor Due Diligence Framework, what works well and where have the challenges been. What changes are in store if/when the new outsourcing rule comes into effect?

12. Is there a 3rd party solution that currently exists or in development to help comply with the proposed Cybersecurity Rule?

13. How people are handling texting for internal folks who may text with reps? Separate phones?

COMMUNITY QUESTIONS

19. Regarding off channel communications, generally speaking, what policies, procedures, programs do you have in place to monitor/supervise this for both employees and their FPs? Do you believe it has been effective? What challenges did you encounter?

20. Regarding RegBI, how are you addressing the care/compliance obligations when a financial professional makes recommendations to customers to consider “reasonable available alternatives” to determine what is in the customer’s best interest? Do you provide guidance on how to evaluate costs and reasonable alternatives (i.e., do they provide them worksheets to complete, disclosure forms, etc.) and how are you supervising that aspect of reasonable available alternatives?

21. What are other financial services firms doing about electronic messaging away from the firm? How are you discovering it and handling systems that don’t work with your retention and supervision systems?

22. How are other firms handling vendor management, particularly where representatives are adding their own vendors as they desire. Is anyone “open source” or are you providing reps with a list of approved vendors that they may select from?

COMMUNITY QUESTIONS

23. How are firms supervising transactions and testing their compliance program when their transactions are occurring on multiple platforms and/or with multiple product companies?

24. Utilization of next generation technologies like AI, Machine Learning and Natural Language Processing to augment alerting capabilities and reducing false positives in reviews?

25. Initial considerations and concerns or potential perceived opportunities with the expansion of such technologies as ChatGBT?

26. Challenges related to competing priorities and requirements between end users and metrics reporting and how are you managing?

27. How many have made investments in Regulation Technology (RegTech) and was that investment a good decision and what impact (good or not so good) has it made to your compliance teams workloads as well as process and policies?

COMMUNITY QUESTIONS

28. Does the RegTech provider (vendor) have any limits on the use of its platform in your organization and are you prevented to having access to additional compliance tests and functionality because of exponential, added costs?
29. I'm sure you all have a wish list of functionality and capability for your current RegTech system today. What does that wish list look like and can those wishes be turned into capability or functionality in your current surveillance/compliance systems?
30. We're hearing a lot about firms being fined for not having adequate procedures and controls in place for the archiving, surveillance and analysis of email and social media/text messages. How is this group dealing with this higher level of scrutiny from regulators? Are the current offerings available in the market adequate or are they falling short? Do the current solutions for text, social media and email surveillance take a brute-force or broad-brush approach rather than one that is specifically designed for the investment advisor/broker-dealer industry?
31. How are you approaching governance and security of generative ai solutions such as ChatGPT?

COMMUNITY QUESTIONS

32. How are you approaching the New York Department of Financial Services updates? Are you concerned about the expansion?

33. For those with offshore or nearshore partners, how are you approaching coming back into the office or enabling remote work for their employees?

34. How do you sample cases or subset cases for audit?

35. As it relates to Regulation Best Interest, what behaviors are you most worried that your reps are doing, but are not confident that you can detect?

36. Concerning Regulation Best Interest, how are you performing your retrospective review?

COMMUNITY QUESTIONS

37. What is your firm doing about identifying PII across your organization both cloud/locally?

38. Do you feel confident in your ability to identify all the SaaS apps all your employees are using? How are you accomplishing this today?

39. How are you and your compliance team staying on top of the ever-changing regulatory landscape?

40. Are you currently exploring how AI technologies like ChatGPT can help with compliance?

41. What are the key challenges when it comes to ensuring compliance in your organization?

COMMUNITY QUESTIONS

42. How are you dealing with the constantly evolving regulations and operational cost of compliance? Are you planning to invest in new compliance solutions to mitigate these?

43. What deficiencies are you seeing in your Reg BI Exams? Are any firms changing their position on the educational approach to PTE 2020-02?

44. Has your firm had a chance to consider California's best interest proposal for insurance products?

45. What is your firm doing about identifying PII across your organization both cloud/locally?

46. Do you feel confident in your ability to identify all the SaaS apps all your employees are using? How are you accomplishing this today?

COMMUNITY QUESTIONS

47. How are you and your compliance team staying on top of the ever-changing regulatory landscape?
48. **Updates regarding SR-FINRA-2022-021** - Rule change to amend FINRA Rule 3110 (Supervision) to adopt a voluntary, three-year remote inspection pilot program to allow member firms to elect to fulfill their obligation under Rule 3110(c) (Internal Inspections) by conducting inspections of some or all branch offices and locations remotely without an on-site visit to such office or location, subject to specified terms.) Are firms still conducting remote examinations? If so – what percentage are firms still doing remotely? Any ideas/thoughts on what FINRA is going to do with this?
49. **Updates regarding SR-FINRA-2022-019** - Rule change to adopt new Supplementary Material .19 (Residential Supervisory Location) under FINRA Rule 3110 (Supervision) that would align FINRA's definition of an office of supervisory jurisdiction ("OSJ") and the classification of a location that supervises activities at non-branch locations with the existing residential exclusions set forth in the branch office definition to treat a private residence at which an associated person engages in specified supervisory activities as a non-branch location, subject to safeguards and limitations. Just looking for a general discussion on potential impact.
50. **Exchange Act Rule 17a-4 Amendments** – Rule was amended effective 1/3/23 with a compliance date of 5/3/23 to, among other things, modify the requirements regarding the maintenance and preservation of electronic records using either the existing WORM requirement or an alternative "audit trail" system. Is anyone aware of any vendors that are offering an audit-trail standard or any further info/guidance on this topic (realizing this is an SEC rule and that FINRA will not interpret)?

PARTNER
PROFILES

PARTNER PROFILE



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Firm Vision

CapitalROCK®, the makers of RightBRIDGE, provides financial services firms with a powerful and configurable rules engine to determine and document the suitability or best interest status of proposed rollovers, account types and products.

Many of the country's largest Independent, Bank and Insurance broker-dealers rely on RightBRIDGE systems to help them meet their compliance and documentation obligations for regulations like Reg BI, Reg 187 and the DOL's PTE 2020-02.

Firm History

CapitalROCK was founded in 2007 by a group of industry experts that have been building customer relationship and wealth management solutions for the financial services market for more than 30 years. CapitalROCK founders began using expert systems in the financial planning and wealth management arena and over the years have applied various analytical and rules engines to the areas of online trading, compliance and suitability, real-time market data distribution, new account opening, and wealth management. Starting in 2011, CapitalROCK began harnessing expert systems for product selection and Best Interest validation.

Leadership

CapitalROCK is lead by its founder and CEO, John Hyde. Prior to founding CapitalROCK, John was Group CEO at SunGard data systems. John grew his team organically as well as through acquisition. Notably, during John's time at SunGard, John's team launched the Synapse Surveillance/Suitability (later known as Protegent) which grew to become the market leader in compliance technology and is still widely used today. Other senior members of the CapitalROCK Team include Brian Hendricks, COO, Tyson Crane VP of Product, and Connor Thomas who heads up the Business Development team.



Ideal Buyer

CapitalROCK’s ideal buyers are Compliance and Supervision executives looking to improve their regulatory readiness for Reg BI or PTE 2020-02.

FINRA and the SEC have both emphasized that while firms may have adequate policies and procedures, being able to show how their financial professionals follow these procedures is equally important.

In other words, the old saying “if you didn’t document it... it didn’t happen.” Rings true.

RightBridge makes it easy for the financial professionals of a licensing firm to follow a process that creates an audit trail and provides automatically generated ReasonText™ that explains whether a proposed transaction, account opening or rollover, meets the licensing firms best interest requirements.

Products /Services

- RightBridge Product Profiler
- RightBridge Investment Wizard
- RightBridge Rollover Wizard
- RightBridge Suggestion Engine
- RightBridge Annuity Wizard
- RightBridge Compliance Dashboard

Key Functions

Consistency of Process and Consistency of Output

RightBRIDGE systems have been providing repeatable and predictable outcomes for compliance purposes for years. The Reasonably Available Alternatives feature helps responsibly speed up the financial professional’s process by providing alternatives that are not only available at their firm but are similar in nature to the selected product. The factors and their weightings used to score the alternatives are adjustable by the broker-dealer. This puts the Reasonably Available Alternatives process on rails and prevents reps from having to make notes by hand which can lead to inconsistencies across the broker-dealer.

ReasonText™:

At the core of all RightBRIDGE systems is ReasonText™. ReasonText is automatically generated, text that provides financial professionals a compliance-approved way to “show their work.” ReasonText within the RAA Functionality will notate why the specific Reasonably Available Alternatives were appropriate peer products for the financial professional’s recommendation. This helps avoid the pitfalls of generalized statements like, “...looked at other funds” or “other annuities were considered,” that examiners may find to be inadequate.

RightBRIDGE: Reasonably Available Alternatives Functionality

The RightBRIDGE rules engine allows financial professionals to identify a mutual fund or annuity and be automatically provided with Reasonably Available Alternatives (RAA) from their broker-dealer’s product shelf. The alternatives are provided based upon an adjustable set of parameters that is configured for the licensing broker-dealer.

Success Snapshots

Brief Use Cases



Broker Dealer A

Broker Dealer A represents an organization that operates multiple broker dealers with more than 10,000 financial professionals. This customer wanted to license software that would allow them to discontinue the practice of requiring pre-review for all plan rollovers. The customer licensed the RightBridge system in the run-up to the enforcement date of PTE 2020-02 and was able to meet their goal of systematizing a process that does not require pre-review. This customer not only improved their regulatory exam readiness, but also saved hundreds of thousands of dollars in personnel cost that would have been required for pre-review without RightBridge.



Broker Dealer B

Broker Dealer B represents an insurance based broker dealer with more than 1,000 financial professionals. This broker dealer had a lengthy best interest analysis form that was causing frustration in the field as well as a large number of Not In Good Order transactions. This firm licensed the RightBridge Reg BI Suite of products and was able to discontinue or shorten several required forms. RightBridge is currently an optional best interest analysis tool (not a required system) at this firm. Within 6 months of its launch, this firm has experienced adoption in excess of 35%. This firm is moving to integrate RightBridge with other systems and expects to continue to see quick adoption.



RIA Customer

CapitalRock's primary customer base is made up of broker dealers. However, some customers in the RIA only and insurance space, operate with structures that are similar to traditional broker dealers. In this case, a large, nationwide RIA with more than 400 professionals chose to license RightBridge for PTE 2020-02. This firm experienced immediate success and went on to license the RightBridge Annuity Wizard to help systematize and document their annuity business. This firm has a strong centralized supervision process and RightBridge helps by analyzing transactions prior to submission. The number of Not In Good Order's has been reduced significantly and regulatory readiness has also been improved.

PARTNER PROFILE



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Firm Vision

To provide intelligent software solutions for the financial services and insurance industries across the globe, helping increase synergy, effectiveness and efficiency across marketing and compliance teams

Firm History

Red Oak was founded in 2010 by a team of compliance and technology experts – Stephen Pope, Cathy Vasilev, and Rick Grashel. Stephen and Cathy had experience building an internal advertising review solution when they worked together at a large hybrid BD/RIA/Insurance Distributor, with Cathy as the head of supervisory systems and controls and Stephen as the director of application engineering. In the course of their work, they recognized that the financial services industry was faced with a growing need for intelligent software solutions that could help compliance teams streamline their efforts and mitigate risk. They partnered with Rick Grashel, who was the director of Hadoop/big data solutions for Dell and brought him on to lead Red Oak's technology and development efforts.

Over the years, Red Oak has been consistently recognized for providing best-in-class compliance solutions for financial services and insurance firms across the globe. Recognitions include one of the INC 5000's Fastest Growing Companies, the RegTech 100's list of Top Global Regulatory Compliance Innovators, and in the Financial Times' Fastest Growing Private Firms, each for four consecutive years. The foundation for Red Oak's continuing success is its strong, customer-centric mentality and dedicated focus on providing financial firms the solutions they need to minimize risk, reduce costs, and increase compliance review process effectiveness and efficiency.

Leadership **Stephen Pope** **Founding Member and Chief Executive Officer**

Stephen brings a wealth of experience developing mission-critical software applications for the financial services industry. With over 27 years of experience in software sales and development, sales management, marketing, and operations, Stephen's consultative approach is well-suited to working with firms of all types and sizes.

Stephen served as Director of Application Engineering at NFP Securities where he led a team of developers to create custom software for the broker/dealer and RIA. Stephen was the Managing Director of Operations for Perficient, Inc., a public company with 220 consultants. He is an entrepreneur who has owned several successful start-ups and has vast experience in project management and client relationship-building. He is also well-versed in the latest cutting-edge technology in the financial industry.

Stephen has a Master of Business Administration degree. He is a member of the National Society of Compliance Professionals; a former member of the Project Management Institute; has both Microsoft and IBM technical certifications, and formerly held a FINRA Series 7.

Cathy Vasilev **Founding Member and Chief Operating Officer**

Cathy brings over 35 years of compliance and supervisory expertise in independent broker-dealers, wire-house broker/dealers, insurance-owned broker/dealers, hedge funds and private equity funds, and registered investment advisers. Cathy has served as the Chief Compliance Officer for multiple M&A broker/dealers. In addition, she served as the Assistant Vice President of Supervisory Systems and Controls at NFP Securities, an independent broker/dealer, and RIA. She is frequently asked to speak and serve as a subject matter expert at compliance conferences across the country.

Cathy has a Master of Business Management degree. She is a Board member of IAdCA, a member of the Association of Compliance Professionals, a member of the National Society of Compliance Professionals, and a member of Compliance and AML Professionals. She has the FINRA Series 7, 24, 26, 63, and Life and Health licenses.

Rick Grashel **Founding Member and Chief Technology Officer**

Rick has over 30 years of experience leading enterprise software development and commercial software initiatives. Most recently, Rick was the Director of Hadoop/Big Data Solutions for Dell. Prior to that, was a part of the senior management team of IBM's Infosphere/MDM business unit where he helped lead the integration of Initiate's MDM product into IBM's portfolio. Before that, Rick was a Director of Software Engineering for Initiate Systems, which became the leading provider of master data management (MDM) solutions for the healthcare, government, enterprise, and financial services industries (Initiate Systems was acquired by IBM in 2010). Rick also served as a consulting technical architect at Sony Pictures Entertainment, where he led the technical implementation of a large-scale global application that handled all of Sony's global rights asset management. Prior to that, Rick was a Managing Consultant for Computing Information Services, which was a leading best-of-breed vendor of ERP software for the publishing industry.

Rick is a patent holder and holds a Bachelor of Science (BS) Degree with Honors in Computing Information Systems from the DeVry Institute of Technology. He also holds Master of Science (MS) degree in Engineering Management from the SMU Lyle School of Engineering with a secondary emphasis in Operations Research and Mathematics. Additionally, Rick holds a management certification from the McCombs School of Business at the University of Texas at Austin.

Ideal Buyer

Chief Compliance Officers, Heads of Risk Management, Chief Marketing Officers and Chief Technology Officers in the financial services and insurance industries.

Products/ Services

- Advertising Review Software - Red Oak's flagship advertising review solution is a comprehensive suite of SEC 17(a)-4/WORM compliant features that are 100% books and records compliant. It creates a more effective and efficient review process, with clients typically experiencing 35% faster approvals and 70% fewer touches or better.
- Smart Review(SM) solves for the management and intelligent application of disclosures, helping firms reduce risk, decrease review times and increase the speed of distribution of marketing materials.
- Registration Management - automates the licensing and registration management process to reduce regulatory risk and decrease time spent on manual processes.
- Complaint Management – effective complaint management, data tracking and analysis to maintain, resolve and report critical complaint information.

Key Roadmap Deliverables

Red Oak remains committed to continuously investing in and enhancing our existing software while developing new solutions that drive greater efficiency for compliance and marketing teams, while helping to reduce regulatory risk for organizations.

Success Snapshots

Brief Use Cases



Customer A

A large global asset manager was seeking a presentation management and compliance workflow solution with a user-friendly and integrated user experience. The diverse and global nature of their business imposed complicated rules around content control, user permissioning and cross-workgroup collaboration. Synthesis' sales enablement solution was selected to automate data updates, manage slides, and create customized presentations. Red Oak was deployed to manage compliance review. These two vendors were tasked with creating an integrated and seamless solution to satisfy the unique needs of diverse global workgroups, while ensuring compliance was at the heart of all their sales communication efforts. This integrated solution has improved the communication and collaboration between Product Strategists, Sales, and Compliance teams globally. This has led to more velocity in the sales process, providing distribution teams with a way to create compliant, customer-centric presentations very quickly with minimal risk.



Customer B

With a homegrown software system and processes that varied from group to group across the company, final products at the end of the firm's marketing reviews had the potential for inconsistency. The firm had limited ability to search their databases when making across-the-board disclosure updates, leaving them open to risk from outdated information or expired content pieces. The firm sought a technology provider who could support process overhaul efforts and create a centralized method for advertising compliance review, approval, and lifecycle management. They sought a partner who could help them determine where their system created unnecessary workload and risk, define what successful marketing compliance processes should look like, and provide a road map to get there.

Red Oak's advertising compliance review software provided the firm a simple way to streamline and centralize reviews. Instead of employing different review standards/systems across various areas of the organization, the firm was able to create a streamlined and centralized process, one that was so user-friendly "no one even wanted to try to work around it." With Red Oak, they created process management workflows that stratified marketing compliance projects by risk level and provided analytics to allocate resources and effort.

The firm was able to work with Red Oak and implement the system in less than six weeks, then to continue iterating on and improving their processes. Through these efforts, they created "rightsized" review processes that decreased staff time spent on low-risk projects and streamlined workloads. Because platform use isn't limited by seat license, the firm was able to include a wide range of staff. They elevated compliance team members to managing processes instead of focusing solely on repetitive phrase checking.

The firm credits Red Oak with lowering the potential for human error in processes, reducing risk and shifting the organization's compliance mindset.

PARTNER PROFILE



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Firm Vision

Salesforce is and always has been the customer company. From the day we opened our doors, focus on our customers drove our every decision. It fueled our growth and powered our customers' success. We develop the technology, the partnerships, and the communities that help companies connect with customers so that every company can become a customer company.

Firm History

In 1999, four Salesforce founders, working shoulder to shoulder in a small San Francisco apartment, launched a customer relationship management (CRM) system with a groundbreaking twist. All the software and critical customer data would be hosted on the internet and made available as a subscription service. This pioneering "software as a service," or SaaS, model quickly spread across the technology industry.

Early adopters of our cloud-based model took a significant leap of faith. There was only one formula for earning their trust — that is, by building trusted relationships. Over the decades, our product has grown in scale and sophistication.

We now provide essential services to many of the world's biggest and most critical businesses, governments, and organizations. Trust is an ever more valuable commodity. Relationships are gold.

Leadership

Salesforce prides itself not only on award-winning technology, but also on the talent of its people. The company is thriving under the guidance and leadership of some of the brightest minds and most experienced executives in business. See <http://salesforce.com/company/leadership> for profiles of our executive team.



Ideal Buyer

Salesforce technology is used by many transformational leaders across financial services organizations to improve customer relationship management, increase sales, streamline operations and deliver exceptional customer service. As such, ideal buyers may include:

- **Technology Leaders** looking to optimize their technology stacks by leveraging a powerful suite of out of the box and configurable tools and capabilities that can play a role in differentiation in the market
- **Line of Business Owners/Executives** often turn to Salesforce to help improve their team's efficiency, prioritize work more effectively, as well as track and manage the most impactful KPIs to drive profitable growth in their business
- **Client Experience or Customer Service Leaders** love the comprehensive suite of service tools in Salesforce from case management to knowledge, from OOTB processes to completely configurable processes deliverable across multiple channels creating connectedness and consistency for customers regardless of how they choose to engage
- **Operational Leaders/Compliance Officers** across Financial Services seek out Salesforce to help automate both routine and complex tasks to drive efficiency, optimized capacity and operation compliance
- **Marketers** are empowered with Salesforce technology that centralizes customer data to give insight into customer behavior, preferences and needs to aid in personalization efforts delivering the most relevant messaging and offers at the right time

Products /Services

- Accelerate time-to-value with the purpose built innovation for Wealth, Insurance and Banking in **Financial Services Cloud**
- Make your spend go further and drive growth with **Marketing Cloud**
- Uncover visual and predictive insights directly in the context of your users work with native **Analytics**
- Extend your innovative experiences digitally to customers and/or partners with **Experience Cloud**
- **Slack** gives you everything you need to succeed, connect, and collaborate efficiently on behalf of your clients

Key Roadmap Deliverables

Solutions to enable wealth management firms and other financial institutions deliver high touch interactions as well as low touch personalized advice at scale in a compliant and efficient manner.

Compliance controls that can be seamlessly added into the client engagement workflows to mitigate compliance risks and minimize operational costs of compliance.



Adlib Comments:

Salesforce was one of the first enterprise software platforms to be built entirely in the cloud. This cloud-based architecture means that users can access the platform from anywhere, on any device, as long as they have an internet connection. This flexibility is critical for modern businesses, which often have remote and distributed workforces.

The reach of Salesforce has resulted in a thriving community of users and developers, who share knowledge and collaborate on projects through the Salesforce Success Community. This community has helped to foster a culture of innovation and continuous improvement, driving the platform's ongoing development.

Finally, Salesforce is highly committed to social responsibility and has made significant efforts to promote diversity, equity, and inclusion in the workplace. Additionally, the company has a strong focus on sustainability and has set ambitious targets to reduce its carbon footprint and promote environmental sustainability.

Success Snapshots

Brief Use Cases



RBC Wealth Management

Like many wealth management firms looking to attract top talent and deliver enhanced client experiences, RBC Wealth Management was facing challenges with advisor workflow and piecing together data from disparate systems.

At the start of RBC Wealth Management's journey, advisors had to pull client data from 26 separate systems to prepare for meetings with new clients. This mountain of disparate data was difficult to navigate. With Salesforce, RBC Wealth Management consolidated CRM systems and integrated data from other legacy systems into a unified platform purpose-built for wealth management, allowing advisors to provide trusted, personalized experiences for their clients while maintaining the integrity of their data and compliance with financial rules and regulations.



American Express

American Express knows its people are its greatest strength, and Salesforce helps them work smarter — and have more fun on the job. Company leaders see the technology as a unified whole, not a collection of pieces. “It’s a platform for our employees — sales, accounts development, servicing, marketing, and product people — to communicate, react in real time, and solve customer problems,” Keeley said. The partnership between American Express and Salesforce started with Sales Cloud in 2010. Now, the Customer 360 Platform connects thousands of employees across organizations, locations, and time zones. Real-time applications facilitate communication and excitement around solving customer pain points. Sales reps who traded their manila folders and desktop PCs for portable tablet computers running Salesforce now get out of the office and in front of clients more. These reps now have complete views of customers before they walk into meetings, and the Salesforce Mobile App also allows for real-time collaboration among colleagues. The success American Express has had with Salesforce Customer 360 is just one example of the company’s transformation for the Digital Age. From a sales team using modern tools to communicate in a compliant manner to smartphone apps that make business travel easier, American Express is leveraging real-time connectivity to take service into the future. Its members wouldn’t expect anything less..



United Capital

Since its founding in 2005, United Capital has led a fundamental shift in how financial advisers interact with clients. “When we started this company, what we noticed is that the entire industry really viewed human beings like walking wallets,” said CEO Joe Duran. “And we just asked this very simple question: What if we can help people improve their lives by simply making better choices, and by helping them to not be as concerned with their wealth as with their life?” With that philosophy guiding every decision, United Capital has successfully distinguished itself as a financial life management company. United Capital began to rethink its technology when rapid growth and a series of acquisitions of like-minded local advisory practices quickly exposed the limitations of its homegrown CRM solution. After an in-depth search, Duran and his team selected Salesforce as the central technology platform because it had the flexibility to scale while being easily customizable to meet the unique needs of various offices. “It gave us the ability to grow not just in size but also in capabilities,” said Mike Capelle, Head of Platform. The onboarding process, data migration, communication between offices, and systems integration are now streamlined, with all 82 offices operating on a single compliant architecture.

PARTNER PROFILE



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Firm Vision

Skience is known for innovation, flexibility, and a relentless focus on exceptional client service. We are committed to doing the right thing for our clients and leading the way to help the financial services industry reimagine wealth.

Firm History

Driven by a passionate belief in the power of technology to solve business problems, CEO Sanjeev Kumar and CAO Kripa Shetty founded the firm in 2001. For more than 22 years, Skience has focused exclusively on helping wealth management firms become future-ready. Through our award-winning SaaS platform and consultative approach, we deliver deep functional expertise, best practices, and data-driven insights.

Leadership



Sanjeev Kumar

Co-Founder & CEO
Industry Experience: **25+ years**
Skience Tenure: **20+ years**



Marc Butler

President, COO
Industry Experience: **25+ years**
Skience Tenure: **~2 years**



Kripa Shetty

Co-Founder, CAO
Industry Experience: **25+ years**
Skience Tenure: **20+ years**



Jeff Stephens

Chief Financial Officer
Industry Experience: **30+ years**
Skience Tenure: **~1 year**



Janak Mathuria

Head of Product Development
Industry Experience: **25+ years**
Skience Tenure: **~8 years**



Ali McCarthy, PhD

Chief Marketing Officer
Industry Experience: **21+ years**
Skience Tenure: **1 year**



Greg Starr

SVP, Salesforce Services
Industry Experience: **30+ years**
Skience Tenure: **2+ years**



Ed Wright

VP, Product Services & Solutions
Industry Experience: **20+ years**
Skience Tenure: **~2 years**



Chris Zuczek

Chief Product Officer
Industry Experience: **20+ years**
Skience Tenure: **~1 year**



Amaidhi Chandran

Managing Director, India
Industry Experience: **25+ years**
Skience Tenure: **7 years**

Ideal Buyer

Skience has deep domain expertise, with more than 22 years of experience working exclusively with wealth and asset management firms. We help all types of wealth management firms - broker-dealers, RIAs, banks, insurance and mortgage companies, capital markets specialists, and asset managers - solve for advisor and client churn, advisor dissatisfaction, manual processes and workflows, disparate legacy systems, and lack of digital integration.

Our specialization in the wealth management industry enables us to provide "true" consulting and industry best practices while integrating cloud-based solutions into a firm's existing ecosystem.

We focus on enhancing and improving the investor, advisor, and back-office operations user experience for wealth management firms.

The Skience helps all types of wealth management firms boost productivity and deliver operational efficiencies by making the account opening process easier, faster, and more accurate by using guided workflows, minimizing the rekeying of data, and avoiding processing errors.

Products /Services

Skience Platform - We have created an award-winning all-in-one solution for firms from onboarding clients via advisors in transition (Advisor Transitions), to subsequently opening new accounts (New Account Opening), to capturing and storing their documents in a 17a-4 compliant manner (Skience Safe) to the surveillance of the trades and transactions that are happening in the accounts (Surveillance Solution), all while giving the advisor the ability to see a holistic view of all the assets that they are monitoring (DataCAR). This platform collaboration or subsequent account opening allows an advisor to collaborate with a prospect or client (Client Portal). Advisors can execute all workflows within their CRM, ensuring a smooth, continuous work experience.

Consulting - The CRM system is the focal point of many wealth management firms' technology ecosystems. Skience has deep expertise in Salesforce applications and helps wealth management firms expand their technology capabilities with Salesforce's universe of cloud-based sales, marketing, and business applications. Wealth management firms can rely on our industry knowledge to unite separate, best-in-class financial services software tools within the Salesforce CRM. Through our award-winning consultative approach, we help firms identify a roadmap to achieve the digital success that will help elevate their CRM maturity by analyzing current processes, technology, tools, and user needs, then defining a blueprint that enables the organization to thrive.

Key Roadmap Deliverables

- Prescriptive and Predictive Analytics – Next-gen analytics for firms and advisors to bring opportunities to the forefront and serve more clients effectively
- Asset Movement – Extend our client onboarding experience to include money movement and account transfers
- Performance Reporting – Deliver a cloud-based solution seamlessly integrated with our existing set of comprehensive platform features

Adlib Comments:

Skience delivers cloud-enabled strategies and solutions that transform financial services businesses, helping firms save time and money while reducing errors at every stage of their business operations. Skience's award-winning platform and consulting services provide an efficient way to unify firms' technology, increase back-office and advisor productivity and set the stage for an exceptional experience for financial professionals and their clients. It features a streamlined, end-to-end client onboarding and account-opening experience, advisor transition solutions, compliance features, client portals and data management capabilities, along with deep integrations with leading custodial and clearing firms.

Success Snapshots

Brief Use Cases



Customer A

Skience helped a large independent broker-dealer fix their broken client onboarding process. They were challenged with a swivel-chair experience, dependent upon many business groups to enter data, and struggled with cross-function collaboration. The Skience client onboarding solution minimized rekeying, reduced Not in Good Order (NIGO) transactions, and supported compliant processes and rule-based supervision. The average time to open an account reduced from 40 minutes to only 20 minutes and the NIGO rate reduced from 42% to less than 5%. Most importantly, this firm expects to save nearly \$15MM annually by transforming their client onboarding experience.



Customer B

Skience helped a large insurance-based broker-dealer create a single source of truth with their data. The firm was challenged with fragmented data and reporting, struggled with cross-function collaboration, and needed data reconciled and available within the advisor's CRM. The firm achieved data transparency across all core functions. Having data in a single location, a full view of client account information is available regardless of where the assets are custodied. With accurate data, the firm was able to achieve a 60% reduction in processing errors which resulted in a more than 70% faster client onboarding cycle. Overall, the firm realized an increase in advisor and investor satisfaction with the client onboarding and account opening process.



Customer C

Skience helped a large and prestigious RIA provide a transition experience where technology simplified the process for the new advisor and provided a seamless experience for the advisor's clients to move to the new firm. The firm struggled with manual account opening and inefficient advisor onboarding experience that lacked straight-through forms processing. With the Skience Advisor Transition solution, the firm achieved a digital-first, compliant, and efficient platform to attract new advisors to the firm. With integrated document management, onboarding, and e-signature functionality, the firm was able to provide a transition experience for new advisors that was five to ten times faster than previously achieved. Moreover, new clients transitioning over are able to complete their transition in as few as 30 seconds to an average of 2-3 minutes. In the first month, nearly 1,000 accounts and over \$1B transitioned using the Skience tool.

PARTNER PROFILE



Black Diamond
WEALTH PLATFORM

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Firm Vision

SS&C Technologies' unique business model combines end-to-end expertise across financial services operations with innovative software and solutions for the financial services industry.

The award-winning combination of SS&C's Black Diamond® Wealth Platform and the Risk & Compliance Intelligence Platform (RCI) seamlessly connect to provide an accurate and automated oversight experience. Serving as the hub of a wealth management firm's business, the award-winning, cloud-native Black Diamond solution is designed to meet the complete business needs of advisory professionals and their clients. With RCI, organizations are assured that their supervisory activities and compliance policies are functional, accountable, and executed consistently.

Firm History

Since launching in 2005, the Black Diamond Wealth Platform has been at the forefront of cloud-based financial technology. Today, financial management firms leverage the platform to streamline operations, deliver business insights, and connect with prospects and clients to build long-lasting relationships.



Leadership

The senior leadership team at SS&C Advent, a division of SS&C Technologies, represents world-renowned experience and expertise in award-winning software and services for the global investment management and financial technology industry.

Steve Leivent, SVP & Co-General Manager, SS&C Advent

Karen Geiger, SVP & Co-General Manager, SS&C Advent

Ideal Buyer

No matter a firm's size or structure, the Black Diamond platform has the flexibility and power to support the unique needs of wealth management firms, including:

- RIAs
- Broker-dealers
- Family Offices
- Banks
- Trust Companies
- Community Foundations
- Hybrid RIAs

Products /Services

Within Black Diamond and RCI, advisors leverage cutting-edge solutions that drive success, such as:

- Comprehensive portfolio management
- Compliance oversight
- Robust Reporting
- Immersive Client Experience portal
- Alternative data feeds
- Pre-configured and customizable compliance tests
- Next-generation Rebalancer
- And much more



Key Roadmap Deliverables

In 2023, our roadmap focuses on continuing to make Black Diamond the “Financial Life Hub” for our advisors’ clients. In short, we want to be the place an end investor goes to interact with their advisory team and review everything about their financial lives.

- Key investment areas this year include:
- Risk and compliance oversight
- Financial planning
- Streamlining the investment management process

Adlib Comments:

Black Diamond’s Key Differentiators:

1. **Dedicated service model** provides you with a representative who gets to know you and your business.
2. **Intuitive, thoughtful design** increases adoption rates while decreasing implementation and training times.
3. **A data network** that’s the most expansive in the industry.
4. **Relationship-based pricing** fits the unique needs of your firm.
5. **Seamless handoff from Sales to Implementation to Service**, reflects our commitment and dedication to you, your success, and our shared partnership.

Success Snapshots

Brief Use Cases



Triad Hybrid Solutions



<https://cdn.advent.com/bd/ix5lyzkb/bd-triad-hybrid-solutions-case-study.pdf>

Triad Hybrid Solutions selected Black Diamond as a culturally aligned technology partner who could provide pivotal integration and data mining capabilities.



Diversified Trust



<https://cdn.advent.com/bd/ipafcrj0/diversified-trust-case-study.pdf>

By working with Black Diamond, Diversified Trust has expanded its ability to provide an enhanced digital client experience and report on alternative assets.



Advice Period



<https://cdn.advent.com/bd/4vnk4nse/adviceperiod-case-study.pdf>

Advice Period selected Black Diamond to provide centralized performance reporting, portfolio management, and rebalancing for their growing multi-office business.

PARTNER PROFILE



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CEO & Founder

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Surge Ventures:

Surge Ventures is a venture capital & venture studio firm founded by Sid Yenamandra, a seasoned tech industry executive with a wealth of experience in the field of compliance software. At Surge Ventures, we specialize in investing in innovative startups in the financial and wealth management sectors, providing seed funding and support through our proprietary Surge Method, a set of metrics and milestones that enable us to identify early signs of product market fit, growth, and profitability.

In addition to our focus on investing, we also offer shared services to our portfolio companies, covering areas such as incorporation, HR, and contracts. We also have a team of industry advisors and a centralized services team dedicated to the implementation of cutting-edge marketing and sales tools, as well as development teams focusing on UI/UX, customer support, SDR services, and product management.

Our goal at Surge Ventures is to drive innovation and growth in the financial and wealth management industries by building, co-founding, and acquiring startups. With the guidance of Sid Yenamandra and our team of experts, we are well-equipped to help emerging companies navigate the complex landscape of compliance risks and position themselves for long-term success.

Leadership:

Sid Yenamandra is a highly accomplished and exceptionally talented entrepreneur and executive with a proven track record of success in the field of cybersecurity and technology. He has founded and successfully exited three startups, leaving a lasting impact on the industry with each venture. His most notable achievement is the founding and leadership of Entreda, a company that quickly rose to become the top provider of cybersecurity compliance software to financial services firms. Under Sid's guidance, Entreda was acquired by K1 Capital and RegTech Unicorn Smarsh in 2020, and he served as CEO for two years post-acquisition. During this time, Sid also led the company in acquiring Privva, a leading provider of third party vendor risk management software, and took over the role of running Smarsh's wealth management business, a \$100M ARR business. He also served as the head of the customer success organization for all Smarsh products.

Sid's impressive track record also includes key leadership roles at Plato Networks, where he served as VP of Product and Marketing, and PacketFX. During his time at Plato Networks, the company was acquired by publicly-traded Netlogic Microsystems in 2010, and later by Fortune 500 company Broadcom for a staggering \$4B in 2012. This sale speaks to Sid's exceptional ability to drive growth and innovation, and his expertise in building and scaling successful businesses.

In addition to his successes in the tech industry, Sid has also made significant contributions to the field of cybersecurity through his work with the NSA. He led a program with an elite team to accelerate Suite B cryptographic algorithms with integrated compression for the agency's Information Assurance directorate in solutions approved for protecting National Security Systems (NSS).

With dual B.S. degrees in Electrical Engineering and Computer Science from UC Berkeley and two software patents and numerous publications to his name, Sid is a highly respected and accomplished figure in the tech industry, known for his unparalleled expertise in cybersecurity and his ability to develop and implement innovative solutions for some of the most complex and challenging problems facing our world today.



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Wealth management curriculum supplying an industry overview (for newer or more inexperienced employees).



VENDOR MANAGEMENT
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2024 ROUNDTABLE SCHEDULE

The Compliance Roundtable

Audience: Wealth Firm Compliance Professionals
Past Attendees: CCOs, Compliance Leaders
Date: February 21st -23rd, 2024
Location: San Diego, CA

The Operational Excellence Roundtable

Audience: Wealth Firm Operations Professionals
Past Attendees: COOs, Firm Operations Leaders
Date: March 20th – 22nd , 2024
Location: Austin, Texas

The Innovators

Audience: Wealth Firm Practice Management
& Advisor Technology Professionals
Past Attendees: COOs, CIOs, CTOs, Platform Owners
Date: April 17th – 19th, 2024
Location: Charlotte, NC

Investment Products, Platform, & Fiduciary

Audience: Wealth Firm Investment Management and Platform Professionals
Past Attendees: COOs, CIOs, CCOs, and Investment Leadership
Date: May 15th – 17th, 2024
Location: Charleston, SC

The Age of Marketing: Supporting Communications & Business Growth

Audience: Wealth Firm Marketing & Recruiting Professionals
Past Attendees: COOs, CMOs, and Marketing Leadership
Date: October 16th – 18th, 2024
Location: Mountain Brook, AL

The Roundtable

Audience: Wealth Firm C-Suite
Past Attendees: C-Suite, Presidents and Senior Positioned Leadership
Date: November 6th – 8th, 2024
Location: Santa Barbara, CA

The Roundtable for RIAs

Audience: RIA Wealth Firm C-Suite
Attendees: Owners and Leadership of RIAs
Date: December 4th – 6th, 2024
Location: Ft. Lauderdale, FL

NOTE: Dates and locations may change, so please check our website for more updates and information on upcoming Roundtable onsite events.



www.beaconstrategiesllc.com/beacon-roundtables

NOTES



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