

Audit Date: ____ / ____ / ____

Name of Person Conducting the Audit: _____

Period Covered: ____ / ____ / ____ - ____ / ____ / ____

Date of Last Rule 3110 audit: ____ / ____ / ____

Number of Offices: ____ OSJs ____ Registered Branchs ____ Unregistered Branchs

Name of Chief Compliance Officer: _____

Number of registered representatives at the Firm: _____

Number of non-registered employees at the Firm: _____

Number of registered principals at the Firm office: _____

Describe the business conducted at the Firm:

Describe the issues noted during the last Rule 3110 audit:

Describe any actions taken as a result of the issues noted during the last Rule 3110 audit:

Describe any significant changes that have occurred at the Firm since the last audit:

Describe any areas of concern or focus that the firm has identified prior to conducting this review:

Auditor Conflicts of Interest - FINRA Rule 3110(c)(3)

Does the person conducting this inspection have any economic, commercial, or financial interests in the associated persons and businesses being inspected (*FINRA Rule 3110(c)(3)(A)*)?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

If yes, please describe:

If the person conducting this inspection has an economic, commercial, or financial interests in the associated persons and businesses being inspected, describe why it has been determined that it is appropriate for this person to conduct this review (*FINRA Rule 3110(c)(3)(C)*):

Is the person conducting this inspection an associated person assigned to this branch/OSJ location or directly or indirectly supervised by, or otherwise reporting to, an associated person assigned to this location (*FINRA Rule 3110(c)(3)(B)*)?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

If yes, please describe:

If the person conducting this inspection is assigned to this location or is directly or indirectly supervised by, or otherwise reporting to, an associated person assigned to this location, describe why it has been determined that it is appropriate for this person to conduct this review (*FINRA Rule 3110(c)(3)(C)*):

Authorized Business

Is the firm only conducting business that is permitted in its current FINRA Membership Agreement?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Is the firm in compliance with the restrictions in its FINRA Membership Agreement regarding the number of registered representatives employed?

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

Is the firm in compliance with the FINRA Membership Agreement restrictions on the approved number of branch offices and OSJs?

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

Agreement?

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

Is the firm compliant with all other restrictions set forth in the FINRA Membership Agreement?

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

Annual Internal Audit - FINRA Rule 3110

Did the firm conduct a 3110 annual internal review last year?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Did the firm conduct a specific review to test its electronic storage media?

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

Did the internal review cover all areas of the firm's business?

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

Did the firm maintain documentation of the audit?

Did the firm correct all errors noted in the review?

Supervisory System Certification - FINRA Rule 3120 & 3130

Please note that this section does not qualify as a 3120/3130 review. This review should be conducted separately from this audit.

	Yes	No
Did the firm conduct 3120/3130 review and testing?	<input type="checkbox"/>	<input type="checkbox"/>
Was a report written describing the review and what issues were noted?	<input type="checkbox"/>	<input type="checkbox"/>
Did the firm evidence a meeting between the CCO and the CEO to discuss the issues noted on the 3120/3130 audit report?	<input type="checkbox"/>	<input type="checkbox"/>
Did the CEO sign a 3120/3130 Certification Form?	<input type="checkbox"/>	<input type="checkbox"/>
From a review of these procedures, do they appear adequate?	<input type="checkbox"/>	<input type="checkbox"/>

Anti-Money Laundering - FINRA Rules 3310, Bank Secrecy Act & PATRIOT Act

Please note that this section does not qualify as an AML Audit review pursuant to Rule 3310. A Rule 3310 money laundering review should be conducted separately from this audit.

	Yes	No
Are the firm's Anti Money Laundering Procedures up to date?	<input type="checkbox"/>	<input type="checkbox"/>
Did the firm conduct an AML Audit every year?	<input type="checkbox"/>	<input type="checkbox"/>
Did the firm document the AML review in a written report?	<input type="checkbox"/>	<input type="checkbox"/>
Was there evidence that the firm reviewed the FinCEN list when notified?	<input type="checkbox"/>	<input type="checkbox"/>
Did the firm ensure that every covered person completed AML training by December 31?	<input type="checkbox"/>	<input type="checkbox"/>
Did the firm verify that all customers, including M&A clients, are not on the OFAC list?	<input type="checkbox"/>	<input type="checkbox"/>
Did the firm ensure that the AMLCO was properly disclosed on the FINRA Contact Questionnaire?	<input type="checkbox"/>	<input type="checkbox"/>
Did the firm correct all AML issues noted in the last regulatory exam report and in the internal AML audit report?	<input type="checkbox"/>	<input type="checkbox"/>
Did the Firm refrain from accepting cash at any time?	<input type="checkbox"/>	<input type="checkbox"/>
Did the Firm file any Suspicious Activity Reports (SAR)?	<input type="checkbox"/>	<input type="checkbox"/>

If Yes describe the circumstances for filing the SAR:

	Yes	No	N/A
Did the Firm refrain from engaging in business with foreign political figures?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did the Firm refrain from engaging in business with foreign banks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are the wire/currency transfer reports free from indications of money laundering or any other inappropriate activity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

List all of the foreign clients the Firm engaged in business with since the last audit review:

Client Name
Type of Transaction

From a review of each foreign client's file, was adequate due diligence conducted to meet the "know your customer" standard?

Yes	No
_____	_____

From a review of the business conducted with foreign clients, are there any money laundering concerns or issues?

_____	_____
-------	-------

If yes, please describe:

Currency and Transaction Reporting - Bank Secrecy Act & PATRIOT Act

Indicate if the Firm filed any of the reports below during the review period? If yes, attach a copy of each filing and answer the questions below:

Currency Transaction Report - 31 CFR 1010.311 & (CTR) (31 CFR 1010.306(a)(2))
Broker/Dealers are required to file CTRs for transactions involving currency that exceed \$10,000. As structuring is prohibited, multiple transactions are treated as a single transaction if they total more than \$10,000 during any one-business day. CTRs are filed with the Financial Crimes Enforcement Network (FinCEN), a bureau of the US Treasury Department.

Yes	No
_____	_____

Currency and Monetary Instrument Transportation Report (CMIR)
Any person who physically transports, mails, or ships currency or other monetary instruments into or out of the United States, in aggregated amounts exceeding \$10,000 at one time, must report the event on a CMIR. Any person who receives any transport, mail, or shipment of currency, or other monetary instrument from outside the United States in an aggregate amount exceeding \$10,000 at one time also must report the receipt. CMIRs are filed with the Commissioner of Customs.

Yes	No
_____	_____

Report of Foreign Bank and Financial Accounts (FBAR)
Any person having a financial interest in, or signature or other authority over, financial accounts in a foreign country is required to report the relationship if the aggregate value of the accounts exceeds \$10,000. FBARs are filed with FinCEN.

Yes	No
_____	_____

Funds Transfers and Transmittals
Broker/Dealers effecting transmittals or transfers of funds, including wire fund transfers, of \$3,000 or more must collect, retain and record on the transmittal order certain information regarding the transfer, including the name and address of the transmitter and recipient, the amount of the transmittal order, the identity of the recipient's financial institution, and the account number of the recipient. Broker/Dealers also must verify the identity of transmitters and recipients that are not established customers.

Yes	No
_____	_____

Suspicious Activity Reports ("SARs")
Currently, broker/dealers that are subsidiaries of banks or bank holding companies currently are required under the banking regulations to file Suspicious Activity Reports (SARs) with FinCEN. Broker/dealers currently are required to report known or suspected federal criminal offenses, at specified dollar thresholds, or suspicious transactions involving \$5,000 or more that they suspect (1) involve funds derived from illegal activity or an attempt to hide or disguise funds or assets derived from illegal activity, (2) are designed to evade the requirements of the Bank Secrecy Act ("BSA"), or (3) have no apparent lawful or business purpose or vary substantially from normal practice. FINRA has previously recommended that all other members report suspicious transactions and has advised branches that the failure to do so could be construed as aiding and abetting money laundering violations, subjecting the member to civil and criminal liability.

Yes	No
_____	_____

Did the Firm properly file the reports described above?

Yes	No	N/A
_____	_____	_____

Were there patterns of reporting for a particular customer?	<input type="checkbox"/>	_____	_____
Were there patterns of reporting for customers of a particular registered representative?	<input type="checkbox"/>	_____	_____
Were there patterns of reporting that a involved particular security?	<input type="checkbox"/>	_____	_____

Form BD & BR - FINRA Rule 4517 & FINRA By Law Article IV, Sec. 3

	Yes	No	N/A
Is the firm's form BD current and accurate?	_____	<input type="checkbox"/>	_____
Has the firm filed a Form BR for all branch offices and OSJs?	_____	<input type="checkbox"/>	_____
Has the firm filed a form BR for the main office?	_____	<input type="checkbox"/>	_____
Are all disclosable and disciplinary actions disclosed on the Form BD?	_____	<input type="checkbox"/>	_____
Is the firm properly registered in the states it conducts business in?	_____	<input type="checkbox"/>	_____
Are all of the Firm branch Form BRs current and accurate?	_____	<input type="checkbox"/>	_____

Registration & Employee Files - NASD Rule 1031, 1032, & IM-1000-3, FINRA Rule 4530, FINRA RN 11-06

	Yes	No	N/A
From a review of the employee's Form U4s, do they appear to be current and accurate?	_____	<input type="checkbox"/>	_____
Are all of the registered representatives properly licensed to conduct the business that they are engaged in?	_____	<input type="checkbox"/>	_____
Are all registered representatives properly licensed in the states that they conduct business in?	_____	<input type="checkbox"/>	_____
From a review of the registered principal's licensing and registration information, does it appear that all principals maintain the FINRA licenses to conduct the business that they are supervising?	_____	<input type="checkbox"/>	_____
Is a current copy of the Form U4 in each employee's file?	_____	<input type="checkbox"/>	_____
Is a copy of each employee's Form U5 from their prior employer in the Employee File?	_____	<input type="checkbox"/>	_____
Did the firm refrain from "parking a license" for any of its registered representatives?	_____	<input type="checkbox"/>	_____
Does the firm have a Compensation Agreement for each registered employee?	_____	<input type="checkbox"/>	_____
Does each employee file have a copy of the pre-registration CRD review for each registered representative?	_____	<input type="checkbox"/>	_____
Did the firm receive written authorization from each registered representative to conduct CRD pre-hire review?	_____	<input type="checkbox"/>	_____
Has the firm updated all of its employee's Form U4s with disclosable items?	_____	<input type="checkbox"/>	_____
Does the firm have a copy of a current fingerprint card or evidence of digital fingerprinting for all employees?	_____	<input type="checkbox"/>	_____
Did the firm maintain evidence that it provided each terminated employee with a copy of the Form U5 within 30 days of termination?	_____	<input type="checkbox"/>	_____
Did the firm report all disclosable event on terminated employee's Form U5?	_____	<input type="checkbox"/>	_____
Did the registered representative disclose all outside business activities at the time they were hired?	_____	<input type="checkbox"/>	_____

Did the registered representatives disclose all outside brokerage accounts?

--	--	--

Financial Disclosures - FINRA Rule 4530

 Did all employees disclose all judgments against them to the firm?

Yes	No	N/A

 Did the firm disclose the judgment on the Form U4?

--	--	--

 Did the reps at the OSJ disclose all liens levied against them to the firm?

--	--	--

 Did the firm disclose the liens on the registered rep's Form U4?

--	--	--

 Did the registered reps at the firm disclose all settlements with creditors such as real estate short sales to the firm?

--	--	--

 Were these settlements disclosed on the Form U4?

--	--	--

 Did the reps at the firm disclose all foreclosures to the firm?

--	--	--

 Did the firm disclose these foreclosures on the registered rep's Form U4?

--	--	--

Criminal Disclosures - FINRA Rule 4530

 Did all employees disclose all felony charges against them to the firm?

Yes	No	N/A

 Did the firm disclose the charges on the Form U4?

--	--	--

 Did reps disclose misdemeanor convictions involving investments or investment related business or any fraud, false statements or omissions to the firm?

--	--	--

 Did the firm disclose the liens on the registered rep's Form U4?

--	--	--

 Did all reps disclose to the firm any and all convictions, guilty pleas or nolo contendere ("no contest") pleas in a domestic, foreign or military court to a misdemeanor involving: investments or an investment-related business or any fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses?

--	--	--

 Were these disclosed on the Form U4?

--	--	--

Regulatory Disclosures- FINRA Rule 4530

 Has any Federal regulatory agency or any state regulatory agency or foreign financial regulatory authority ever:

Yes	No	N/A
-----	----	-----

 (a) found that a rep made a false statement or omission or been dishonest, unfair or unethical?

--	--	--

 (b) found that a rep has been involved in a violation of investment-related regulation(s) or statute(s)?

--	--	--

 (c) found that a rep has been a cause of an investment-related business having its authorization to do business denied, suspended, revoked or restricted?

--	--	--

 (d) entered an order against a rep in connection with an investment-related activity?

--	--	--

 (e) denied, suspended, or revoked a rep's registration or license or otherwise, by order, prevented you from associating with an investment-related business or restricted your activities?

--	--	--

 Did the firm disclose these issues on the rep's Form U4?

--	--	--

 Has the U.S. Securities and Exchange Commission or the Commodity Futures Trading Commission ever:

Yes	No	N/A
-----	----	-----

 (1) found that a rep made a false statement or omission?

--	--	--

 (2) found that a rep has been involved in a violation of its regulations or statutes?

--	--	--

- (3) found that a rep has been a cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted?

- (4) entered an order against a rep in connection with investment-related activity?

- (5) imposed a civil money penalty on you, or ordered on a branch rep to cease and desist from any activity?

- (6) found that a rep has willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or found you to have been unable to comply with any provision of such Act, rule or regulation?

- (7) found that a rep willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

- (8) found that a branch/OSJ rep failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Did the firm disclose these issues on the rep's Form U4?

Bank Accounts & Payments to Unregistered Persons - FINRA Rule 2040

Review a sample of cancelled checks and bank statements and answer the following questions.

Bank Name	Account Number	Period Reviewed
_____	_____	_____
_____	_____	_____
_____	_____	_____

Was there any evidence that the Firm paid unregistered persons securities compensation?

Yes	No	N/A
_____	_____	_____

Was there any evidence that the Firm paid any settlements to customers?

_____	_____	_____
-------	-------	-------

Was there any evidence that the Firm deposited customer funds into the Firm's accounts?

_____	_____	_____
-------	-------	-------

Annual Compliance Meeting - FINRA Rule 3110(a)(7)

Did the firm conduct an annual compliance meeting by December 31?

Yes	No	N/A
_____	_____	_____

Did the firm maintain documentation or notes of the topics discussed during the meeting?

_____	_____	_____
-------	-------	-------

Did the firm document who attended the annual compliance meeting?

_____	_____	_____
-------	-------	-------

Continuing Education - FINRA Rule 1250

Did the firm maintain documentation or notes of the topics discussed during the meeting?

Yes	No	N/A
_____	_____	_____

Did the firm document who attended the annual compliance meeting?

_____	_____	_____
-------	-------	-------

Did the firm maintain evidence that each registered representative completed their continuing education requirements that were outlined in the Training Plan?

--	--

Did the firm ensure that none of their registered representatives conducted business while their license was suspended due to failure to complete their Regulatory Element of Continuing Education?

--	--

Outside Brokerage Accounts - FINRA Rule 3050

Did the firm obtain a list of outside brokerage accounts from each registered representative?

Yes	No	N/A

Did the firm obtain outside brokerage accounts from the spouses of registered reps (FINRA Notice 16-22)

--	--	--

Did the firm obtain outside brokerage accounts from the dependents of registered reps (FINRA Notice 16-22)

--	--	--

accounts?

--	--	--

Did any employee trade in securities that were on a restricted list?

--	--	--

Does it appear that all of the firm's employees refrained from front running customer transactions through their personal trading accounts?

--	--	--

Outside Business Activities - FINRA Rule 3270 & FINRA RN 10-49

Did all employees request approval for all outside business activities in writing?

Yes	No	N/A

Did a registered principal approve all of the outside business activities in writing?

--	--	--

Did the firm conduct a 3270 analysis for each outside business activity?

--	--	--

Were any of the outside business activities securities related?

--	--	--

Are all outside business activities properly disclosed on the Form U4?

--	--	--

Private Securities Transactions - FINRA Rule 3040

Did all employees request approval for all private securities transactions in writing?

Yes	No	N/A

Did a registered principal approve all of the private securities transactions in writing?

--	--	--

Did the firm properly supervise all private securities transactions?

--	--	--

Were all commissions derived from private securities transactions run through the broker dealer?

--	--	--

Do any of the firm's registered representatives receive "referral" or "finder's fees" for business activities away from the firm?

--	--	--

Did the firm obtain and maintain all of the books and records of each private securities transaction?

--	--	--

Customer Complaints - FINRA Rule 4513 & 4530

Does the firm maintain a customer complaint file?

Yes	No	N/A

Were the complaints free from any patterns of complaints such as complaints regarding the same security, same registered representative, branch office or supervisor?

--	--	--

Did the firm report all egregious complaints to FINRA within 10 days?

--	--	--

Did the firm file all 4530 customer complaint filings as required?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Were verbal complaints recorded?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is their evidence of an investigation of each customer complaint?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did the firm implement heightened supervision for registered representatives with a history of customer complaints?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If yes, describe:

Email - SEC Rule 17a-4 & FINRA Rules 2210 & 3110

	Yes	No
Are the firm's WSPs for the review email adequate?	<input type="checkbox"/>	<input type="checkbox"/>
Does the firm archive email in an inalterable format?	<input type="checkbox"/>	<input type="checkbox"/>
Did a registered principal of the firm evidence his or her review of email?	<input type="checkbox"/>	<input type="checkbox"/>
Did any of the firm's reps use an outside email account to conduct or solicit securities business?	<input type="checkbox"/>	<input type="checkbox"/>

Describe how the firm archives and reviews outside email accounts that are used for business purposes:

Social Media - SEC Rule 17a-4 & FINRA Rules 2210 & 3110

Describe the social media used by the Firm and its reps for business purposes:

	Yes	No	N/A
Did the firm establish procedures for supervising the social media platforms used by personnel?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did the reps at the Firm comply with the firm's social media policies and procedures?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Were all of messages sent and received through the social media platform archived in the same manner as email?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did the firm evidence its supervisory review and approval of social media postings and messages?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Advertising - FINRA Rules 2210 & 3110

	Yes	No	N/A
Were all pieces of advertising signed off on by a registered principal?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did all advertising pieces appear to be balanced in their description of risk vs. reward?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did all pieces of advertising appear to refrain from guarantees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did all pieces that were reviewed on behalf of DBAs include the "Securities Offered Through..." disclosure?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Sales Literature - FINRA Rules 2210 & 3110

Did the Firm maintain a Sales Literature file that was separate from the Advertising File?

Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Did it appear that all of the sales literature was approved by a principal?

Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Did the firm conduct training for its registered representative who issue "institutional sales literature"?

Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Did the sales literature reviewed appear to be appropriate?

Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Correspondence - SEC Rule 17a-4 & FINRA Rules 2210 & 3110

Does the Firm maintain copies of all incoming and outgoing correspondence?

Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

correspondence?

Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Does all correspondence reviewed appear to be free from any promises or guarantees regarding investment products and strategies offered by the firm?

Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Are the incoming correspondence files free from customer complaints?

Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If customer complaints were found in the correspondence file, were they forwarded, reviewed, and reported in accordance with the firm's customer complaint procedures?

Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Websites - SEC Rule 17a-4, FINRA Rules 2210 & 3110 & FINRA RN 11-39

Does the Firm own and/or operate a Website?

Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

URL: _____

Does the Website have all of the required disclosures on it?

Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Does the firm have established procedures for conducting periodic reviews of the Firm's Website?

Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Does the firm have procedures in place that require a designated principal to approve all changes, amendments, updates and modifications to the Website prior to posting on the internet?

Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Are there adequate security measures to prohibit unauthorized individuals from making changes to the Website?

Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Insider Trading - SEC Rule 10b5-1 & 10b5-2

Does the firm's written supervisory procedures prohibit all associated personnel from engaging in securities transactions based on insider or material non-public information?

Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

From a review of employee accounts, correspondence, proprietary account statements and blotters, does it appear that all associated personnel refrained from engaging in insider trading?

Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Broker dealers engaged in investment banking services must provide FINRA with: (i) a report within five days of the completion of an internal investigation in which it was determined that a violation of insider trading or anti-manipulation provisions had occurred, and (ii) a quarterly report describing various information about insider trading and related internal investigations initiated, ongoing, or concluded within the prior quarter.

Did the firm, conduct any internal investigations regarding insider trading?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Did the firm provide FINRA with a copy of the internal investigation report when the firm determined that insider trading had occurred?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Subsequent to the discovery of insider trading, did the firm provide FINRA quarterly report quarterly report describing various information about insider trading and related internal investigations initiated, ongoing, or concluded within the prior quarter?

--	--	--

Arbitration & Litigation

Has the Firm been subject to any arbitration or litigation claims since the last internal review?

Yes	No	N/A

Did the firm amend any of its procedures or supervision as a result of a settled arbitration?

--	--	--

Were there any patterns of complaints or arbitration and litigation claims involving the same rep, issuer or the same product line?

--	--	--

Did the firm amend its supervisory procedures to establish internal controls to prevent arbitrations from re-occurring?

--	--	--

Did the firm file an immediate 3070 report for any arbitration or litigation allegation or settlement that meets the criteria of 10 reportable events listed in the Customer Complaint section?

--	--	--

Did the firm update the Form BD and employee Form U4s regarding all arbitration and litigation settlements?

--	--	--

Fidelity Bond - FINRA Rule 4360

Does the firm maintain a current fidelity bond?

Yes	No

Was the amount of the bond based on the firm's highest minimum net capital requirement in the last 12 months?

--	--

Branch/OSJ Review - FINRA Rule 3130

Did the firm conduct an annual audit of every Office of Supervisory Jurisdiction (OSJs)?

Yes	No	N/A

Does the firm conduct regularly scheduled reviews of its branch offices?

--	--	--

Did the firm document each OSJ/branch office review in a written report?

--	--	--

From a review of the branch offices and OSJs does it appear that the OSJ supervisors are properly supervising the firm's customer accounts?

--	--	--

Did the OSJ supervisor properly document his or her supervisory review and approval of customer accounts?

--	--	--

For all subscription and application transactions such as private placements, direct participation programs, limited partnerships, mutual funds, and variable annuities did a registered principal document his or her approval of each transaction?

--	--	--

For all other accounts, did a registered principal document his or her approval of all other new accounts?

--	--	--

From a review of the firm's branch office/OSJ audit reports, does it appear that the branch/OSJ supervisors are properly supervising their customer's accounts?

--	--	--

Written Supervisory Procedures (WSPs)- FINRA Rule 3110

Do the firm's WSPs cover all areas of the Firm's business?

Yes	No

Are the WSPs detailed enough to provide the branch with an adequate internal control and supervisory system?

--	--

Do the WSPs designate a registered principal with supervisory responsibility for each registered representative at the branch?

--	--

Does it appear that all of the branch's personnel complied with the firm's WSP?

--	--

Describe any changes needed to the WSP subsequent to this review:

Business Continuity Plan - FINRA Rule 4370

Is the current Business Continuity Plan accurate and up to date?

Yes	No

Did this plan address all of the Firm's Mission Critical Systems?

--	--

Does the BCP establish a calling tree for all employees of the Firm?

--	--

Is the BCP for the Firm adequate?

--	--

Gift and Gratuities - FINRA Rule 3220

Did the firm maintain a Gift and Gratuities Blotter?

Yes	No	N/A

Did the firm ensure that there were no gifts in excess of \$100?

--	--

Did a registered principal sign off on the Gift and Gratuities Blotter?

--	--	--

Safeguarding Customer Information - FINRA Rule 3110(c)(2)(A)(i)

Does the firm have procedures in place to ensure that customer information is protected?

Yes	No

Were there any breeches in security at the Firm since the last 3110 review?

--	--

Was any customer information compromised since the last audit?

--	--

If yes, describe:

Are all customer files maintained in a secure location such as a locked filing cabinet or in a locked office?

Yes	No

Describe how the Firm protects hard copies of customer information:

Are these procedures adequate?

Yes	No

Are electronic copies of customer information maintained on a secure computer or network?

--	--

Describe the firm's policies and systems that protect electronic copies of client information:

Are these procedures adequate?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

From a review of email and correspondence does it appear that the firm's representatives refrained from selling or sharing customer information?

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

Change of Customer Address - FINRA Rule 4515 & 3110(c)(2)(A)(v)

Does the firm have procedures in place regarding customer changes of address?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Did a principal approve all changes in address?

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

Did the firm ensure that a letter was sent to both the clients new address and the old address confirming the change?

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

Note: Even if the clearing firm sends out change of address confirmations, it is the BD's responsibility to verify that this notification was sent. The BD should require the clearing firm send a copy of this letter for their files.

Describe how the firm verifies that this notification is sent to the old address:

Did the Firm comply with these procedures?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Does the firm prohibit its customers from using P.O. boxes as their mailing address?

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

Change of Customer Account Information- FINRA Rule 4515 & 3110(c)(2)(A)(v)

Does the firm have procedures in place regarding customer change of account information such as investment objectives, marital status, tax status, employment, etc.?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Does the firm require a principal to approve all changes in customer account information?

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

Does the firm ensure that a letter is sent to the clients address of record confirming the change?

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

Note: Even if the clearing firm sends out change of account information confirmations, it is the BD's responsibility to verify that this notification was sent. The BD should require the clearing firm send a copy of this letter for their files.

Describe how the firm verifies that this notification is sent to the customer:

Did the Firm comply with these procedures?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Transmittal of Funds - FINRA Rule 3110(c)(2)(A)(iv)

Does the firm have procedures in place regarding the transmittal of funds to or from third parties?

Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Describe the procedures for third party wires:

	Yes	No	N/A
Are these procedures adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did the Firm comply with these procedures?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the firm have heightened supervisory procedures for wire transfers coming from or going out to foreign countries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Describe the procedures for foreign wires:

	Yes	No	N/A
Are these procedures adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did the Firm comply with these procedures?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the firm have procedures in place that require supervisory approval for wire transfers over a certain amount?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Describe these limits:

	Yes	No	N/A
Did the Firm comply with these limits and procedures?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Was there any evidence of any money transfers between the firm's registered representatives and their customers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If yes, describe the reason for the transfers:

	Yes	No	N/A
Were these transfers between customers and registered personnel appropriate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
From a review of all wire transfer reports, does it appear that the firm, its registered representatives, and customers refrained from inappropriate or transfers of money?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Books and Records - FINRA Rules 4511, 4512 & SEC Rules 17a-3 & 17a-4

Please indicate if each office, including the main office has a copy or ready access to the following records.

	Yes	No
Blotters, including:		
Purchase and Sales Blotter (M&A firms must list closed transactions in a blotter)	<input type="checkbox"/>	<input type="checkbox"/>
Associated Persons Records (including the Form U-4, employment application/questionnaire, all agreements pertaining to the relationship between the Firm and the associated person)	<input type="checkbox"/>	<input type="checkbox"/>
Customer Account Information Records (M&A offices must have customer info in each deal file)	<input type="checkbox"/>	<input type="checkbox"/>
Associated Person Complaint Records	<input type="checkbox"/>	<input type="checkbox"/>

Note: Each "office" may comply with this requirement by keeping a log with the required information. The original copy of the complaint must be forwarded to and maintained by the home office.

- Associated Persons Compensation Records
- Advertisements and Sales Literature Records (with principal approval)
- Correspondence Records (with principal approval, where applicable)
- List of Person(s) to Explain Books and Records
- Designated person who is Responsible for Policies and Procedures
- Inter-office communications relating to the Firm's business
- Compliance, Supervisory, and Procedures Manuals

Yes	No

Were these records accurate?

If no, describe the records that were deficient:

Was there evidence that a registered principal reviewed each of the records listed above?

Yes	

N/A

If no, list the records that did not have evidence of supervisory review and approval:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

N/A

Describe any other issues noted during the review of the records listed above:

Client Account Review - FINRA Rule 4512, SEC Rule 17a-3 & 4

Select a sample of deals files and answer the following questions:

List the client files reviewed:

Client Name	Date Signed	Type of Deal
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Indicate how many deal files were missing the following information:

All Accounts

Name of the customer or the account number
 Engagement Letter
 Address of Customer
 Phone Number
 Tax ID Number
 Client Financials
 OFAC Check
 Name of person(s) authorized to transact activity for the client

#

Answer the following questions based on the customer account reviewed:

Did it appear that all of the customer files reviewed met the "know your customer" standard?

Yes	No	N/A
_____	_____	_____

If no, please describe the issues noted:

Transactions Involving FINRA Employees - FINRA Rule 2070

Did the Firm execute any transactions for a FINRA employee?

Yes	No	N/A
_____	_____	_____

If yes, did the firm notify FINRA prior to opening the account?

_____	_____	_____
-------	-------	-------

Did anyone at the Firm loan a FINRA employee money other than a routine banking or brokerage agreement, or a loan that was clearly motivated by a personal or family relationship?

_____	_____	_____
-------	-------	-------

Did anyone at the firm directly or indirectly give anything of value (over \$100) to any FINRA employee?

_____	_____	_____
-------	-------	-------

N/A

If Yes, describe:

Internal Review of Investigations

Did the Firm conduct any internal reviews or investigations regarding any suspicious activity that involved a customer, employee, registered representative or affiliated person or entity of the branch?

Yes	No
_____	_____

Miscellaneous

Did the firm ensure that none of its registered representatives purchased an IPO in his or her personal account or any account the he or she has control over? - (FINRA Rule 5130)

Yes	No	N/A
_____	_____	_____

Did the Firm properly display its SIPC logo in each office? - (SIPIC by Law Article 10)

_____	_____	_____
-------	-------	-------

Did the firm maintain a "Do Not Call" List? - (FINRA Rule 3230 & FINRA RN 12-17)

_____	_____	_____
-------	-------	-------

Did a registered principal sign off on the "Do Not Call" list? - (FINRA Rule 3230 & FINRA RN 12-17)

_____	_____	_____
-------	-------	-------

If applicable, did the firm maintain copies of all "sales scripts"? - (FINRA Rule 2210)

_____	_____	_____
-------	-------	-------

Did a principal sign off on all "Sales Scripts"? - (FINRA Rule 2210)

_____	_____	_____
-------	-------	-------

Auditor's Comments and Conclusions

Auditor's Notes:**Describe the corrective actions recommended based on the audit findings:****Describe any disciplinary actions taken as a result of the audit findings:****Signature of Auditor**

Name: _____**Date:** _____