

MARKET SOLUTIONS

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MARKET SOLUTIONS

Editor

Dorcas Pearce

Contributing Editors*

Marc-Alain Galeazzi

Barbara Mendelson

Market Solutions is a quarterly newsletter about the activities of the Financial Markets Association as well as legislative/regulatory developments of interest to FMA members. The opinions expressed in this publication are those of the authors, not necessarily those of the Association and are not meant to constitute legal advice. *Market Solutions* membership service of the **Financial Markets Association**, 333 2nd Street, NE - #104, Washington, DC 20002, dp-fma@starpower.net, 202/544-6327, www.fnoweb.org. Please let us have your suggestions on topics you would like to see addressed in future issues.

Risk Management Review: How Effective Are Your Firm's Internal Controls?

By Christine Cornejo and John M. Ivan
Capital Forensics, Inc.

The role of surveillance systems in a firm's effective internal controls remains a key regulatory priority. The recent *2021 Report on FINRA's Examination and Risk Monitoring Program* had over ten separate references (either deficiency findings or effective practices) to important concepts regarding surveillance and monitoring, putting firms on notice that they expect tighter controls and better validation processes.

Some of these references include failures to:

- review the integrity of data feeds;
- identify system malfunctions;
- update code to reflect new or amended reporting requirements;
- standardize product review thresholds;
- establish targets and tests specific to new products;
- assess third party controls independently;
- evaluate and resolve alerts by reviewer or supervisor.

Properly setting internal control parameters on supervisory and surveillance systems to address these themes is both a science and an art. Ideally, they are set at levels that are considered reasonable to detect activity that may indicate market manipulation, violation of regulatory rules or firm policies, or even a substantial financial risk. Conversely, incorrect setting of internal control parameters can cause a firm to fail to identify problematic transactions, and, based on recent regulatory actions, can potentially lead to fines in excess of six figures.

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Legislative/Regulatory Actions

This column was written by lawyers from Morrison & Foerster LLP to update selected key legislative and regulatory developments affecting financial services and capital markets activities. Because of the generality of this column, the information provided herein may not be applicable in all situations and should not be acted upon without specific legal advice based on particular situations.

In this issue, we address selected developments from the federal banking regulators, the Financial Crimes Enforcement Network (“FinCEN”), the Office of Foreign Assets Control (OFAC), and the Consumer Financial Protection Bureau (CFPB or “Bureau”).

FEDERAL BANKING REGULATORS

FDIC Issues Brokered Deposits Final Rule

On January 22, 2021, the Federal Deposit Insurance Corporation (FDIC) published a [final rule](#) (“Final Rule”) revising and modernizing regulations related to brokered deposits and the interest rate restrictions that apply to insured depository institutions (IDIs) that are less than well capitalized. The Final Rule will take effect on April 1, 2021; however, full compliance with the Final Rule is not required until January 1, 2022. After that date, an entity may no longer rely on the FDIC advisory opinions regarding brokered deposits that predate the Final Rule.

Under Section 29 of the Federal Deposit Insurance Act, certain IDIs that are not well capitalized are prohibited from accepting, or require a waiver to accept, deposits from a deposit broker. Section 29 defines a “deposit broker” and sets forth nine exclusions from the definition of deposit broker. The Final Rule establishes a new framework for analyzing certain aspects of the deposit broker definition.

Under the Final Rule, a “deposit broker” includes any of the following:

- An entity engaged in the business of placing deposits of third parties with IDIs;
- An entity engaged in the business of facilitating the placement of deposits of third parties with IDIs;
- An entity engaged in the business of placing deposits with IDIs for the purpose of selling those deposits, or interests in those deposits, with third parties; or
- An entity or trustee who establishes a deposit account to facilitate a business arrangement with an IDI to use the proceeds of the account to fund a prearranged loan.

Among other things, the Final Rule clarifies that an entity is “engaged in the business of placing deposits” only if the entity

(1) has a “business relationship” with the third party and (2) “receives” third party funds and deposits those funds at more than one IDI. An entity is engaged in the business of placing deposits if the entity has a business relationship with its customer and, as part of that relationship, places deposits at IDIs on behalf of the customer.

Importantly, under the Final Rule, an entity is engaged in the business of facilitating the placement of deposits if:

- The entity has legal authority, contractual or otherwise, to close the account or move the third party’s funds to another IDI;
- The entity is involved in negotiating or setting rates, fees, terms, or conditions for the deposit account; or
- The entity engages in “matchmaking” services.

The supplementary information to the Final Rule states that the “facilitation” prong of the deposit broker definition “is intended to capture activities that indicate that the third party takes an active role in the opening of an account or maintains a level of influence or control over the deposit account even after the account is open.”

For further information on the Final Rule, please see our client alert, available here: [FDIC Brokered Deposits Final Rule: Key Aspects for Broker Dealers | Morrison & Foerster \(mofo.com\)](#).

Treasury Launches Emergency Capital Investment Program

The Consolidated Appropriations Act, 2021 (the “Act”), which passed in late December 2020, established the Emergency Capital Investment Program (ECIP) to encourage low- and moderate-income community financial institutions (CFIs) to bolster their support to small businesses and consumers within their communities. Under the Act, a CFI is defined to include community development financial institutions and minority depository institutions.

Under ECIP, the U.S. Department of Treasury will provide \$9 billion in grants, in the form of direct and indirect capital investments, to CFIs. CFIs will use these funds to provide loans, grants, and forbearance, among other things, to small businesses, minority-owned businesses, and consumers, particularly in low-income and underserved communities that may be disproportionately impacted by the economic impact of COVID-19. Applications for capital investments under ECIP are due by May 7, 2021.

Applicants must provide an investment and lending plan that includes, among other things, evidence that at least 30% of the applicant’s lending over the past two fiscal years was made

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Risk Management Review...

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In the current era of automated trading, involving algorithmic and high frequency systems, combined with the use of dark pools and complex business structures, it is increasingly difficult to ensure that all the data is captured and normalized. Fine-tuning the parameter settings to capture non-compliant and red flag transactions is a complex, high-stakes responsibility.

Calibrating parameter settings properly requires technical expertise, as well as an in-depth understanding of the firm's business and the internal control systems. One alert module, for example, might have more than 10 parameters that require evaluation and adjustment. In addition to knowing where and how to set the controls, the task requires a portfolio of modernized test scripts; ongoing testing to determine adequate sample criteria; and historical result comparison reviews.

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“...incorrect setting of internal control parameters can cause a firm to fail to identify problematic transactions, and, based on recent regulatory actions, can potentially lead to fines in excess of six figures.”
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Evaluating the true scope of parameter calibration review is key to performing adequate testing. The test scope should consider more than the total number of internal control alert modules - for example, between Trade, Surveillance, AML and Operations alerts. The process should also account for the number of parameter settings for each alert module that exists, since this could significantly increase the number of tests performed.

The individuals tasked with testing and setting parameters also need to consider each unit's ability to review the numerous alerts generated daily. False positive alerts consume valuable resources and can also create reviewer complacency, which often results in failure to evaluate and escalate key events.

A periodic review of significant changes to parameter settings must be done and is an effective way for firms to enhance their existing processes for establishing, testing, and validating parameter settings. This review requires the reviewer to understand trading surveillance, so parameters are set to effectively flag transactions for review, and to reduce false positive alerts.

The review should result in the following:

- ✓ Increase transparency of data sourcing, including trading units, OMS, EMS, DMA, and electronic or algorithm trading programs.
- ✓ Validate that alerts results are functioning as expected.
- ✓ Identify and eliminate potential unexplained anomalies associated with alert configurations.
- ✓ Evaluate the impact of different attributes, such as instruments, markets, accounts, and traders to capture more meaningful alerts.
- ✓ Reduce false positive alerts and redundant (surplus) alerts to enhance surveillance and oversight.
- ✓ Validate the firm's trading strategies and restrictions are accurately reflected in the alert parameter settings.
- ✓ Complete historical trending for alerts and examining the distribution of generated alerts.
- ✓ Enrich change control processes. ■

Christine Cornejo (christine.cornejo@capitalforensics.com) and John M. Ivan (john.ivan@capitalforensics.com) are Managing Directors at Capital Forensics, Inc.

2021 SEC Examination Priorities

<https://www.sec.gov/files/2021-exam-priorities.pdf>

2021 FINRA's Report on Their Examination and Risk Monitoring Program

<https://www.finra.org/media-center/newsreleases/2021/finra-publishes-2021-report-finras-examination-and-risk-monitoring>

Legislative/Regulatory Actions

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directly to certain disadvantaged borrowers, and a description of how the applicant's business strategy and goals will address community development needs.

Funds will be provided to CFIs, either by a preferred stock purchase to be repaid within 10 years from the date of capital investment or by purchasing subordinated debt. If preferred stock is purchased, such stock will receive Tier 1 capital treatment. The Act sets terms related to interest, deferral, and extension, and also sets restrictions on the financial instruments purchased under ECIP.

The ECIP application portal is available at <https://home.treasury.gov/policy-issues/cares/emergency-capital-investment-program>.

OCC Issues Final Rule on Role of Supervisory Guidance

On February 12, 2021, the Office of the Comptroller of the Currency (OCC) issued a [final rule](#) ("OCC Final Rule") codifying the Interagency Statement Clarifying the Role of Supervisory Guidance ("Interagency Statement") with certain clarifications. For purposes of the OCC Final Rule "supervisory guidance" includes interagency statements, advisories, bulletins, policy statements, questions and answers, and frequently asked questions and answers, and frequently asked questions.

The Interagency Statement was issued on September 11, 2018 by the OCC jointly with other federal financial regulatory agencies. After the Interagency Statement was issued, a petition was submitted to the agencies for a rulemaking. Key takeaways from the OCC Final Rule include:

- Supervisory guidance does not have the force and effect of law;
- Supervisory guidance outlines the OCC's expectations and general views, and provides examples of safe and sound practices;
- OCC examiners will not base supervisory criticisms (e.g., matters requiring attention (MRAs) and enforcement actions) on violations of or noncompliance with supervisory guidance. However, criticisms may include references to supervisory guidance for examples of safe and sound practices;
- OCC will limit the use of thresholds and bright lines in supervisory guidance and apply thresholds and bright lines only for exemplary use;
- If the OCC seeks public comment on supervisory guidance, it does not mean that such supervisory guidance is intended to have the force and effect of law; and
- The OCC will seek to streamline supervisory guidance so multiple documents do not cover the same issues.

Supervised institutions that have questions about the Final Rule are encouraged to discuss their questions with the appropriate agency contact.

BSA / AML

FFIEC Updates BSA/AML Examination Manual

In February 2021, the Federal Financial Institutions Examination Council (FFIEC) updated four sections of the Bank Secrecy Act/Anti-Money Laundering (BSA/AML) Examination Manual (the "Manual"). These updates are in the following sections of the Manual: (1) Introduction – Assessing Compliance with BSA Regulatory Requirements; (2) Customer Identification Program; (3) Currency Transaction Reporting; and (4) Transactions of Exempt Persons.

As with previous updates of other section of the Manual, the recent updates do not establish new requirements or instructions, nor do they indicate a new focus on the affected areas. Rather, the updates are intended to offer transparency in the examination process and support risk-focused examinations. These instructions will assist examiners in assessing the adequacy of a bank or credit union's BSA/AML compliance program.

The sections were updated by the members of the FFIEC: the Federal Reserve Board, the FDIC, the National Credit Union Administration, the OCC, and the State Liaison Committee, in close collaboration with FinCEN.

The Manual, including the updated sections, is available at <https://bsaaml.ffiec.gov/>.

FinCEN Issues Advisory on COVID-19 Financial Crimes

In a recent advisory, FinCEN warned financial institutions to be vigilant regarding fraud and other financial crimes related to COVID-19 Economic Impact Payments (EIP). The advisory is based on FinCEN's analysis of COVID-19 related information obtained from BSA data, public reporting, and law enforcement partners.

The advisory includes descriptions of some EIP-related fraud and theft detected by U.S. authorities. This includes altered EIP checks, which fraudsters deposit via mobile applications or automated teller machines (ATMs). These typically modify or erase the payee's name. Counterfeit EIP checks are also being deposited at ATMs or via mobile applications, and these commonly feature irregularities in the check number, paper, coloring, and/or font. The non-exclusive list of examples also

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includes phishing schemes that use key words such as “COVID-19” and “Stimulus” to obtain personally identifiable information and financial account information.

FinCEN also provides a list of red flags that may indicate suspicious activity, organized in the following categories: (1) fraudulent, altered, counterfeit or stolen EIP checks, Automated Clearing House deposits, and prepaid debit cards; (2) theft of multiple EIPs; and (3) other frauds and theft occurring in an account receiving EIPs. Examples of red flags in each category, respectively, include: (1) EIP checks are deposited into dormant accounts; (2) an account receives numerous EIPs and the account holder is a child under age 17 at the end of the taxable year; and (3) deposits are made into a nursing home’s business account, but are not returned to the resident. The advisory includes instructions on filing related suspicious activity reports.

The advisory is available at <https://www.fincen.gov/sites/default/files/advisory/2021-02-25/Advisory%20EIP%20FINAL%20508.pdf>.

Federal Regulators Propose Rule on Computer-Security Incident Notification

The federal banking agencies (the “Agencies”) published a notice of proposed rulemaking that would require covered entities to provide their primary federal regulators with prompt notice of any computer-security incident (CSI) that rises to the level of a notification incident (NI), as those terms are defined in the proposed rule.

The Agencies define a CSI as an occurrence that (1) results in actual or potential harm to the confidentiality, integrity, or availability of an information system or the information within such system; or (2) violates or threatens to violate security policies or procedures or acceptable use policies. Examples of CSIs include computer system failures, ransomware attacks, and other significant interruptions.

An NI is defined as a CSI that the covered entity believes could materially disrupt, degrade, or impair: (1) its ability to carry out banking operations; (2) any business line that would result in a material loss; or (3) operations of a banking organization, which failure or discontinuance would threaten the financial stability of the United States. Notification would be required as soon as possible and no later than 36 hours after the covered entity believes an NI occurred. The proposed rule also requires a bank service provider (BSP) to notify at least two individuals at affected banking organization customers if it experiences a CSI that the BSP believes could impair its provided services for four or more hours, subject to the Bank Service Company Act.

Comments on the proposed rule are due by April 12, 2021.

The proposed rule is available at <https://www.occ.treas.gov/news-issuances/bulletins/2021/bulletin-2021-3.html>.

OFAC

OFAC Issues Hong Kong Sanctions Regulations and Adds to List of Specially Designated Nationals

On January 15, 2021, OFAC issued regulations to implement Executive Order (E.O.) 13936, which, together with the sanctions framework outlined in the Hong Kong Autonomy Act (HKAA), authorizes blocking sanctions against parties that engage in a variety of practices that “undermine democratic processes or institutions of Hong Kong,” such as the enforcement of Hong Kong’s National Security Law. On that same day, OFAC also issued a round of sanctions under E.O. 13936 by designating six individuals as Specially Designated Nationals (SDNs).

These actions come after a tense year for U.S.-China relations following Congress’s passage in July 2020 of the HKAA. Since then, OFAC has issued a total of four rounds of sanctions designations in connection with the Hong Kong sanctions program. While President Biden has not added to the Hong Kong sanctions designations or taken related action since he took office, the strong bipartisan support in Congress for “tough-on-China” policies will likely continue during his presidential term.

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FMA Welcomes New Members

Rickia Buckley	SS&C Technologies
Nici Comer	South State Bank, NA
Christine Cornejo	Capital Forensics, Inc.
Cesar Coy	ABN AMRO Securities (USA) LLC
Jeff Creighton	PNC Investments
Angelina Gerovac	PNC Investments
Philip Miller	ABN AMRO Securities (USA) LLC

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For more information, please see our client alert on these developments here:

<https://www.mofo.com/resources/insights/201016-hong-kong-autonomy-act-report.html>.

OFAC Clarifies Sanctions Against Chinese Military Companies

In January 2021, OFAC took several steps to develop the Chinese military companies (CMCs) sanctions program that began when President Trump issued E.O. 13959 on November 12, 2020 (as amended by E.O. 13974 of January 13, 2021), which prohibits U.S. persons from any transaction (defined as purchase for value, or sale) in publicly traded securities, or any securities that are derivative of, or are designed to provide investment exposure to, such securities of companies that the government identifies as CMCs. U.S. persons are required to divest themselves of all such securities by November 11, 2021, and within 365 days for any CMCs listed in the future.

Since the beginning of 2021, OFAC has published guidance in the form of several frequently asked questions relating to the CMC sanctions, as well as three general licenses (GLs). GL1 and GL1A permit otherwise prohibited transactions with entities whose names closely match the name of a previously listed CMC but that have not been added to OFAC's list of CMCs for certain periods of time. GL2 authorizes otherwise prohibited transactions involving securities exchanges for one year following the date when an entity is identified as a CMC.

Like OFAC's recent actions concerning Hong Kong, these moves signal the United States' continued interest in maintaining pressure on China for domestic policies such as its "Military-Civilian Fusion" strategy.

For more information, please see our client alerts on these developments here:

<https://www.mofo.com/resources/insights/201116-trump-administration-pentagon-list.html>; here:

<https://www.mofo.com/resources/insights/201230-new-ofac-faqs.html>; and here:

<https://www.mofo.com/resources/insights/210119-trump-administration-sanctions.html>.

OFAC Settles with PT Bukit Muria Jaya for \$1,016,000

On January 14, 2021, OFAC settled with Indonesia-based PT Bukit Muria Jaya (BMJ) for \$1,016,000 in connection with exports of cigarette paper worth \$959,111 to entities located in, or doing business on behalf of, North Korea. The apparent violations arose when BMJ directed 28 wire transfer payments for the exports to its U.S. dollar bank account at a non-U.S. bank, which cleared through U.S. banks over the course of a two-year period. For certain transactions, BMJ management had actual knowledge that it exported cigarette paper to a

sanctioned North Korean entity and also that certain BMJ sales employees attempted to conceal references to the sanctioned entity in transactional documents.

This action emphasizes the ongoing risk that non-U.S. companies and individuals face when they transact in U.S. dollars or through the U.S. financial system. Indeed, this case follows OFAC's enforcement actions against Union de Banques Arabes et Françaises (UBAF) in early 2021 and the British Arab Commercial Bank (BACB) in 2020. Like BMJ, both UBAF and BACB are non-U.S. entities that attempted U.S. dollar denominated transactions outside the United States that also affected the U.S. financial system and thus brought the transactions within U.S. jurisdiction.

The enforcement release is available at

https://home.treasury.gov/system/files/126/20210114_BMJ.pdf.

Biden Administration Authorizes Sanctions Targeting Burma Following Coup

On February 11, 2021, following the military coup in Burma earlier that month, the Biden administration issued E.O. 14014, which authorizes sanctions on any foreign person determined to operate in certain sectors of the Burmese economy, such as the defense sector, as well as any foreign person determined to have engaged in a range of activities contributing to the unrest in Burma. These actions mark the U.S. government's revival of a Burma-specific sanctions regime, after President Obama terminated the prior program in 2016. Thus far, OFAC has issued three rounds of sanctions and designated several influential Burmese individuals and entities as SDNs.

Global businesses should respond to these developments by terminating all business activities involving the designated individuals and entities, and closely examining their ties to Burma and assessing potential risks. In particular, companies should identify any business that touches the Burmese defense sector or that involves current government or military leaders. Given the continued instability in Burma and international condemnation of the military's violent crackdown on recent protests, it is possible the Biden administration may impose future sanctions in the coming months.

For more information, please see our client alert, available at

<https://www.mofo.com/resources/insights/210212-biden-administration-issues-executive-order.html>.

OFAC Settles with BitPay, Inc. for \$507,375

On February 18, 2021, OFAC settled with U.S.-based BitPay, Inc. for \$507,375 after it processed approximately \$129,000

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worth of digital currency related transactions between its merchant customers and persons likely located in countries subject to U.S. sanctions. BitPay provides a payment processing platform whereby its merchant customers can accept digital currency as payment for goods and services. Although BitPay had implemented certain sanctions compliance controls at the time of the apparent violations, which screened its merchant customers, BitPay failed to conduct due diligence on the merchants' buyers who sent payments through BitPay's processing platform to the merchant customers. Despite having the buyers' names, addresses, email addresses, phone numbers, and eventually their IP addresses, BitPay processed 2,102 transactions from persons who appear to have been located in the Crimea region of Ukraine, Iran, Cuba, North Korea, Sudan, and Syria over the course of a five-year period.

This action underlines OFAC's commitment to enforcing sanctions violations in connection with digital currency-based activities. The settlement also serves as a reminder for companies across industries of the importance of implementing a robust sanctions compliance program that include geoIP blocking and screening measures designed to prevent potential sanctions violations.

The enforcement release is available at https://home.treasury.gov/system/files/126/20210218_bp.pdf.

CFPB UPDATE

CFPB Acting Director Outlines Agency Priorities and Intention to Enforce MLA

In his first publication as Acting Director of the CFPB, Dave Uejio outlined the Bureau's priorities under new leadership, emphasizing its intention to focus on securing relief for consumers affected by the COVID-19 pandemic and taking action to promote racial equity. On January 28, 2021, Acting Director Uejio made clear in a [blog post](#) that the Bureau will "focus [its] supervision and enforcement tools on overseeing the companies responsible for COVID relief." In particular, he pointed to the results of prioritized assessments made by CFPB examiners that identified shortcomings in areas such as mortgage forbearance, student loan servicing, credit reporting, and stimulus payment garnishment. Furthermore, his blog post announced the CFPB's intention to supervise and enforce the Military Lending Act (MLA) and "to rescind public statements conveying a relaxed approach to enforcement." While his blog post included less detail on initiatives relating to racial equity, he clarified that fair lending enforcement will play a crucial role in the Bureau's strategy going forward.

CFPB and State Attorneys General Sue Company for Predatory Immigrant-Services Scam

On February 22, 2021, the CFPB and Attorneys General from Virginia, Massachusetts, and New York [sued](#) a company offering immigration bonds and its principals for allegedly engaging in deceptive and abusive acts or practices in violation of the Consumer Financial Protection Act (CFPA). The lawsuit, filed in the U.S. District Court for the Western District of Virginia, alleges that the company offered predatory immigration bond services to immigrants with limited English-language abilities held in federal detention centers. Specifically, the Bureau alleged that the company made false or misleading statements to coerce these consumers to sign English-language bond contracts laden with sizeable upfront fees and high monthly payments. In addition, the Bureau accused the company of engaging in false debt collection practices by threatening consumers with detainment or deportation for failure to pay. The CFPB's complaint seeks an injunction against the company, damages or restitution to consumers, disgorgement of ill-gotten gains, and the imposition of civil money penalties.

CFPB Issues Notice of Proposed Rulemaking to Delay Mandatory Compliance Date of General Qualified Mortgage Final Rule

On March 3, 2021, the CFPB released a [notice of proposed rulemaking \(NPRM\)](#) to delay the mandatory compliance date of the General Qualified Mortgage (QM) [final rule](#) from July 1, 2021 to October 1, 2022. As amended by the Dodd-Frank Act, the Truth in Lending Act prohibits a creditor from making a residential mortgage loan unless the creditor makes a reasonable and good faith determination based on verified and documented information that the consumer has the ability to repay the loan. For residential mortgage loans meeting certain specified conditions, referred to as QMs, a creditor may presume that a loan has met the foregoing ability-to-repay requirements. The QM final rule would, among other things, impose standard product terms and points and fees limitations for QM loans and replace the current debt-to-income ratio limit with a requirement that the annual percentage rate on a loan not exceed the average prime offer rate for a comparable transaction, determined by certain pricing cut-offs. By extending the mandatory compliance date of the QM final rule, the CFPB would afford lenders more time to offer QM loans based on homeowners' debt-to-income ratio, and not solely based on the proposed pricing cut-offs.

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CFPB Files Lawsuit Against Payment Processor and Its Former CEO for Knowingly Processing Payments for Companies Engaged in Internet-Based Technical-Support Fraud

On March 3, 2021, the CFPB filed a [lawsuit](#) in the U.S. District Court for the Northern District of Illinois against a payment processor and its founder and former CEO for allegedly knowingly processing payments for companies that purported to offer technical-support services and products over the Internet, but deceived consumers, who typically were older Americans, into purchasing expensive and unnecessary antivirus software or services. The payment processor and its former CEO are alleged to have processed remotely created check payments for these companies despite being aware of nearly 1,000 consumer complaints, several inquiries from police departments around the country, and return rates averaging more than 20 percent. In the complaint, the CFPB alleges that the actions of the company and its former CEO were unfair practices in violation of the CFPA and deceptive telemarketing practices in violation of the Telemarketing Sales Rule. The CFPB's complaint seeks injunctions against the company and the former CEO, in addition to damages, redress to consumers, disgorgement, and civil money penalties.

CFPB Issues Interpretive Rule Clarifying that Sex Discrimination under the ECOA and Regulation B Includes Sexual Orientation Discrimination and Gender Identity Discrimination

On March 9, 2021, the CFPB issued an [interpretive rule](#) clarifying that the prohibition against sex discrimination under the Equal Credit Opportunity Act (ECOA) and Regulation B includes sexual orientation and gender identity discrimination. The interpretive rule further indicated that these prohibitions also include discrimination based on actual or perceived nonconformity with sex-based or gender-based stereotypes and discrimination based on an applicant's associations. The interpretive rule followed a request for information by the CFPB in July 2020, which requested comments regarding, among other topics, whether the U.S. Supreme Court's decision in *Bostock v. Clayton County, Georgia*, 140 S. Ct. 1731 (2020) (holding that the prohibition against sex discrimination in Title VII of the Civil Rights Act of 1964 encompasses sexual orientation discrimination and gender identity discrimination), should affect how the CFPB interprets the ECOA. As noted by the CFPB, the interpretive rule is meant "to address any regulatory uncertainty that may still exist under ECOA and Regulation B as to the term 'sex' so as to ensure the fair, equitable, and nondiscriminatory access to credit for both individuals and communities and to ensure that consumers are protected from discrimination," and is consistent with the U.S. Supreme Court's decision in *Bostock*.

CFPB Rescinds Abusiveness Policy Statement

On March 11, 2021, the CFPB [issued a Rescission of Statement of Policy](#) rescinding its January 24, 2020 [Policy Statement](#) regarding the prohibition on abusive acts or practices ("2020 Policy Statement"). The CFPB indicates that it is rescinding the 2020 Policy Statement "to better protect consumers and the marketplace ... and to enforce the law as Congress wrote it." Under new leadership, the CFPB now takes the view that "[t]he 2020 Policy Statement was inconsistent with the Bureau's duty to enforce Congress's standard." Specifically, after an internal review of the agency's application of the 2020 Policy Statement, the CFPB found that it did not deliver clarity to regulated entities and, in fact, had "the effect of hampering certainty over time." In its Rescission of Statement of Policy, the Bureau advises that it intends to look to the statutory definition of "abusiveness" in the Dodd-Frank Act in pursuing claims based on this prong of its unfair, deceptive, or abusive acts or practices (UDAAP) authority. Further, the CFPB specifies in the press release accompanying the Rescission of Statement of Policy that it "intends to consider good faith, company size, and all other factors it typically considers as it uses its prosecutorial discretion" when applying the abusiveness standard in the future. ■

Aki Bayz, Olivia S. Chap, Brian Fritzsche, Malka Levitin, Jeremy R. Mandell, and Mark R. Sobin contributed to this column.

Spring Membership Renewals

FMA spring membership renewals will go out shortly. Historically, they've been emailed the first or second week of February, but pandemic-related issues caused a delay this year.

If you're in the spring renewal group, please be on the lookout for this renewal notification email. I hope you'll choose to continue your FMA membership for another year. Every renewal DOES count and is a BIG help, especially now in this budget-tightening economy.

Watch For

CFTC

CFTC Press Release 8368-21 (March 17, 2021) – CFTC Acting Chairman Rostin Behnam announced he has established the Climate Risk Unit to focus on the role of derivatives in understanding, pricing, and addressing climate-related risk and transitioning to a low-carbon economy.

CFTC Press Release 8353-21 (January 19, 2021) – The CFTC announced the Market Participants Division and the Division of Market Oversight are providing a short continuation of limited parts of the temporary no-action relief issued in response to the COVID-19 pandemic that expired on January 15, 2021. Subject to conditions stated therein, this includes oral communications recordkeeping relief (expiring March 31, 2021); timestamping relief for registrants and members of swap execution facilities and designated contract markets (expiring April 15, 2021); relief from introducing broker registration and location requirements for floor brokers (expiring April 15, 2021); and relief for DCMs (expiring April 15, 2021).

FDIC

FDIC Press Release 5-2021 (January 19, 2021) – The FDIC approved a final rule outlining and confirming the agency’s use of supervisory guidance for regulated institutions. The final rule codifies the interagency statement on the role of supervisory guidance, as amended, issued in September 2018 to clarify the differences between regulations and guidance, and states that the Statement is binding on the agency. The FDIC issued a final rule that is specifically addressed to the FDIC and FDIC-supervised institutions, rather than a joint rulemaking with the other financial regulators. The final rule will go into effect 30 days after publication in the *Federal Register*.

Federal Reserve Board

Federal Reserve Press Release (February 12, 2021) – The Federal Reserve Board released the hypothetical scenarios for its 2021 bank stress tests. Last year, the Board found that large banks were generally well capitalized under a range of hypothetical events but due to continuing economic uncertainty placed restrictions on bank payouts to preserve the strength of the banking sector. This year, 19 large banks will be subject to the stress test. Smaller banks are on a two-year stress test cycle but can opt in to this year's test and must do so by April 5. Banks with large trading operations will be tested against a global market shock component that stresses their trading, private equity, and other fair value positions. Additionally, banks with substantial trading or processing operations will be tested against the default of their largest counterparty.

FINRA

FINRA Regulatory Notice 21-11 (March 14, 2021) – FINRA is seeking comment on proposed amendments to Rule 4210 (Margin Requirements) that would clarify and incorporate into the rule current interpretations regarding when issued and other extended settlement transactions, and provide relief to facilitate the application of the rule to these transactions. The comment period expires May 14, 2021.

FINRA Regulatory Notice 21-10 (March 11, 2021) – FINRA has updated the form that members must use to file offering documents and information pursuant to FINRA Rules 5122 (Private Placements of Securities Issued by Members) and 5123 (Private Placements of Securities) (Filer Form). The updated Filer Form will be accessible in the FINRA Gateway beginning May 22, 2021, and includes new and updated questions that will facilitate review of the filed material. Beginning on May 22, 2021, members will be required to complete the updated Filer Form for all new filings, as well as for new amendments to filings. In addition, this *Notice* informs members about the information that may be requested during a FINRA examination concerning the member’s private placement business.

FINRA Regulatory Notice 21-09 (March 10, 2021) – FINRA has adopted new rules to address brokers with a significant history of misconduct and the broker-dealers that employ them. Effective dates are: amendments to the FINRA Rule 9200 Series, FINRA Rule 9300 Series, and FINRA Rule 9556—April 15, 2021; amendments to FINRA Rule 8312—May 1, 2021; amendments to the FINRA Rule 9520 Series and Funding Portal Rule 900—June 1, 2021; and amendments to the FINRA Rule 1000 Series and the Capital Acquisition Broker Rule 100 Series—September 1, 2021.

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FMA Welcomes *More* New Members

Tony Molestina	ABN AMRO Securities (USA) LLC
Romeo Niyongere	FINRA
Adam Pollet	Eversheds Sutherland (US) LLP
Lou Rodriguez	State Corporation Commission
Brian Rubin	Eversheds Sutherland (US) LLP
Lawrence Sapp	PNC Investments

(Continued on page 10)

Watch For

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FINRA Regulatory Notice 21-08 (March 4, 2021) – FINRA warns member firms of an ongoing phishing campaign that involves fraudulent emails purporting to be from “FINRA Membership” and using the email address “supports@finra-online.com”. FINRA recommends that anyone who clicked on any link or image in the email immediately notify the appropriate individuals in their firm of the incident and delete all emails originating from that domain name.

FINRA Regulatory Notice 21-07 (March 4, 2021) – FINRA provided guidance on common sales charge discounts and waivers for investment company products. This notice reminds firms of their obligation to understand and, as appropriate, apply sales charge discounts and waivers for eligible customers; provides an overview of common sales charge discounts and waivers; shares frequently observed findings in examinations and enforcement matters; and notes considerations firms should review to improve their compliance programs. This *Notice* does not create new legal or regulatory requirements or new interpretations of existing requirements.

FINRA Regulatory Notice 21-05 (February 18, 2021) – The SEC has issued an Order that permits specified FINRA members an additional 30 calendar days for filing their annual reports as required pursuant to SEA Rule 17a-5(d), subject to certain conditions. Members that meet the conditions set forth in the SEC’s Order and wish to avail themselves of the 30-day extension must provide notification to FINRA as described further in this Notice. The SEC’s Order is immediately effective, so members that meet the conditions set forth in the Order may avail themselves of the extension beginning with the current filing cycle for their December 31, 2020, and January 31, 2021, annual reports.

FINRA Information Notice (February 16, 2021) – Effective February 25, 2021, the Section 31 fee rate applicable to specified securities transactions on the exchanges and in the over-the-counter markets will decrease from its current rate of \$22.10 per million dollars in transactions to a new rate of \$5.10 per million dollars in transactions.

FINRA Regulatory Notice 21-03 (February 10, 2021) – FINRA urges firms to review their policies and procedures relating to red flags of potential securities fraud involving low-priced securities.

FINRA Regulatory Notice 21-02 (February 2, 2021) – FINRA has modified its Trade Reporting and Compliance Engine dissemination protocols applicable to agency pass-through mortgage-backed securities and Small Business Administration-backed asset-backed securities traded in specified pool transactions. The amendment will become effective on May 17, 2021.

MSRB

MSRB Notice 2021-07 (March 17, 2021) – The MSRB is requesting comment on new draft Rule G-46 that would codify interpretive guidance previously issued in 2017. That guidance relates to the obligations of solicitor municipal advisors under [MSRB Rule G-17](#), on conduct of municipal securities and municipal advisory activities, and was originally included in a larger notice regarding the application of MSRB rules to solicitor municipal advisors. In addition, the draft rule also would add additional requirements that would better align some of the obligations imposed on solicitor municipal advisors with those applicable to non-solicitor municipal advisors under [Rule G-42](#), on duties of non-solicitor municipal advisors, and to underwriters under Rule G-17. Comments should be submitted no later than June 17, 2021.

March 31, 2021 – Final day of extension of time to complete certain supervisory functions under MSRB Rules G-27 and G-44.

March 31, 2021 – Final day of extension of time for regulated entities to complete Continuing Education Program requirements for calendar year 2020 under MSRB Rule G-3.

MSRB Notice 2021-06 (March 4, 2021) – The MSRB seeks comment on a draft amendment to MSRB Rule G-19, on suitability of recommendations and transactions, that would require bank dealers to comply with Rule 15 l-1 (“Regulation Best Interest”) of the Securities Exchange Act of 1934 when making recommendations of securities transactions or investment strategies involving municipal securities to retail customers. Comments should be submitted no later than June 2, 2021.

(Continued on page 11)

FMA Welcomes *More* New Members

Joe Schwetz	FINRA
Csongor Simon-Benedek	PNC Investments
Donna Trottnow	PNC
Rich Ward	ABN AMRO Securities (USA) LLC
Collin Wilkins	SS&C Technologies

Watch For

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MSRB Notice 2021-05 (March 1, 2021) – The MSRB filed a proposed rule change with the SEC to temporarily reduce the rates of assessment by 40 percent for certain underwriting, transaction, and technology fees under MSRB Rule A-13, on underwriting and transaction assessments for brokers, dealers, and municipal securities dealers. The reduced assessments will be effective April 1, 2021 through September 30, 2022.

MSRB Notice 2021-04 (February 17, 2021) – The MSRB filed a proposed rule change with the SEC on February 17, 2021 to extend the compliance date for amended Form G-32 from March 31, 2021 to August 2, 2021 in order to provide brokers, dealers and municipal securities dealers additional time to operationalize compliance with obligations under Rule G-32 to implement amended Form G-32. The rule change, which became effective upon filing, provides brokers, dealers and municipal securities dealers additional time to operationalize compliance with obligations under [Rule G-32](#) to implement amended Form G-32.

MSRB Notice 2021-03 (February 16, 2021) – The MSRB reminds dealers of the March 31, 2021 compliance date for the Revised Interpretive Notice of underwriters' fair dealing obligations to issuers. Underwriting relationships commenced on or after March 31, 2021 by dealers will be subject to the Revised Interpretive Notice (under MSRB Rule G-17).

MSRB Notice 2021-02 (February 11, 2021) – The MSRB is undertaking a retrospective review of the catalogue of interpretive guidance in its rule book, the goal of which is to streamline and modernize the rule book by clarifying, amending and/or retiring guidance that no longer achieves its intended purposes. As an initial step, the MSRB is retiring 15 pieces of guidance from the rule book effective May 10, 2021.

MSRB Notice 2021-01 (January 19, 2021) – The MSRB is publishing its annual notice establishing the criteria for designating participants for its mandatory business continuity and disaster recovery testing consistent with Regulation Systems Compliance and Integrity (Regulation SCI), which was adopted by the SEC under the Securities Exchange Act of 1934.

OCC

OCC Bulletin 2021-10 (February 25, 2021) – The FFIEC updated the following sections of the *FFIEC Bank Secrecy Act/Anti-Money Laundering (BSA/AML) Examination Manual*: “Assessing Compliance with BSA Regulatory Requirements”; “Customer Identification Program”; “Currency Transaction Reporting”; and “Transactions of Exempt Persons.” The updated sections reinforce the risk-focused approach to BSA/AML examinations and include updated information for examiners regarding transaction testing, including examples.

OCC Bulletin 2021-8 (February 16, 2021) – The OCC has approved a final rule which confirms that supervisory guidance does not create binding legal obligations for the public. The final rule adopts the proposed rule, which was published on November 5, 2020, without substantive change. The final rule will become effective on March 15, 2021.

OCC News Release 2021-20 (February 12, 2021) – The OCC has released Dodd-Frank Act stress test scenarios for covered institutions for 2021. The 2021 scenario and background information can be found on the [OCC's stress testing website](#).

OCC Bulletin 2021-7 (February 10, 2021) – This bulletin provides a self-assessment tool for banks to evaluate their preparedness for the expected cessation of the London InterBank Offered Rate (Libor). Most banks should be working toward resolving replacement rate issues while communicating with affected customers and third parties, as applicable.

OCC Bulletin 2021-4 (January 21, 2021) – The OCC, FRB, FDIC, NCUA and FinCEN issued responses to frequently asked questions regarding suspicious activity reporting and other anti-money laundering considerations for financial institutions covered by suspicious activity reporting rules. The FAQs were developed in response to recent Bank Secrecy Act Advisory Group recommendations. The answers to the FAQs clarify the regulatory requirements related to suspicious activity reporting to assist covered financial institutions with their compliance obligations, while enabling financial institutions to focus resources on activities that produce the greatest value to law enforcement agencies and other government users of Bank Secrecy Act reporting.

SEC

SEC Press Release 2021-39 (March 3, 2021) – The SEC's Division of Examinations announced its 2021 examination priorities, including a greater focus on climate-related risks (see page three for the link). The Division will also focus on conflicts of interest for brokers (Regulation Best Interest) and investment advisers (fiduciary duty), and attendant risks relating to FinTech in its initiatives and examinations. The Division publishes its examination priorities annually to provide insights into its risk-based approach, including the areas it believes present potential risks to investors and the integrity of the U.S. capital markets.

SEC Press Release 2021-25 (February 4, 2021) – The SEC is requesting public comment on potential reform measures to improve the resilience of money market funds as highlighted in a report of the President's Working Group on Financial Markets

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Watch For

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issued in December 2020. Commenters also are invited to discuss other topics that are relevant to potential money market fund reforms, including other approaches to reform. The public comment period will remain open for 60 days following publication of the comment request in the *Federal Register*.

SEC Press Release 2021-12 (January 21, 2021) – The SEC announced that it updated its list of unregistered entities that use misleading information to solicit primarily non-U.S. investors, adding 28 soliciting entities, three impersonators of genuine firms, and six bogus regulators.

Available Publications

FINRA News Release (March 4, 2021) – AARP, the FINRA Investor Education Foundation and Heart+Mind Strategies released [Addressing the Challenge of Chronic Fraud Victimization](#), a study that identifies evidence-based ways to help repeat victims of financial fraud and their families. The study used a behavior model to help illuminate factors that may contribute to repeat or chronic victimization by financial fraud schemes.

MSRB News Release (March 3, 2021) – The MSRB published its annual *Fact Book*, the definitive compilation of the most recent five years of statistics on municipal market trading, interest rate resets and disclosures. The data in the [2020 Fact Book](#) can be further analyzed to identify market trends.

FINRA News Release (February 1, 2021) – FINRA published the [2021 Report on FINRA's Examination and Risk Monitoring Program](#) to inform member firms' compliance programs by providing annual insights from FINRA's Examinations and Risk Monitoring programs (see page three for the link). The Report combines and replaces two previously published annual reports, the Report on Examination Findings and Observations and the Risk Monitoring and Examination Program Priorities Letter. The Report addresses 18 regulatory areas organized into four categories: Firm Operations, Communications and Sales, Market Integrity and Financial Management. These topics include: Regulation Best Interest and Form CRS; Consolidated Audit Trail compliance; Cybersecurity; Communications with the Public; Best Execution; Variable Annuities; and Anti-Money Laundering, among others. As in prior years, FINRA will also adapt the areas of focus for its Examinations and Risk Monitoring programs during 2021 to address emerging regulatory concerns and risks for investors that may arise throughout the year.

January 28, 2021 – The MSRB has published *2020 Municipal Bond Market in Review*, a new market commentary from its market structure experts that analyzes notable trends during an extraordinary year in the municipal bond market. ■

Who's News

Mauricio Angee has been awarded his Doctorate of Business Administration in Information Security (DBA-IS).

Tracy Angulo has been promoted to Director at Guidehouse.

Nathan Anonick has joined the Office of Senator John Boozman as Legislative Counsel. Previously, Nathan was a Resolution Policy Specialist, Division of Complex Institution Supervision and Resolution at the FDIC.

Deborah Bailey and **Kathryn Ruemmler** have been appointed Governors of FINRA's Board of Governors. Ms. Bailey, formerly Managing Director with KPMG's Financial Services Regulatory Practice, will serve as a public member and Ms. Ruemmler, Global Head of Regulatory Affairs at Goldman Sachs, will serve as an industry member.

CFTC Commissioner **Rostin Behnam** has been unanimously elected Acting Chairman by the Commission members. He succeeds Heath P. Tarbert who served as the CFTC Chairman since July 15, 2019, and announced his departure from the role on Jan. 21. Mr. Tarbert remains a Commissioner, serving a term expiring on April 13, 2024.

Ryan Clougherty has joined the Federal Reserve Bank of Boston as a Credit Policy Manager. Previously, Ryan was an Associate General Counsel at CIBC.

John Coates has been named Acting Director of the SEC's Division of Corporation Finance. Mr. Coates has been the John F. Cogan Professor of Law and Economics at Harvard University where he also served as Vice Dean for Finance and Strategic Initiatives.

Brent Cordeiro has been promoted to Managing Director Process Transformation at TIAA.

Daniel Davis has joined Katten Muchin Rosenman LLP as Partner. Previously, Dan was General Counsel at the CFTC.

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Program Update

2021 Securities Compliance Seminar

Last Chance to Register!

Registrations are still being accepted for FMA's Securities Compliance Webinar taking place April 29 - 30. This annual program, now a virtual/live event, is a two-day educational experience for securities compliance professionals, internal auditors, risk managers, attorneys, regulators and service providers.

The Planning Committee has been hard at work developing varied agenda topics and confirming noted industry leaders and regulators as speakers. Members include: **Stefano Boezio** (*Oliver Wyman*); **Nikki Brinkerhoff** (*Beacon Capital Management, LLC*); **Kevin Kohmann** (*The Huntington National Bank*); **Sarah Vigneron** (*Renaissance Regulatory Services*); **Matthew White** (*Baker Donelson*) and **Lisa Wilhelmy** (*MSRB*).

The current agenda (which can be viewed/downloaded at www.fmaweb.org) includes these sessions and confirmed speakers:

Key 2021 (and Beyond) Legislative and Regulatory Initiatives

Moderator: Jay Gould | Winston & Strawn LLP

- Michael Post Bank of America Merrill Lynch
- Liz Ratliff OCC
- Carolyn Welshhans SEC

Regulation Best Interest

Moderator: Jennifer Juergens | Cornerstone Research

- Christopher Gilkerson Charles Schwab & Co., Inc.
- Ben Marzouk Eversheds Sutherland (US) LLP
- James Wrona FINRA

Internal Audit Hot Topics

➤ **Kevin Kohmann** The Huntington National Bank
(*Moderator and Speaker*)

- Justin Lindberg U.S. Bank
- Daniel New EY

Cybersecurity and Data Privacy: Practical Considerations for Mitigating Risk, Responding to Incidents and Dealing with COVID-19

Moderator: Matthew White | Baker Donelson

- Matthew Chevraux United States Secret Service
- Anthony Ferrante FTI Consulting
- Amanda West First Horizon Bank

2-for-1, first-timer, regulator & team registration discounts are available.



Cryptocurrencies, Stablecoins and CBDCs: The Latest

Moderator: Carol Van Cleef | Bradley

- Alex Khachaturian FINRA
- Steven Lupien University of Wyoming
- Maggie Sklar Federal Reserve Bank of Chicago

Compliance Risk Monitoring and Effective Regulator Communication in Today's Remote Environment

Moderator: Nikki Brinkerhoff | Beacon Capital Management

- Alex Egan Kaufman Rossin
- Denise Morrison Regions Bank
- Susan Schroeder WilmerHale

Elder and Vulnerable Adult Financial Exploitation

Moderator: Louis Dempsey | Renaissance Regulatory Services

- Joseph Borg Alabama Securities Commission
- Brooke Hickman FINRA
- Kendra Kuehn National Adult Protective Services Association

AML Program Evolution and Regulatory Expectations

Moderator: Stefano Boezio | Oliver Wyman

- Emily Gordy McGuireWoods LLP
- Jeffrey Harwin Deutsche Bank
- Bob Molloy Raymond James Financial, Inc.

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Program Update

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Complex Products and Due Diligence Requirements: Hot Topics

Moderator: Matthew White | Baker Donelson

- John Ivan Capital Forensics, Inc.
- Lori Patterson Baker Donelson
- Joseph Price FINRA

Regulatory Forum

- Cynthia Friedlander FINRA (*Moderator and Speaker*)
- Donald Litteau FINRA

- Gail Marshall MSRB
- John Polise SEC
- David Stankiewicz OCC

Register today for this important spring conference – CLE accreditation and multiple registration discounts (2-for-1 / team / first-timer / govt/regulator/SRO) are available. Contact Dorcas Pearce at dp-fma@starpower.net, 202/544-6327 or 919/494-7479 (WFH, preferred #) with questions and/or to register. Online registration is also available at www.fmaweb.org.

FMA gratefully acknowledges these sponsors of FMA’s 2021 Securities Compliance Webinar



Capital Forensics, Inc.



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Program Update

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2021 Legal and Legislative Issues Conference

Webinar or in-person? ... TBD

FMA's 30th annual **Legal and Legislative Issues Conference** will take place in the fall. October/ November dates and the format...virtual or in-person...are now being explored. Further information will appear in future issues of *Market Solutions* and e-blasts.

The Program Planning Committee is now being finalized. Confirmed members to date include: **Daniel Davis** (*Katten Muchin Rosenman LLP*); **Simone Mola** (*Cornerstone Research*); **Barbara Mendelson** (*Morrison & Foerster LLP*); **Daphne Moore** (*DNB Bank*); **Tiffany Smith** (*WilmerHale*); and **Joseph Vitale** (*Schulte Roth & Zabel LLP*).

FMA requests your input! An e-survey will be sent out in April to a sampling of past conference attendees and friends of the firm asking for topical and speaker suggestions. The Planning Committee will rely greatly on these responses when formulating the program...so please respond quickly and share your thoughts and ideas...even if you do not receive the survey. Help us make this the best conference ever.

CLE accreditation...as well as 2-for-1, first timer, govt/regulatory/SRO and team discounts...will be available, so be sure to budget for (and plan to attend) the 2021 Legal & Legislative Issues Conference this fall. Contact Dorcas Pearce at dp-fma@starpower.net or 202/544-6327 with questions and/or to volunteer.

* * * * *

ATTENTION SPONSORS! FMA is actively pursuing sponsorship opportunities regarding this conference. Please contact FMA if your firm would like to support this event.



Who's News

Continued from Page 12

Michael Dawson has joined WilmerHale as a Partner in the Securities and Financial Services Department. Previously, Michael was a Managing Director at Promontory Financial Group, an IBM company.

Stephanie Dumont has been promoted to EVP and Head of Market Regulation and Transparency Services at FINRA. She had been serving as SVP and Director of Capital Markets Policy for FINRA's Office of General Counsel.

Mark Egert has joined Yorkville Advisors Global LP as Managing Director & Chief Compliance Officer. Previously, Mark was Managing Director, Head of Asset Management Compliance for the Americas; Chief Compliance Officer at JPMorgan Chase & Co.

Kieran Fallon has been promoted to Chief Risk Officer at The PNC Financial Services Group, Inc.

Kelly L. Gibson, who has been serving as the Director of the SEC's Philadelphia Regional Office, has been named the Acting Deputy Director of the Division of Enforcement.

Sarah Green has been promoted to Principal, Global Head, Financial Crimes at Vanguard.

Chuck Hester has joined diwo as Senior Account Executive. Previously, Chuck was a Senior Account Executive at Wolters Kluwer.

Melissa R. Hodgman, an Associate Director in the SEC's Division of Enforcement, has been named Acting Director of the Division of Enforcement.

Vipul Jain has joined Credit Suisse as Managing Director. Previously, Vipul was Managing Director at Wells Fargo Securities.

Scott Johnson has been named Director of Trust Support Services at Arvest Bank.

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Who's News

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Barbara Jones has been promoted to Co-Managing Shareholder, Los Angeles at Greenberg Traurig, LLP.

Allison Herren Lee has been named Acting Chair of the SEC.

Jacob Lesser has been promoted to General Counsel at the Municipal Securities Rulemaking Board.

Sultan Meghji has been named the FDIC's first Chief Innovation Officer, charged with leading the FDIC's efforts to promote the adoption of innovative technologies across the financial services sector.

Ursula Pfeil has been promoted to Deputy General Counsel, Regulatory Affairs at PNC.

Jared Shaw has been named Head of Finance at Gemini. He was previously Head of Internal Audit.

Andrew Smith is returning to Covington & Burling LLP as a Partner in their Financial Services group. Previously, he was Director/Bureau of Consumer Protection at the Federal Trade Commission.

Tanya Smith and **Michael (Tim) McDonald** have been promoted to Deputy Comptroller for large Bank Supervision at the OCC. Ms. Smith is a National Bank Examiner in Large Bank Supervision currently serving as the Examiner-in-Charge for Wells Fargo and Mr. McDonald, also a National Bank Examiner, currently serves as the Examiner-in-Charge for Bank of America. They will assume their new duties this spring.

Cal Waits has been named Chief Auditor for Cyber Security and Resilience at Citi. Previously, Cal was Director, Cyber.

Aaron Weller has been named President at Sentinel. He was previously their Vice President of Strategy.

Bryan Woodard has been promoted to EVP and Deputy General Counsel at State Street.

Janet Yellen has been confirmed as Secretary of the Treasury in a historic, bipartisan vote by the U.S. Senate.

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Job Bank

Position Sought

Former BB&T Compliance Analyst/Administrative Assistant (whose position was eliminated due to the BB&T/SunTrust merger) is seeking an Administrative Assistant position in the Winston-Salem or Kernersville, NC area.

I have 26 years' service and experience, and am conscientious, detail-oriented, and hardworking. I can be contacted via LinkedIn, Indeed or ZipRecruiter, and my resume is available on all the sites for reference.

I appreciate your consideration!

—Kim Strickland

