

# RegEd Overview

---

*Enterprise Compliance Management  
and Credentialing Solutions*

About RegEd ..... 3

RegEd Solutions Overview ..... 4

Client Use Cases ..... 9

Security and Data Protection ..... 17



## **RegEd is the market-leading provider of enterprise compliance solutions with relationships with more than 200 enterprise clients, including 80% of the top 25 financial services firms.**

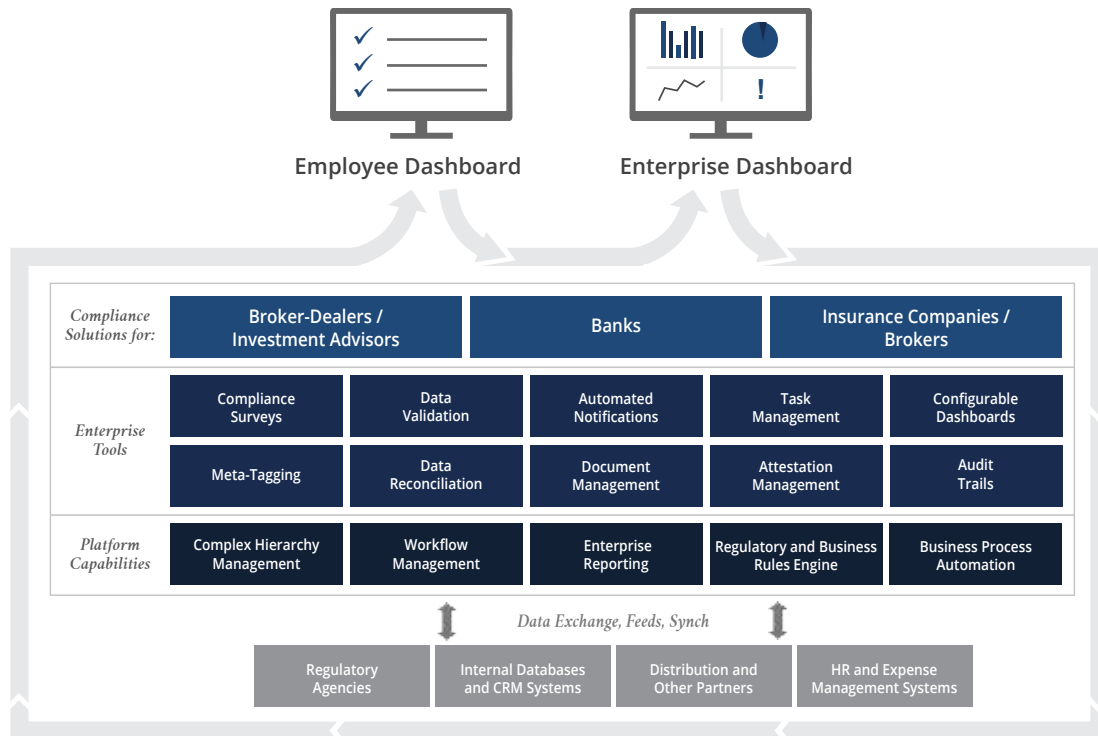
Established in 2000 by former regulators, the company is recognized for continuous regulatory technology innovation with solutions hallmarked by workflow-directed processes, data integration, regulatory intelligence, automated validations, business process automation and compliance dashboards. The aggregate drives the highest levels of operational efficiency and enables our clients to cost-effectively comply with regulations and continuously mitigate risk.

Trusted by the nation's top financial services firms, RegEd's proven, holistic approach to RegTech meets firms where they are on the compliance and risk management continuum, scaling as their needs evolve and amplifying the value proposition delivered to clients.



# RegEd Solutions Overview

**RegEd's robust, scalable, extendable enterprise solutions embed business rules, compliance validations and business process automation to maximize operational efficiency, reduce costs and close compliance gaps.**



## CODE OF ETHICS AND CONDUCT MANAGEMENT

Gifts, Gratuities and Contributions  
Outside Business Activities  
Personal Securities Accounts  
Conflicts of Interest Questionnaires

## COMPLIANCE MANAGEMENT

Advertising / Marketing Compliance Review  
Branch Audit Management  
Complaint Management  
Compliance Questionnaires  
Compliance Workflow Management  
Incident Management

Regulatory Relations and Exam Management

Policies and Procedures Management

Regulatory Change Management

## COMPLIANCE RISK AND COMPLIANCE MONITORING

Enterprise Conduct Risk and Compliance Dashboard

Employee CE and Compliance Requirements Dashboard

## ONBOARDING, LICENSING AND REGISTRATION

Enterprise Licensing and Registration  
Advisor / Agent Onboarding / Contracting  
FINRA Registration Profiles

CE Tracking

Producer Data Reconciliation

Outsourcing Services

## EDUCATION AND TRAINING

Anti-Money Laundering (AML) Training

Annual Compliance Meeting  
On-Demand

Annuities Training

CE Tracking

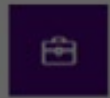
CE Program Management

Firm Element Training

Fiduciary Training

Insurance CE

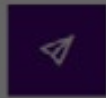
## CONFLICTS OF INTEREST



PENDING REVIEW

74

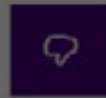
## ADVERTISING REVIEW



PENDING REVIEW

129

## CUSTOMER COMPLAINTS



OPEN

43

## ACTIVE AUDITS BY STAGE



## ADVERTISING SUBMISSIONS BY GROUP



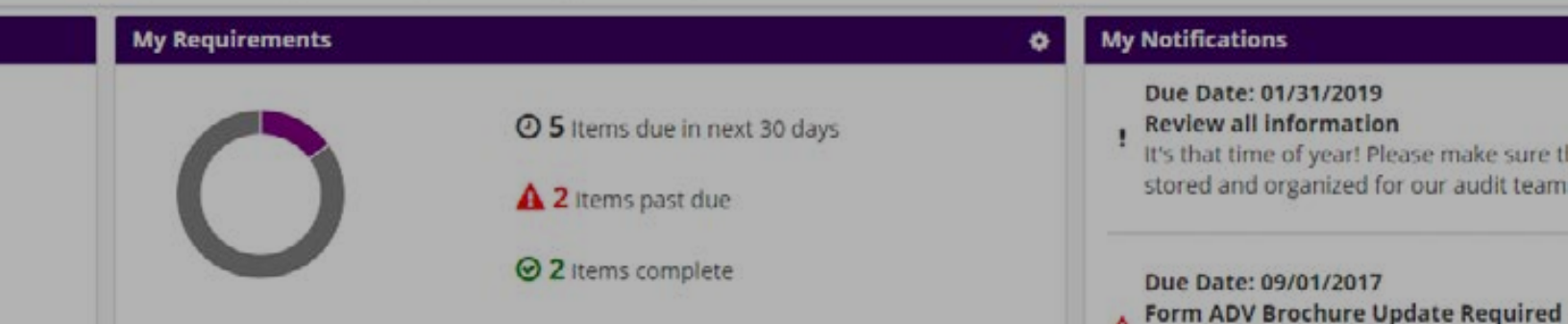
## RegEd SCORE® Risk Control Center: Harness the power of the industry's leading enterprise compliance platform

SCORE Risk Control Center consolidates compliance data from RegEd solutions, internal data and outside sources, such as FINRA, to deliver a single view of compliance requirements. SCORE presents a “single version of the truth,” a comprehensive snapshot of the status of compliance requirements at the firm level or specific to the employee.

Firms can identify negative trends and exceptions, and make timely and informed decisions related to employee activities and supervision. Employees benefit from an easy-to-use interface that summarizes their compliance and licensing and registration obligations.

- + Profile and score risk at firm, branch or rep level.
- + Identify compliance deficiencies and causal relationships that surface hidden risks.
- + Manage by exception and identify negative trends.
- + Establish and measure against firm-established benchmarks.





## Present Role-Based Employee Requirements and Enable Enterprise Oversight via Consolidated Views

The RegEd platform consolidates compliance data from RegEd solutions, internal data and outside sources, such as FINRA, to deliver a single view of compliance requirements. Enterprise and employee-centric dashboards present a “single version of the truth,” a comprehensive snapshot of the status of compliance requirements at the firm level or specific to the individual.

### **RISK ALERTS ENABLE PROACTIVE RISK MITIGATION**

- + Monitor changes across multiple risk areas and view data from RegEd modules and FINRA Web EFT.
- + Receive Risk Alerts based on metrics such as Termination, Criminal Disclosure, Judgment, Bankruptcy, Outside Business Activities, Complaints and Regulatory Actions;
- + Calibrate targeted alerts to compliance concerns such as Broker Migration.

### **RISK PROFILES PROVIDE A COMPLETE VIEW OF EMPLOYEE RISK**

- + A current, consolidated view of compliance data including disclosures, audit deficiencies, licensing and appointments, customer concerns, compliance questionnaires and data on file with regulators.
- + View data at any level of the firm’s hierarchy to analyze individual, group or regional profiles.

### **RISK DASHBOARDS DELIVER KEY METRICS AND TRENDS**

- + Create custom dashboards of key metrics and configure focused views of specific compliance areas.
- + Includes widgets driven by FINRA WebEFT and RegEd compliance program data, including: Disclosures, Customer Concerns / Complaints, Advertising Review, Compliance Questionnaire deficiencies, Outside Business Activities and Branch Office Exam deficiencies.
- + Bring in sales data to view compliance and sales practice trends over time, by individual rep, branch or region, to isolate negative trends and identify best practices for hiring and supervision.
- + Employ RegEd’s embedded hierarchy to create detailed views at the firm, branch or individual level, which can be saved in the RegEd SCORE Widget Library.

## Policies & Procedures

RegEd Securities Registered Representative Manual - Attestation	5/31/2018
Code of Ethics Manual - Attestation	6/2/2018
Corporate Gift Policy Update - Attestation	7/8/2018

Privacy & Personally Identifiable Information

RegEd

Confid

Inform

Information Technology

RegEd

Enterp

Policy

## My Policy Manuals

Active Policies

Policies, Procedures, FAQ

Name	Release Date
Written Supervisory Procedures	2/1/2017
Registered Representative Manual	3/10/2017

## My FINRA Registrations

3

Approved | 3 Pending

2

Open Exams | 14 Results

## STREAMLINE COMPLIANCE FOR EMPLOYEES

- + Compliance obligations are aggregated from multiple sources and presented in a single dashboard that provides a clear view of outstanding tasks.
- + Automated alerts, task escalation, and timeline functions enable individuals to complete tasks within regulator- and firm-prescribed timeframes.
- + A simplified process for fulfilling compliance requirements improves employee satisfaction and reduces the amount of time spent on compliance tasks, freeing them to focus on core responsibilities.

## STRENGTHEN FRONTLINE DEFENSE AGAINST NON-COMPLIANCE EXPOSURE

- + Consolidated dashboard enables a “single version of the truth” so that employees are confident that they have a current, comprehensive view of their compliance obligations.
- + Clearly defined requirements and simplified user experience reduce the likelihood that individuals will overlook or disregard compliance tasks.
- + Increased rate of adherence among the firm’s supervised population mitigates non-compliance and reputational risks.

## DEMONSTRATE A CULTURE OF COMPLIANCE AND COMMITMENT TO CONSUMER PROTECTION

- + Increased rep satisfaction and more effective compliance oversight strengthen the Compliance/Sales partnership, establishing compliance effectiveness as a shared goal.
- + Reporting capabilities and audit trails enable firms to readily demonstrate compliance to regulators and internal auditors.
- + Employ RegEd’s embedded hierarchy to create detailed views at the firm, branch or individual level, which can be saved in the widget library.



# RegEd Client Use Cases

## Global financial services firm installs a central compliance hub that presents real-time views of compliance requirements and status across 40,000 employees

### CLIENT PROFILE

U.S.-based, tier-one global financial services firm with retail and institutional customers and more than 40,000 employees worldwide, sought a single solution that would enable consolidated, role-based views of compliance requirements and status across the organization.

### CLIENT SITUATION

The firm's compliance obligations varied greatly across the employee population. Data was housed across multiple internal systems. Email-based notifications were manually initiated and unreliable. The firm's organizational hierarchy was highly complex and constantly evolving. Employees and supervisors were unable to gain a consolidated view of requirements. Manual and siloed processes resulted in compliance gaps, increasing non-compliance exposure for the firm.

### SOLUTION

RegEd recommended its Enterprise Compliance Platform and SCORE Compliance Dashboard configured to the firm's specific requirements and integrated enterprise applications, including Conflicts of Interest and Enterprise Registration and Licensing.

Cornerstones of the recommendation included data integration with multiple internal systems and streamlined hierarchy management, enabling the firm to establish and efficiently

maintain its complex compliance hierarchy and reporting structure. The RegEd configuration delivered a consolidated view of requirements, displaying compliance obligations and specific tasks from multiple internal systems.

### IMPACT

- + Significantly reduce compliance gaps through the ability of firm employees and supervisors to precisely track outstanding compliance obligations, status and key dates.
- + Integration with back-end systems and automated data flows to eliminate manual processes, significantly reducing the burden on employees to piece together their compliance requirements.
- + Automatic synchronization of advisor and producer data with filing office gateways ensures that the firm's records are current.
- + Consolidated, role-based dashboards to provide all employees with a clear, concise view of their requirements.
- + Centralized oversight to enable identification and management of employee-related risk.
- + Avoided the need to invest in costly modifications to existing systems to support management of the firm's compliance hierarchy.

## Large independent broker / dealer implements RegEd enterprise platform as the foundation of its enterprise technology initiative

### CLIENT PROFILE

Large, independently-owned broker / dealer with over 1,000 representatives, 400 financial services client firms, and more than \$15 billion in assets under management (AUM).

### CLIENT SITUATION

The firm's compliance program was managed using a combination of homegrown tools, shareware and spreadsheets. Employee and compliance data was housed across multiple internal systems, which lacked integration and required considerable internal staff for ongoing support and maintenance. The firm's onboarding process was paper-bound and required manual and redundant data entry. Email served as the primary means of communications across the organization.

The firm's continued growth provided the impetus to evaluate their compliance technology and reassess whether it met their objective of providing strong compliance oversight and continuous risk management.

### SOLUTION

The firm chartered a company-wide initiative on strengthening their compliance program through the introduction of advanced compliance and operations technology, and initiated an evaluation to identify a commercial solution with the ability to scale for continued growth in the future.

The firm selected RegEd's Enterprise Platform and integrated solutions suite to support Advertising Review, Audit Management, Outside Business Activities, Personal Securities Monitoring, Onboarding, Compliance Questionnaires, Education & Training, Licensing & Registration, Reporting, Risk Monitoring and Designated Third Party (D3P) services. Unified under the RegEd Enterprise Platform, these solutions will power the firm's onboarding, compliance and credentialing program today and in the future.

### IMPACT

- + Clearly defined compliance requirements and simplified intuitive user experience, which reduce the likelihood that individuals will overlook or disregard compliance tasks.
- + Automated and streamlined core compliance processes and reduced the number of clicks required to execute requests.
- + Comprehensive reporting capabilities and audit trails to readily demonstrate proof of compliance.
- + Configurable dashboards with consolidated current and historical data to identify important trends and take action before risk materializes.



## **RegEd's *Enterprise Advertising Review* enables top bank to consolidate advertising compliance review processes across the institution, driving efficiencies and enabling real-time tracking and reporting**

### **PROBLEM**

Major bank managed marketing and advertising compliance on a decentralized basis, with each business area responsible for its own compliance review. Multiple homegrown tools and manual processes were used, which resulted in a lack of consistency. The impact was elongated turnaround on marketing campaigns and gaps in compliance oversight.

The bank maintained a highly complex system of more than 200 unique workflows, based on sophisticated conditional logic and organizational hierarchy, which it wished to preserve. Further, the nature of its marketing function resulted in rich creative assets that required support for very large file size.

Also among the bank's chief concerns was the security of its advertising data, which it considers to be sensitive business intelligence.

### **REGED'S APPROACH**

RegEd worked with the bank to consolidate its disparate advertising review processes into a single enterprise system that seamlessly integrates with the bank's marketing platform. To address data security concerns, advanced encryption capabilities were developed to conform to the bank's security policy, to protect against the threat of competitive hackers.

### **SOLUTION**

RegEd implemented Advertising Review over

the course of nine months and migrated nearly ten years of historical approval records. This enabled the bank to maintain its archives in a single location, within the new advertising review solution.

Integration with the bank's marketing system enables a seamless workflow for submission of new advertising materials to prompt compliance review. The marketing system automatically creates a submission request to Advertising Review without the need to rekey the submission information.

### **IMPACT**

- + Ensured consistency in advertising review across all business areas, and centralized all components of each approval within a single system, enabling more effective and efficient reporting.
- + Configured the system to support more than 200 workflows, which avoided the need to reengineer existing processes, significantly streamlining the transition to the new system.
- + Seamlessly integrated with the bank's marketing system, which significantly streamlined the end-to-end process of creating, submitting, reviewing and approving new marketing materials through increased automation and greatly reduced reliance on human intervention and speeding time to market.

## Top global bank simplifies its highly complex audit program, boosting productivity for audit staff while reducing non-compliance risk

### CLIENT PROFILE

U.S.-based, tier-one consumer and commercial banking institution, with more than 5,000 branches, 200,000 employees, and operations in more than 100 countries. The institution is affiliated with large retail and institutional wealth management and securities divisions, which have established partnerships with RegEd of more than ten years.

### CLIENT SITUATION

The bank's audit management process had grown in complexity over the years, at the same time the number of annual audits climbed from approximately 3,000 to more than 7,000. Multiple disparate systems were used by more than 100 audit staff to manage the audit life cycle, and store and share critical audit data.

The bank's legacy system, which was being phased out by its provider, had become overly burdensome and costly for the bank's internal IT resources to continue to maintain.

### SOLUTION

The bank presented the RegEd project team with an in-depth view of their current processes, key challenges, vision and requirements, including rigorous IT and security standards.

RegEd delivered its Enterprise Audit Management solution, precisely configured to the bank's specifications. The solution's high degree of configurability was critical to successfully meeting

the unique requirements of the bank in a way that was adaptable to the bank's existing process. The solution delivered key functionality:

- + Audit data pre-population, to dramatically reduce manual data entry on the part of audit staff.
- + An ability to maintain audit data within a single system, which can be automatically pulled into reports / letters or to upstream or downstream systems.
- + Task management that's highly adaptable to the bank's audit program, to support bank processes like admin and quality reviews.
- + Fully customizable audit content to support tracking of business processes such as interviews, sampling and branch procedures.

### IMPACT

- + Improved efficiency and productivity for audit staff by reducing manual data entry.
- + Simplified a highly complex process by consolidating the number of systems required, while keeping the bank's program intact.
- + Increased visibility for senior compliance staff and executive management with a standardized view across business units.
- + Reduced risk of non-compliance and inaccuracies during audits that can result from human error.

## Top bank drives consistency in its Regulatory Relations and Examination Management function

### PROBLEM

Major U.S. bank was managing examinations and regulator interactions in spreadsheets and collaborative tools, leaving them unable to connect the dots across all regulator relationships

The bank had a staff dedicated to supporting examination cycles, which amounted to more than 50 exams annually from federal and state bank regulators as well as the SEC and FINRA. In addition to managing examinations, the charter of the bank's Compliance and Regulatory Affairs group was focused on developing a positive relationship with the appropriate regulators.

### VISION

The bank envisioned a technology-enabled process to manage examinations in a closed-loop process from the receipt of a First Day Letter (FDL) through remediation of any Matters Requiring Attention (MRA).

Requirements included the ability to assign and track examination-related tasks against due dates, with automatic reminders and escalation to key stakeholders; automated reporting, analytics and visualization; export to a D3P repository; and, the ability to bring in historical examinations across multiple years to enable trending analysis.

### SOLUTION

Robust task management capabilities enable exam managers to centrally coordinate exam activities across the entire organization,

significantly streamlining the lifecycle of each examination. The RegEd solution seamlessly facilitated the management of data requests, examiner communications and provided the ability to report on exam outcomes, manage corrective actions and facilitate complete required reporting to internal stakeholders and regulatory agencies.

### IMPACT

- + Workflow-driven capabilities to manage and monitor all exam-related activities, including data requests, examiner communications and remediation.
- + Single repository provided logical organization of examination requests and enabled documents to be organized, reviewed and approved for release to examiners and regulators.
- + Ability to capture and reference historical examinations supported the bank's goal of a consistent, "single voice" communication with regulators and examiners.
- + Robust trend analysis pinpointed best practices and areas for improvement, while full audit trail enabled the bank to be responsive to regulator requests.
- + The ability to embed best-practice workflows and processes in the system enabled the bank to demonstrate a strong, repeatable process for managing and implementing remedial actions in response to MRAs.



## **RegEd's *Enterprise Advertising Review* enables bank to reduce data security risk and elevate its compliance oversight process to a best practice standard**

### **PROBLEM**

Top 10 bank managed advertising review using a legacy solution, in place for more than ten years, to support an annual review volume of 30,000-40,000 submissions. During an internal security review, the system was found to have significant vulnerabilities, exposing the bank to unnecessary risk of data breach and other gaps in the security of the bank's technology infrastructure. After concluding that the existing system represented an unacceptable security threat, the bank made a decision to move to a new solution on an aggressive timeline.

In addition to security risks, the legacy system did not provide compliance teams with the tools needed to ensure effective oversight, and the system failed to deliver a clear view of approved documents. It also lacked the required version control capabilities and was not able to support an efficient method for ensuring that the proper disclosure was included in each submission.

### **REGED'S APPROACH**

RegEd worked with the bank's IT leadership, detailing its controls designed to safeguard the security, availability and confidentiality of bank data. The bank's complex workflow processes were reviewed during comprehensive intake sessions with RegEd implementation specialists to ensure that the solution would be configured to meet the bank's unique business needs.

### **SOLUTION**

RegEd implemented Enterprise Advertising Review over the course of an expedited onboarding to meet the bank's aggressive timeframe for replacing its legacy system. The solution delivered RegEd's industry-leading security infrastructure, including customer data protection protocols, network security, firewalls, data encryption and randomized third party vulnerability assessments and penetration tests.

Advertising Review was configured to support the bank's complex workflow requirements, while significantly expanding the capabilities available to the compliance team, including effective version control and automatic monitoring of submissions for risk indicators.

### **IMPACT**

- + Enhanced security of the organization's data and systems by implementing RegEd's best practice security protocols, addressing a significant vulnerability that had resulted from the previous system.
- + Greater effectiveness in compliance oversight through robust version control and data analysis. Improved efficiency in reviewing and approving marketing materials through increased automation.
- + Supported the bank's complex workflows, avoiding disruption to existing processes and streamlining the transition within an aggressive replacement timeline.

## Tier-one Mid-Atlantic life insurer systematizes regulatory change management and compliance oversight

### CLIENT SITUATION

Client had implemented a GRC platform and a number of point solutions years earlier with the goal of addressing multiple compliance work processes. However, the solutions received low adoption due to lack of integration, generic capabilities and usability issues. Modifications required to gain the full value envisioned were cost-prohibitive. The client decided to evaluate for-purpose solutions to streamline the management of thousands of state insurance regulatory changes each year and drive accountability with business and other stakeholders responsible for fulfilling attendant compliance obligations.

### SOLUTION

Client implemented RegEd's Regulatory Change Management in a single business unit of client organization as a pilot and proof-source for capability and usability. RegEd delivered regulatory changes across all U.S. jurisdictions as plain language summaries that include the specific requirements in the form of actionable tasks and templates and other tools needed to efficiently fulfill the compliance obligation.

### BENEFITS

The pilot was deemed successful and solution was adopted enterprise-wide within 60 days. The solution has enabled the client to quickly assess the relevancy of regulatory changes, centrally assign the system's actionable requirements to business owners company-wide and track the fulfillment of critical compliance obligations in a closed-loop manner.

Subsequently, the client cost-effectively leveraged their investment to address other areas of compliance, including Consumer Complaint Management and Market Conduct Exam Management, which are also implemented enterprise-wide. RegEd and the client collaborated to extend the implementation to automate the firm's deficiency resolution work-processes. The solution's consistent user interface greatly reduced training requirements. Consolidated dashboard views have enabled the client to gain transparency into the status of outstanding compliance obligations and remediation actions.

### IMPACT

- + Enabled significant efficiencies and stronger oversight across the regulatory change process, reducing compliance gaps and related risk exposure.
- + RegEd's actionable Regulatory Intelligence dramatically reduced the time spent interpreting and parsing regulatory requirements to business owners.
- + Plain-language requirements significantly reduced the time required for business owners to complete compliance tasks, enabling them to focus on core responsibilities.
- + Full audit trails of new requirements and their implementation positioned the client to demonstrate a strong compliance program to regulators and examiners.

# RegEd Security & Data Protection

## **When a financial institution selects a compliance partner, who often has access to sensitive information, it's critical to assess third-party risk and conduct thorough due diligence to ensure their infrastructure is secure and protected against cyber attacks and data breaches**

### **CUSTOMER DATA PROTECTION**

RegEd's Information Security policies and procedures reduces risks to information resources through implementation of controls designed to safeguard the security, availability and confidentiality of client data.

The privacy of customer data is protected using a layered defense-in-depth approach to information security. Our production network architecture prevents unauthorized access, as do RegEd's administrative access controls. RegEd has adopted security policies and implemented company-wide information security training to protect the privacy of customer data. All data transmissions over public lines are made using secure, encrypted connections.

RegEd's applications utilize password-protected logins and user entitlement access control lists. Production servers are housed in a secure tier IV data center with restricted physical access. Industry standards such as ISO 27002, NIST and PCI are used as best practices guidelines for RegEd's information security program.

As a multi-tenant SaaS solution provider, we logically segregate customer data within our database layer and provide application-based

authorization to assure the confidentiality of client data.

### **NETWORK SECURITY**

RegEd's production environment is hosted in Raleigh, North Carolina at a Windstream data center. Windstream is a leading provider of secure SSAE 16 certified Internet solutions for business. A disaster recovery system is maintained in a data center located in Franklin, Tennessee.

### **FIREWALLS**

RegEd uses a two-tiered firewall system that secures the environment from Internet threats. Both firewall tiers are comprised of redundant Cisco ASA's to provide network resiliency against single points of failure. Solarwinds Firewall Analyzer and Event Logger are used to monitor and audit firewall activity.

### **NETWORK BASED INTRUSION DETECTION**

Production systems are further protected by a managed network-based intrusion detection system (IDS). All data transmissions through the Web / FTP zone are covered by the IDS. The IDS is monitored 24x7 / 365 by AlertLogic. IDS logs are maintained for a minimum of six months.



## **VULNERABILITY ASSESSMENTS**

RegEd contracts out periodic, randomized 3rd party application security vulnerability assessment and penetration tests. The results are reviewed by the IT Infrastructure Team and, as necessary, any change recommendations are made to and approved by the Chief Information Officer (CIO).

## **ENCRYPTION**

All customer data traffic to and from RegEd's systems is encrypted using 128-bit TLS/SSL encryption. PGP encryption and secure FTP are used for batch file transfers. Sensitive data, such as SSN's and other PII data, are 256-bit AES encrypted in the database. Passwords are stored using a one-way SHA-1 encryption hash.

## **SECURITY POLICIES AND PROCEDURES**

A comprehensive Information Security program supports RegEd's data privacy and security management. At the corporate level our Information Security Officer (ISO) develops information security policies and technical standards. All high-level policies are reviewed and approved by RegEd's CIO.

**RegEd SaaS technology adheres to independent IT process and application release standards that reflect the best practices across change management, quality assurance and performance management. A dynamically scalable services infrastructure supports the seasonal processing peaks inherent in our industry, on-demand. Enterprise compliance platform and solutions suite adhere to comprehensive security practices including SSAE-16, both SOC-1 Type II (for data centers) and SOC-2 Type II (for security and availability). Together these enable RegEd clients to dramatically increase productivity and efficiency, ensure continuous data protection and reduce costs.**

## **Why the Nation's Largest Financial Services Firms Rely on RegEd**

---

- + Robust, Enterprise Platform with High Scalability and Configurability
- + Decades of Innovation in 20+ Mission-Critical Compliance Solutions
- + Data Integration and Implementation Competencies Enable Complex Installations that Financial Services Firms Demand
- + Deep Bench of Compliance Experts Maintain Hundreds of Thousands of Rules
- + Functionally-Rich Capabilities Embed Compliance and Industry Best Practices