BAKER DONELSON

DITILL				1				/ 1	. "			
Comparison of FINRA	A Regula	tory and	Exami	nation	Priori	ties 20	007 – 2	018*				
Areas of Heightened Interest:	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Complex Products	Х				Х	Х						
·	X				^	_ ^						
Retirement Planning	+			V								
Individual Retirement Account (IRA) Rollovers	X	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \		Х		.,	.,					
Microcap Fraud	Х	Х	Х		Х	Х	Х					
Securities-Backed Lines of Credit	Х			Х								
Suitability	Х		Х		Х							
Recidivist Brokers	Х	Х		Х	Х							
Information Technology, Data Quality and Governance, and Cybersecurity (including Protection of Customer Information)	х	х	х	х	х	х	х		х	х	X	х
Insider Trading	Х	Х			Х	Х						
Alternative Trading Systems (ATS) Surveillance	X					X						
Anti-Money Laundering (AML)	X	Х	Х	Х	X	X			Х	Х	X	Х
Best Execution	X	^	_ ^	^	X	^			^	^	^	^
Market Access				Х	_ ^			V				
	X		X				X	X	X	\ <u>'</u>		
Leverage and Liquidity (Funding and Liquidity Risk)	X	Х	Х	Х	Х	Х	Х	Х	Х	Х		
Inaccurate Books and Records	X	.,	ļ				Х					
Data Integrity	Х	Х				Х						Х
Outside Business Activities and Private Securities Transactions	Х	Х	Х				Х	Х				
Controls Involving Fixed Income Securities (Including Fair Pricing, Best Execution Obligations, Data Integrity and Research)	Х					х	х		х			х
Net Capital	Х				Х		Х					
Fraud	Х							Х	Х			
Short Sales and Regulation SHO	Х	Х	Х					Х	Х			
Pandemic Preparedness/Business Continuity Planning	X								X			Х
Senior Investors	X	Х		Х	Х					Х	Х	, , , , , , , , , , , , , , , , , , ,
Ponzi-Type Schemes	X											
Issuer Fraud	X											
Multi-Share Class Production	+											
	X											
Unit Investment Trusts (UITs)	X											
High Risk Firms and Brokers	X											
Use of Margin	Х											
Initial Coin Offerings and Cryptocurrencies	Х											
Options	Х											
Report Cards	Х											
Market Manipulation	Х											
Switching from Brokerage to Investment Adviser Account	Х											
Customer Protection and Verification of Assets and Liabilities	Х											
Interest Rate Sensitive Securities		Х		Χ	Χ							
Development Companies (BDCs)		Х				Х						
Closed-End Funds		Х				Х						
Municipal Securities		Х		Х	Х	Х	Х	Х	Х			
Trading in Non-Public Securities		Х						Х				
Non-Traded REITs		Х	Х	Х	Х	Х	Х					
Variable Annuities		X		Х		Х	Х		Х	Х	Х	
Structured Products		X		X		X	X		_ ^	^		
Structured Products		^		^		_ ^	^					
New Products (Including Principal Protected Notes (PPNs))		Х	.,,	.,	.,				Х		Х	
Conflicts of Interest	1	X	Х	X	Х							
Supervision Rules	 	X	ļ	X								
Municipal Advisors	<u> </u>	X		Х	X							
Risk Control Documentation and Assessment	1	X			Х							
Financial and Operational Priorities		X	ļ			Х						
High-Frequency Trading		Х		Х	Х	Х	Х	Х				
Algorithmic Trading		Х			Х	Х		Х	Х			
Social Media and Electronic Communications		X					X X	Х				
Conflicts of Interest in the Sale and Marketing of Complex Products	1											
Branch Office Inspections		X				Х	Х		Х			
Protection of Customer Funds and Securities		Х					Х			Χ		
Order Audit Trail System (OATS) (Audit Trail Integrity)		Х	Х	Х	Х		Х		Х	Х	Χ	Х
Integrity of Supervision and Internal Controls		Х		Х			Х			Х	Х	
Abusive Algorithms		Х		Х								
-	•	•	•——	•		•——	•	•	•			•

BAKER DONELSON

Comparison of FINIA Regulatory and Examination Priorities 2007 - 2018* Busier for Nuncipal Securities Table Comparison The Comparison of The Comparison o													
Mail Service Municipal Securities A	Comparison of FINRA	Regulat	ory and	Exami	nation	Priori	ties 20	07 - 20)18*				
March Marc			X					Х					
MacCompany				.,					.,				
Supplement Autivity Munitaring				X					Х				V
Excessive Charges in New Bono Sales of Customers	· · ·			Y									Χ
Froductor													
Initial Public Offerings (IPPOS)					Х								
Long Duration Bond ETFs	Firm Culture			Х	Χ								
SS2 College Savings Plan SS2 College Savings Plan On Sourcing SS2 College Savings Plane SS2 College Savi	Initial Public Offerings (IPOs)			Х		Х							
General Solicitation and Advertising of Private Placements				Х		Х							
Districting													
Fixed Income Prime Brokeroge					.,	Х							
Transmittat of Customer Funds X X X X X X X X X X X X X X X X X X X					Х			Х		Х	Х		
Market Net Capital Exemptions													
Cross-Market Surveillance													
Vendor Display Rule Clear Onboarding X X X X X X X X X X X X X X X X X X X					Х					Х			
Client Onboarding				Х									
Sales Charge Discourts and Walvers Exchange Traded Walvers Exchange Traded Walvers Exchange Traded Walvers Exchange Traded Walvers Atternative Mutual Funds Atternative				Х									
Fachange-Traded Products (Including Complex Products, Indust, and Notes) Minium Denomination Bonds Alternative Mutual Funds Alternative Mutual Funds X X X X X X X X X X X X X X X X X X X													
Funds, and Notes				Х	Х								
Minimum Denomination Bonds X X X					Х		х	Х	Х				
Alternative Mutual Funds													
Floating-Rate Bank Loan Funds X													
Due Diligence and Suitability of Private Placements Supervision of Transmittals and Withdrawals of Customer Assets Order Routing Practices, Best Execution and Disclosure Sales to Customers Involving Pich-Insured products Putting customer interests first Putting customer interests first Profiler Funds Residential Mortgage-Backed Securities Long Duration Bond Funds Baby Bonds Securities Offered Through Private Placement and Private-Self Offerings Securities Offered Through Private Placement and Private-Self Offerings Conference of Private Placement and Private-Self Offering Market Debt Qualified Plan Rollowers Initial Public Offering Market Crowdrunding Portals Aution Independence Leveraged Loan Products Commercial Mortgaged-Backed Securities (CMBS) Automated Investment Advice Quarantees and Contingencies Dytons Origin Codes Large Option Position Reporting (LOPR) High-Yield Investments Margin-Lending and Custody of Assets Collateralizing Margin Loans Unregistered Securities Acquired in Secondary Markets (Including Resales of Restricted Securities) Church Bonds Ya X X X X X X X X X X X X X X X X X X X													
Supervision of Transmittals and Withdrawals of Customer Assets Order Routing Practices, Best Execution and Disclosure Sales to Customers involving FDIC-insured products Putting customer interests first X													
Supervision of Iransmitats and Withdrawals of Lustomer Assets A Corder Routing Practices, Best Execution and Disclosure Sales to Customers involving PDIC-insured products A X	Due Diligence and Suitability of Private Placements				Х	X							
Order Routing Practices, Best Execution and Disclosure Sales to Customers Involving FDIC-Insured products VX Putting customer interests first Frontier Funds Residential Mortgage-Backed Securities Long Duration Bond Funds Baby Bonds Long Duration Corporates (Particularly Zero Coupon or Bullet Bonds) Securities Offered Through Private Placement and Private-Self Offerings Emerging Market Debt Qualified Plan Roilovers VX	Supervision of Transmittals and Withdrawals of Customer Assets				v					Χ			
Sales to Customers involving EDIC-insured products Putting customer interests first Frontier Funds Residential Mortgage-Backed Securities Long Duration Bond Funds Baby Bonds Long Duration Bond Funds Baby Bonds Long Duration Corporates (Particularly Zero Coupon or Bullet Bonds) Securities Offered Through Private Placement and Private-Self Offerings Securities Offered Through Private Placement and Private-Self Offerings Securities Offered Through Private Placement and Private-Self Offerings Securities Offered Through Private Placement and Private-Self Offering Market Debt X X X X X X X X X X X X X X X X X X X													
Putting customer interests first Frontier Funds Residential Mortgage-Backed Securities Long Duration Bond Funds Baby Bonds Long Duration Corporates (Particularly Zero Coupon or Bullet Bonds) Soccurrities Offered Through Private Placement and Private-Self Offerings Emerging Market Debt Cualified Plan Bollovers Initial Public Offering Market Cualified Plan Bollovers Initial Public Offering Market X X X X X X X X X X X X X X X X X X													
Frontier Funds Residential Mortgage-Backed Securities Long Duration Bond Funds Baby Bonds Long Duration Corporates (Particularly Zero Coupon or Bullet Bonds) Securities Offered Through Private Placement and Private-Self Offerings Fenering Market Debt Qualified Plan Rollovers Initial Public Offering Market Crowdfunding Portals Auditor Independence Leveraged Loan Products Commercial Mortgaged-Backed Securities (CMBS) Automated Investment Autice Guarantees and Contingencies Options Origin Codes Large Option Position Reporting (LOPR) High-Yield Investments Margin-Lending and Custody of Assets Collateralizing Margin Loans Unregistered Securities Acquired in Secondarry Markets (Including Resales of Restricted Securities) Life Settlements Aux													
Long Duration Bond Funds X X Baby Bonds X X Long Duration Corporates (Particularly Zero Coupon or Bullet Bonds) X X Securities Offered Through Private Placement and Private-Self X X X Offerings X X X X Emerging Market Debt X X X Qualified Plan Rollovers X X X Initial Public Offering Market X X X Crowdfunding Portals X X X Auditor Independence X X X Leveraged Loan Products X X X Commercial Mortgaged-Backed Securities (CMBS) X X Automated Investment Advice X X X Guarantees and Contingencies X X X Options Origin Codes X X X Large Option Position Reporting (LOPR) X X X High-Yield Investments X X X Margin-Lending and Custody of Assets Collateralizing Margin Loans X X X Unregistered Securities Acquired in Secondary Markets X X X (Including Resales of Restricted Securities) X <td>Frontier Funds</td> <td></td> <td></td> <td></td> <td></td> <td>Х</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Frontier Funds					Х							
Baby Bonds Long Duration Corporates (Particularly Zero Coupon or Bullet Bonds) Securities Offered Through Private Placement and Private-Self Offerings Emerging Market Debt X X X X X X X X X X X X X X X X X X X	Residential Mortgage-Backed Securities					Х		Χ					
Long Duration Corporates (Particularly Zero Coupon or Bullet Bonds) Securities Offered Through Private Placement and Private-Self Offerings													
Bonds X	,					Х							
Bonds) Securities Offered Through Private Placement and Private-Self Offerings Emerging Market Debt X X X X X X Initial Public Offering Market Crowdfunding Portals X X X X X X Initial Public Offering Market Crowdfunding Portals X X X X X X X X X X X X X X X X X X X						x							
Offerings X X X X X X X X X X X X X X X Initial Public Offering Market X X X Initial Public Offering Market X X X Initial Public Offering Market X X Initial Public Offering Market X X Initial Public Offering Market X X X X X Initial Public Offering Market X X X X X Initial Public Offering Market X X X X X X X	·												
Emerging Market Debt						Х	Х	Х	Х	Χ			
Qualified Plan Rollovers X Initial Public Offering Market X Crowdfunding Portals X Auditor Independence X Leveraged Loan Products X Commercial Mortgaged-Backed Securities (CMBS) X Automated Investment Advice X Guarantees and Contingencies X Options Origin Codes X Large Option Position Reporting (LOPR) X High-Yield Investments X Margin-Lending and Custody of Assets Collateralizing Margin Loans X Unregistered Securities Acquired in Secondary Markets X (Including Resales of Restricted Securities) X Church Bonds X Promissory Notes X Life Settlements X X X Reverse Mergers X Information Barriers X Expense Sharing Arrangements/Withdrawal of Capital X Fees X Foreign Finders X Proposed Rule Requiring Supplemental Focus Information X Rogue Trading X X X Leversed Rule Requiring Supplemental Focus Information Rogue Trading						V							
Initial Public Offering Market Crowdfunding Portals Auditor Independence Leveraged Loan Products Commercial Mortgaged-Backed Securities (CMBS) Automated Investment Advice Guarantees and Contingencies Options Origin Codes Large Option Position Reporting (LOPR) High-Yield Investments Margin-Lending and Custody of Assets Collateralizing Margin Loans Unregistered Securities Acquired in Secondary Markets (Including Resales of Restricted Securities) Church Bonds Promissory Notes Life Settlements X X X X Reverse Mergers Information Barriers Expense Sharing Arrangements/Withdrawal of Capital Fees Foreign Finders Foreign Finders Rogue Trading X X X X Rogue Trading X X X X X X Rogue Trading													
Crowdfunding Portals Auditor Independence Leveraged Loan Products Commercial Mortgaged-Backed Securities (CMBS) Automated Investment Advice Guarantees and Contingencies Options Orgina Codes Large Option Position Reporting (LOPR) High-Yield Investments Margin-Lending and Custody of Assets Collateralizing Margin Loans Unregistered Securities Acquired in Secondary Markets (Including Resales of Restricted Securities) Church Bonds Promissory Notes Life Settlements X X X X Reverse Mergers Information Barriers Information Barriers Information Barriers Information Barriers Information Supplemental Focus Information	1												
Leveraged Loan Products Commercial Mortgaged-Backed Securities (CMBS) Automated Investment Advice Guarantees and Contingencies Options Origin Codes Large Option Position Reporting (LOPR) High-Yield Investments Margin-Lending and Custody of Assets Collateralizing Margin Loans Unregistered Securities Acquired in Secondary Markets (Including Resales of Restricted Securities) Church Bonds Promissory Notes Life Settlements Reverse Mergers Information Barriers Expense Sharing Arrangements/Withdrawal of Capital Fees Foreign Finders Proposed Rule Requiring Supplemental Focus Information Rogue Trading X X X X X X X X X X X X X													
Commercial Mortgaged-Backed Securities (CMBS) Automated Investment Advice Guarantees and Contingencies Options Origin Codes Large Option Position Reporting (LOPR) High-Yield Investments Margin-Lending and Custody of Assets Collateralizing Margin Loans Unregistered Securities Acquired in Secondary Markets (Including Resales of Restricted Securities) Church Bonds Promissory Notes Life Settlements Reverse Mergers Information Barriers Expense Sharing Arrangements/Withdrawal of Capital Fees Foreign Finders Proposed Rule Requiring Supplemental Focus Information Rogue Trading X X X X X X X X X X X X X	Auditor Independence					Х							
Automated Investment Advice Guarantees and Contingencies Options Origin Codes Large Option Position Reporting (LOPR) High-Yield Investments Margin-Lending and Custody of Assets Collateralizing Margin Loans Unregistered Securities Acquired in Secondary Markets (Including Resales of Restricted Securities) Church Bonds Promissory Notes Life Settlements X X X X Reverse Mergers Information Barriers Expense Sharing Arrangements/Withdrawal of Capital Fees Foreign Finders Proposed Rule Requiring Supplemental Focus Information Rogue Trading X X X X X X X X X X X X X X X X X X X	Leveraged Loan Products						Х						
Guarantees and Contingencies Options Origin Codes Large Option Position Reporting (LOPR) High-Yield Investments Margin-Lending and Custody of Assets Collateralizing Margin Loans Unregistered Securities Acquired in Secondary Markets (Including Resales of Restricted Securities) Church Bonds Promissory Notes Life Settlements Reverse Mergers Information Barriers Expense Sharing Arrangements/Withdrawal of Capital Fees Proposed Rule Requiring Supplemental Focus Information Rose Trading X X X X X X X X X X X X X													
Options Origin Codes													
Large Option Position Reporting (LOPR) High-Yield Investments X X X X X Margin-Lending and Custody of Assets Collateralizing Margin Loans Unregistered Securities Acquired in Secondary Markets (Including Resales of Restricted Securities) Church Bonds Promissory Notes Life Settlements Reverse Mergers Information Barriers Expense Sharing Arrangements/Withdrawal of Capital Fees Foreign Finders Proposed Rule Requiring Supplemental Focus Information Rogue Trading													
High-Yield Investments X X X Margin-Lending and Custody of Assets Collateralizing Margin Loans Unregistered Securities Acquired in Secondary Markets (Including Resales of Restricted Securities) Church Bonds Promissory Notes Life Settlements Reverse Mergers Information Barriers Expense Sharing Arrangements/Withdrawal of Capital Foreign Finders Proposed Rule Requiring Supplemental Focus Information Rogue Trading													
Margin-Lending and Custody of Assets Collateralizing Margin Loans Unregistered Securities Acquired in Secondary Markets (Including Resales of Restricted Securities) Church Bonds Promissory Notes Life Settlements Reverse Mergers Information Barriers Expense Sharing Arrangements/Withdrawal of Capital Fees Foreign Finders Proposed Rule Requiring Supplemental Focus Information Rogue Trading X X X X X X X X X X X X X X X X X X X									χ				
Margin-Lending and Custody of Assets Collateralizing Margin Loans Unregistered Securities Acquired in Secondary Markets (Including Resales of Restricted Securities) Church Bonds Promissory Notes Life Settlements Life Settlements Reverse Mergers Information Barriers Expense Sharing Arrangements/Withdrawal of Capital Fees Foreign Finders Proposed Rule Requiring Supplemental Focus Information Rogue Trading X X X X X X X X X X X X X													
Unregistered Securities Acquired in Secondary Markets (Including Resales of Restricted Securities) Church Bonds Promissory Notes Life Settlements Life Settlements Reverse Mergers Information Barriers Expense Sharing Arrangements/Withdrawal of Capital Fees Foreign Finders Proposed Rule Requiring Supplemental Focus Information Rogue Trading X X X X X X X X X X X X X	Margin-Lending and Custody of Assets Collateralizing Margin Loans		<u> </u>	<u> </u>	<u> </u>	<u> </u>	X	X	X	X	<u> </u>		
Church Bonds								v			v		
Promissory Notes Life Settlements Life Settlements Reverse Mergers Information Barriers Information Infor								^			^		
Life Settlements Reverse Mergers Information Barriers Information Barriers Information Arrangements/Withdrawal of Capital Information Fees Information Arrangements/Withdrawal of Capital Information Arrangements/Withdrawal of Capital Information I													
Reverse Mergers Information Barriers Expense Sharing Arrangements/Withdrawal of Capital Fees Foreign Finders Proposed Rule Requiring Supplemental Focus Information Rogue Trading X X X X X X X X X X X X X X X X X X X													
Information Barriers Expense Sharing Arrangements/Withdrawal of Capital Fees Foreign Finders Proposed Rule Requiring Supplemental Focus Information Rogue Trading										Х			
Expense Sharing Arrangements/Withdrawal of Capital X X Fees Foreign Finders X X Froposed Rule Requiring Supplemental Focus Information X X Rogue Trading									,,				
Fees Foreign Finders Foreosed Rule Requiring Supplemental Focus Information Rogue Trading X X X X X X X X X X X X X X X X X X X									X		X	X	
Foreign Finders Proposed Rule Requiring Supplemental Focus Information Rogue Trading X X X X X X X X X X X X X													
Proposed Rule Requiring Supplemental Focus Information X X Rogue Trading X X													
Rogue Trading X													
								Х					

BAKER DONELSON

Comparison of FINRA Regulatory and Examination Priorities 2007 - 2018*												
	r regular	lory and	LAGIIII	lation	111011		ı	1			l	
Coding Cases							Х					
Oversight of the Creation and Redemption Process for Exchange-							Х					
Traded Products							.,					
Pricing of Illiquid, Hard-to-Value Securities							Х					
Non-Conventional and Alternative Investments								Х		Х		
Sponsored Access								Х	Х			
Trading Pauses								Х				
Consolidated Account Reports								Х				
Hiring and Compensation Practices								Х	Х			
Intercompany Transactions/Affiliate Relationships and Activities								Х				
Master/Sub-Account Relationships								Х				
Fraudulent Activity Associated with Customer Accounts								Х		1		
Circulation of Rumors									Х	Х		
Accounting and Spreadsheet Controls									Х			
Inventory Control and Collateral Valuation									Х	Х	Х	
Merged or Acquired Firms									Х			
New FINRA Financial and Operational Rules									Х			
Day-Trading Margin									Х			
Fully Paid Lending Programs									Х	Х		
Market Regulation Options Examination Program									Х			
Sales of Equity Securities										Х		
Cash Alternatives										Х		
Bank Sweep Programs										X	Х	
Trade and Transaction Reporting										X	X	
Foreign Corrupt Practices Act										X		
Excess SIPC Protection										X		
Counter-Party Credit Risk										X		
Intercompany Reconciliations										Х		
Suspense Account Reconciliations										X		
Order Entry Controls										X		
Marking the Close										X		
Regulation NMS										<u> </u>	Х	Х
Fee-Based Accounts											X	
Agency Lending Disclosures			 							 	X	
Short Interest Reporting			 							 	X	
NASD Report Center								 		 		Х
Electronic Filing Requirements								 		 		X
Hedge Funds										 		X
Gifts and Gratuities								 		 		X
Onto and Oraculties										1	l	^

^{*}The Annual FINRA Priorities Letters are available by clicking on each year.