

BAKER DONELSON

Comparison of FINRA Regulatory and Examination Priorities 2007 - 2017*

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<i>Products of Heightened Interest:</i>											
Firm Culture		X	X								
Complex Products				X	X						
Frontier Funds				X							
Interest Rate Sensitive Securities	X		X	X							
Development Companies (BDCs)	X				X						
Leveraged Loan Products					X						
Closed-End Funds	X				X						
Commercial Mortgaged-Backed Securities (CMBS)					X						
Municipal Securities	X		X	X	X	X	X	X			
Securities Offered Through Private Placement and Private-Self Offerings				X	X	X	X	X			
Initial Public Offerings (IPOs)		X		X							
Exchange-Traded Products (Including Complex Products, Funds, and Notes)			X		X	X	X				
Unregistered Securities Acquired in Secondary Markets (Including Resales of Restricted Securities)						X			X		
Trading in Non-Public Securities	X						X				
Residential Mortgage-Backed Securities				X		X					
Long Duration Bond Funds				X							
Long Duration Bond ETFs		X		X							
Baby Bonds				X							
Long Duration Corporates (Particularly Zero Coupon or Bullet Bonds)				X							
Individual Retirement Account (IRA) Rollovers			X								
Emerging Market Debt				X							
High-Yield Investments					X		X				
Non-Traded REITs	X	X	X	X	X	X					
Non-Conventional and Alternative Investments							X		X		
Variable Annuities	X		X		X	X		X	X	X	
Structured Products	X		X		X	X					
Church Bonds						X					
Promissory Notes						X					
Life Settlements						X		X			
Microcap Fraud	X	X		X	X	X					
Reverse Mergers						X					
New Products (Including Principal Protected Notes (PPNs))	X							X		X	
Minium Denomination Bonds			X								
Sales of Equity Securities									X		
529 College Savings Plan		X									
Alternative Mutual Funds			X								
Securities-Backed Lines of Credit			X								
Floating-Rate Bank Loan Funds			X								
Cash Alternatives									X		
<i>Practices/Areas of Heightened Interest:</i>											
Suitability		X		X							
Recidivist Brokers	X		X	X							
Conflicts of Interest	X	X	X	X							
Information Technology, Data Quality and Governance, and Cyber Security (including Protection of Customer Information)	X	X	X	X	X	X		X	X	X	X
Qualified Plan Rollovers				X							
Initial Public Offering Market				X							
General Solicitation and Advertising of Private Placements		X		X							
Due Diligence and Suitability of Private Placements			X	X							
Supervision Rules	X		X								
Municipal Advisors	X		X	X							
Crowdfunding Portals				X							
Risk Control Documentation and Assessment	X			X							
Auditor Independence				X							
Automated Investment Advice					X						
Insider Trading	X			X	X						
Financial and Operational Priorities	X				X						
High-Frequency Trading	X		X	X	X	X	X				
Guarantees and Contingencies					X						
Algorithmic Trading	X			X	X		X	X			
Alternative Trading Systems (ATS)					X						
Options Origin Codes					X						
Large Option Position Reporting (LOPR)					X						
Anti-Money Laundering (AML)	X	X	X	X	X			X	X	X	X
Best Execution of Equities, Options and Fixed Income Securities				X							
Sponsored Access							X	X			
Direct Market Access		X	X			X	X	X			
Trading Pauses							X				
Information Barriers						X	X		X	X	
Social Media and Electronic Communications	X					X	X				
Margin-Lending and Custody of Assets Collateralizing Margin Loans					X	X	X	X			
Leverage and Liquidity (Funding and Liquidity Risk)	X	X	X	X	X	X	X	X	X		
Inaccurate Books and Records						X					
Consolidated Account Reports							X				
Accounting and Spreadsheet Controls								X			
Data Integrity	X				X						X
Expense Sharing Arrangements/Withdrawal of Capital						X					
Hiring and Compensation Practices							X	X			
Conflicts of Interest in the Sale and Marketing of Complex Products	X					X					
Outside Business Activities and Private Securities Transactions	X	X				X	X				

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<i>Products of Heightened Interest:</i>											
Intercompany Transactions/Affiliate Relationships and Activities							X				
Outsourcing		X	X			X		X	X		
Branch Office Inspections	X				X	X		X			
Pricing of Illiquid, Hard-to-Value Securities						X					
Fixed Income Prime Brokerage		X									
Controls Involving Fixed Income Securities (Including Fair Pricing, Best Execution Obligations and Research)					X	X		X			X
Net Capital				X		X					
Inventory Control and Collateral Valuation								X	X	X	
Transmittal of Customer Funds		X									
Protection of Customer Funds and Securities	X					X			X		
Supervision of Transmittals and Withdrawals of Customer Assets			X					X			
Order Audit Trail System (OATS) (Audit Trail Integrity)	X	X	X	X		X		X	X	X	X
Order Routing Practices, Best Execution and Disclosure			X								
Integrity of Supervision and Internal Controls	X		X			X			X	X	
Fees						X					
Abusive Algorithms	X		X								
Foreign Finders						X					
Proposed Rule Requiring Supplemental Focus Information						X					
Rogue Trading						X					
Market Maker Net Capital Exemptions		X									
Market Maker Obligations						X					
Coding Cases						X					
Oversight of the Creation and Redemption Process for Exchange-Traded Products						X					
Supervisory Systems and Internal Controls Involving the Special Rules for Municipal Securities	X					X					
Fraud Detection							X	X			
Short Sales and Regulation SHO	X	X					X	X			
Fraudulent Activity Associated with Customer Accounts							X				
Vulnerable Customers	X	X					X				
Master/Sub-Account Relationships							X				
Circulation of Rumors								X	X		
Merged or Acquired Firms								X			
New FINRA Financial and Operational Rules								X			
Cross-Market Surveillance		X	X					X			
Pandemic Preparedness/Business Continuity Planning								X			X
Day-Trading Margin								X			
Fully Paid Lending Programs								X	X		
Market Regulation Options Examination Program								X			
Senior Investors	X		X	X					X	X	
Bank Sweep Programs									X	X	
Trade and Transaction Reporting									X	X	
Foreign Corrupt Practices Act									X		
Excess SIPC Protection									X		
Counter-Party Credit Risk									X		
Intercompany Reconciliations									X		
Suspense Account Reconciliations									X		
Order Entry Controls									X		
Marking the Close									X		
Regulation NMS										X	X
Fee-Based Accounts										X	
Agency Lending Disclosures										X	
Short Interest Reporting										X	
NASD Report Center											X
Electronic Filing Requirements											X
Hedge Funds											X
TRACE Reporting	X										X
Suspicious Activity Monitoring	X	X									
Sales to Customers Involving FDIC-insured products			X								
Excessive Charges in New Bond Sales to Customers	X	X									
Internal Audit		X									
Vendor Display Rule		X									
Client Onboarding		X									
Putting customer interests first			X								
Product and service offerings	X		X								
Sales Charge Discounts and Waivers		X	X								
Gifts and Gratuities											X

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