



Regulatory Intelligence ---

Compliance Solutions Inc.

Regulatory Intelligence

The Financial Services Industry is experiencing unprecedented events. With the regulatory reform, it is currently an environment where laws, rules, and regulations are constantly changing. This makes it very difficult and time consuming for the firms to gather and integrate the vast amount of changes that are published by regulators and incorporate all these ongoing amendments into the firm's audit content.

Regulatory Intelligence has developed a patent pending Audit Tool which can save firms time and money.

The technology provides capability to download, upload and retain documents (including personnel questionnaires, interviews and document requests), ability to summarize audit notes and audit violations, audit reports that can be viewed and/or emailed to clients, senior management and the audit committee and the capacity to archive finished audits for the required number of years. The application incorporates methodologies that streamline specific audit functions, which can decrease the hours spent on performing an audit.

The written content provides assurance around the governance, risk and compliance processes in the firm. Anyone can go on the internet to the appropriate regulatory and industry web sites that are relevant to their field, and look up certain rules and industry standards to determine which apply to the reviews that are being performed and then incorporate those analyses in the fieldwork.

With Regulatory Intelligence's tool not only the appropriate regulatory rules, industry standards and audit procedures but also the firm's policies - which are uploaded by the end user - can be part of the audit content. The detailed content can be very useful in training existing audit staff and new hires.

This tool will provide your firm with many advantages.

I. Cost

- Prepare the firm for regulatory exams which will minimize chances of regulatory fines and sanctions.
- Compliance Mapping
Firms can avoid the large cost and labor intensive process of developing new content and continually updating each audit program to the new rules and regulations and audit procedures. **This continuously changing environment of laws, rules, and regulations makes it very time consuming to gather and integrate the vast amount of information published by regulators and update the content of the appropriate audit**
- Firm can avoid the extraordinary cost of law firms/accounting firms performing this task and ultimately only performing a limited review
- Methodologies are utilized in ways that can take hours even days off of completing an audit.

II. Maintain Regulatory Compliance / Mitigate Risk

- Provide visibility and analysis around the ever-evolving rules
- This Patent Pending Model takes the visibility and analysis another step further > **directly connects audit questions to applicable regulatory rules and regulations to specific internal audit procedures and ultimately to the firm's policies and procedures**

III. Training Tool

- Educate and train auditors on Regulatory Rules and Audit Procedures

IV. Model

- This model can be used for any audit performed in **any industry**. New content would be added and it would facilitate the same needs - Prepare the firm for a regulatory exam, compliance mapping for that specific audit/industry and utilized as a training tool.

Regulatory Intelligence can provide you with ready to use content for a broker dealer branch audit which mirrors what the current regulators are using.

The Branch Audit Compliance Solution © Patent Pending

Securities regulations, Rule 3010(c) require that broker-dealers perform branch office inspections every one to three years. These requirements are intended to help broker - dealers identify regulatory rule violations in addition to areas in need of improvement and to develop corrective action plans to ensure their firms are in compliance with the rules. In many cases, branch audits are done manually using desktop applications or paper-based processes. These time-consuming methods make it difficult to maintain consistency among audits, integrate the vast amount of information/rules published by regulators and assimilate the ever evolving rules to the actual audit review. As firms grow through mergers and acquisitions, the surviving Broker Dealers will need to get their arms around the branches they have acquired and get a quick understanding where they are at risk. What better tool for them to use than a Branch Audit which mirrors the current Regulatory Exams.

Audit Management, Workflow and Content

Audit creation and scheduling is controlled by a central management system with access given to audit managers and auditors. This is a web based tool in that audits are performed by the audit staff over the internet.

The Branch Audit tool simplifies the examination process by helping compliance personnel and the examination staff, maintain an efficient and consistent workflow in addition to compliance with NASD Rule 3010.

The Branch Audit tool (**Content**) MIRRORS a regulatory audit that would prepare broker dealers for an actual regulatory branch exam (audit). This product can disclose findings that regulators typically discover. This product can help the firm avoid large monetary fines and sanctions which is usually the result of many branch audits that are performed by regulators.

The Branch Audit aggregates information (Rules and Regulatory Notices) from various regulatory bodies and streamlines the content to appropriate audit chapters.

Each audit question has linked to it:

1. Up-to-date applicable regulatory rules (SEC, FINRA and NYSE)
2. Actual audit procedure (step by step instructions for the auditor on how to perform the review)
3. All applicable FINRA Regulatory Notices and NYSE Information Memos
4. Preconfigured to include the firms policies
5. Audit Notes area to summarize the reviews
6. Audit Violations area to summarize the findings

Among other enhancements this product also includes:

- Registered Rep questionnaire – (mirrors a regulatory exam with ability to add questions)
- Branch Manager Interview (mirrors a regulatory exam with ability to add questions)
- Web-based response application - Response/Violation Tracker
- Violation Tracker- Automatic notification of completed corrective action
- Build as you go (ability to add preconfigured audit questions to tailor it specifically to each firm)

Ingenious Blueprint: Flexible To Your Needs

Since every customer has different needs, the Branch Office Compliance Solution platform has been designed to be highly configurable and adaptable, so each customer can choose to add content that best addresses any additional policies and procedures.

There is no other compliance solution product like this in the industry that contains this **unique content**. This product platform can be used to perform an actual audit in addition to training the Broker Dealer's Internal Branch Audit Group.

Audit Model is Multifunctional

This model can be used for any internal audit performed within the firm. New content would be added and it would facilitate the same needs. Complying with the applicable regulatory rules for that specific department and utilized as a training tool for auditors.

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