



COMPLIANCE UPDATE

Guidelines for Advisers Who Make Public Appearances

Investment advisers making public appearances either on television, radio shows, at conferences or conducting interviews with the press need to be aware of applicable regulatory challenges, particularly in areas of supervision, advertising, and books & records. Advisor Solutions Group, Inc. has put together this outline to address a number of items that advisers should consider before making public appearances.

Considerations Prior to Interview/Appearance

- The interviewee cannot make statements that guarantee, promise, or predict investment results or make exaggerated claims. Phrases such as “We believe...” or “We feel...” should be used to convey their thoughts (e.g. “We believe the stock market will rise by 5% this year.” vs. “The stock market will rise by 5% this year.”).
- Compliance staff might consider doing mock interviews or even hanging big signs/posters in the television or radio studio to help remind the interviewee to use “We believe...” or “We feel...”

Discussing Specific Securities

- If the firm permits the interviewee to talk about securities that they own or are currently recommending/selling, then the firm should have an internal black out period that restricts personal trading in that stock for at least three (3) days before and after the interview. Use the three (3) days before and after, if the interviewee knows which securities will be discussed ahead of time. If an interviewee is asked about a security during the interview with no prior knowledge, then a three (3) day post-interview blackout should be followed.
- There is no requirement for investment advisers to disclose that they own a particular security they talk about, but it is a best practice, and the interviewer will probably ask. We recommend making the disclosure regardless if the interviewer asks.
- Additionally, if specific securities are discussed during the interview, it is recommended that compliance tests that stocks are not being hyped and then sold by the firm or employees. That is, compliance should check securities discussed during interviews against personal and client trades to ensure nothing improper is happening.

Discussing Performance

- Use caution in discussing performance, particular products, or strategies. If performance is discussed, provide the reporter, media, or audience with full performance information that is also provided in hardcopy format.

Record Keeping

- It is not easy to capture interviewing content. If interviews are scripted in advance or transcripts created, compliance should keep documentation of the interview and pre-approval of the interview.
 - Interview Reprints:
 - If the adviser reprints the interview, then compliance requirements lie fully with the adviser. The transcripts or audio files must be retained in the firm’s advertising file and must be fully compliant with SEC advertising guidelines.
 - If the press/media reprints the interview, the adviser should make its best effort to provide the press with full disclosure, even if the press elects not to print them. Keep this documentation in the firm’s advertising files.

Other Considerations

- It is recommended that the compliance officer periodically listen in to interviews to monitor that nothing fraudulent or misleading is being said.
- Do not discuss confidential information, investigations, or regulatory relations or litigations involving the adviser, unless those discussions have been appropriately authorized.
- Do not discuss private funds, if the firm manages any, to avoid violating private placement exemptions.
- Maintain written policies and procedures to give guidance to the firm and employees on do’s and don’ts of interviews. Make sure your employees know your policies.
- Additionally, a best practice is to appoint a designated press contact for the firm.

If you have any further questions please feel free to contact us:

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