

BAKER DONELSON

Comparison of FINRA Regulatory and Examination Priorities 2007 - 2019*

<i>Areas of Heightened Interest:</i>	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Complex Products		X				X	X						
Retirement Planning		X											
Individual Retirement Account (IRA) Rollovers		X			X								
Microcap Fraud		X	X	X		X	X	X					
Securities-Backed Lines of Credit		X			X								
Suitability	X	X		X		X							
Recidivist Brokers		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	X	X
Insider Trading		X	X			X	X						
Alternative Trading Systems (ATS) Surveillance		X					X						
Anti-Money Laundering (AML)		X	X	X	X	X	X			X	X	X	X
Best Execution	X	X				X							
Market Access	X	X		X	X			X	X	X			
Leverage and Liquidity (Funding and Liquidity Risk)		X	X	X	X	X	X	X	X	X	X		
Inaccurate Books and Records		X						X					
Data Integrity		X	X				X						X
Outside Business Activities and Private Securities Transactions	X	X	X	X				X	X				
Controls Involving Fixed Income Securities (Including Fair Pricing, Best Execution Obligations, Data Integrity and Research)	X	X					X	X		X			X
Net Capital		X				X		X					
Fraud		X							X	X			
Short Sales and Regulation SHO	X	X	X	X					X	X			
Pandemic Preparedness/Business Continuity Planning		X								X			X
Senior Investors	X	X	X		X	X					X	X	
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		X											
Initial Coin Offerings and Cryptocurrencies	X	X											
Options		X											
Report Cards		X											
Market Manipulation	X	X											
Switching from Brokerage to Investment Adviser Account		X											
Customer Protection and Verification of Assets and Liabilities		X											
Interest Rate Sensitive Securities			X		X	X							
Development Companies (BDCs)			X				X						
Closed-End Funds			X				X						
Municipal Securities			X		X	X	X	X	X	X			
Trading in Non-Public Securities			X						X				
Non-Traded REITs			X	X	X	X	X	X					
Variable Annuities	X		X		X		X	X		X	X	X	
Structured Products			X		X		X	X					
New Products (Including Principal Protected Notes (PPNs))			X							X		X	
Conflicts of Interest			X	X	X	X							
Supervision Rules	X		X		X								
Municipal Advisors			X		X	X							
Risk Control Documentation and Assessment			X			X							
Financial and Operational Priorities			X				X						
High-Frequency Trading			X		X	X	X	X	X				
Algorithmic Trading			X			X	X		X	X			
Social Media and Electronic Communications			X					X	X				
Conflicts of Interest in the Sale and Marketing of Complex Products			X					X					
Branch Office Inspections			X				X	X		X			

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Branch Office Inspections			X				X	X		X			
Order Audit Trail System (OATS) (Audit Trail Integrity)			X	X	X	X		X		X	X	X	X
Integrity of Supervision and Internal Controls			X		X			X			X	X	
Abusive Algorithms			X		X								
Supervisory Systems and Internal Controls Involving the Special Rules for Municipal Securities			X					X					
Vulnerable Customers	X		X	X					X				
TRACE Reporting			X										X
Suspicious Activity Monitoring	X		X	X									
Excessive Charges in New Bond Sales to Customers			X	X									
Product and service offerings			X		X								
Firm Culture				X	X								
Initial Public Offerings (IPOs)				X		X							
Long Duration Bond ETFs				X		X							
529 College Savings Plan				X									
General Solicitation and Advertising of Private Placements				X		X							
Outsourcing				X	X			X		X	X		
Fixed Income Prime Brokerage				X									
Transmittal of Customer Funds				X									
Market Maker Net Capital Exemptions				X									
Cross-Market Surveillance				X	X					X			
Internal Audit				X									
Vendor Display Rule				X									
Client Onboarding				X									
Sales Charge Discounts and Waivers				X	X								
Exchange-Traded Products (Including Complex Products, Funds, and Notes)					X		X	X	X				
Minimum Denomination Bonds					X								
Alternative Mutual Funds	X				X								
Floating-Rate Bank Loan Funds					X								
Due Diligence and Suitability of Private Placements	X				X	X							
Supervision of Transmittals and Withdrawals of Customer Assets					X					X			
Order Routing Practices, Best Execution and Disclosure					X								
Sales to Customers Involving FDIC-insured products					X								
Putting customer interests first					X								
Frontier Funds						X							
Residential Mortgage-Backed Securities						X		X					
Long Duration Bond Funds						X							
Baby Bonds						X							
Long Duration Corporates (Particularly Zero Coupon or Bullet Bonds)						X							
Securities Offered Through Private Placement and Private-Self Offerings	X					X	X	X	X	X			
Emerging Market Debt						X							
Qualified Plan Rollovers						X							
Initial Public Offering Market						X							
Crowdfunding Portals						X							
Auditor Independence						X							
Leveraged Loan Products	X							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		X			
Margin-Lending and Custody of Assets Collateralizing Margin Loans								X	X	X	X		
Unregistered Securities Acquired in Secondary Markets (Including Resales of Restricted Securities)									X			X	
Church Bonds									X				
Promissory Notes									X				
Life Settlements									X		X		

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Reverse Mergers									X					
Information Barriers									X	X		X	X	
Expense Sharing Arrangements/Withdrawal of Capital									X					
Fees									X					
Foreign Finders									X					
Proposed Rule Requiring Supplemental Focus Information									X					
Rogue Trading									X					
Market Maker Obligations									X					
Coding Cases									X					
Oversight of the Creation and Redemption Process for Exchange-Traded Products									X					
Pricing of Illiquid, Hard-to-Value Securities									X					
Non-Conventional and Alternative Investments										X		X		
Sponsored Access										X	X			
Trading Pauses										X				
Consolidated Account Reports										X				
Hiring and Compensation Practices										X	X			
Intercompany Transactions/Affiliate Relationships and Activities										X				
Master/Sub-Account Relationships										X				
Fraudulent Activity Associated with Customer Accounts										X				
Circulation of Rumors											X	X		
Accounting and Spreadsheet Controls											X			
Inventory Control and Collateral Valuation											X	X	X	
Merged or Acquired Firms											X			
New FINRA Financial and Operational Rules	X										X			
Day-Trading Margin											X			
Fully Paid Lending Programs											X	X		
Market Regulation Options Examination Program											X			
Sales of Equity Securities												X		
Cash Alternatives												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											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
Online Distribution Platforms	X													
Gifts and Gratuities														X

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