




ARS

Alternative Regulatory Solutions, LLC

*Expert regulatory guidance for all
fixed income products,
specializing in municipals*



With extensive expertise in the municipal business and other fixed income products, ARS is the firm of choice to provide regulatory guidance and meet all of your compliance needs.

What Can We Do For You?

BROKER DEALERS/BANK DEALERS

Offer advisory services for the following fixed income products:

- Public Finance/Origination/Underwriting
- Trading/Sales – Retail and Institutional/Remarketing
- Tender Option Bond Programs/Derivatives
- Operational and Registration Support

Services include:

- Provide CE Firm Element Training:
 - Face to face annual training.
 - Innovative computer based interactive training for specific topics/audiences such as G-37, new hires, and/or other rules.
- Write or amend Supervisory Procedures.
- Write or amend Compliance Programs and carry out surveillance reviews.
- Prepare regulatory filings.
- Review new rules, amended rules and interpretations and incorporate these changes into Supervisory Procedures and Compliance Infrastructure.
- Establish procedures and infrastructure for Build America Bonds (BAB's).
- Create and submit Continuing Membership Applications for firms looking to begin or expand their municipal or fixed income businesses.
- Manage ad hoc projects.

Assist in regulatory exams, inquiries, subpoenas and/or internal audits by obtaining documentation, providing responses, and dealing with regulators/auditors on a day to day basis.

MUNICIPAL ADVISORS – Dodd-Frank Act

- Write Supervisory Procedures to incorporate existing and upcoming changes to SEC and MSRB rules.
- Write a Compliance Program and carry out surveillance reviews for existing and new rules.
- Prepare and keep current all SEC and MSRB registrations and filings.



Assist issuers in continuing disclosure submissions through EMMA including:

- Annual financials
- Issuer events
- Other material information

Assist issuers with regulatory inquiries and/or investigations from the IRS, SEC, and/or State Attorney's Offices.

Assist issuers in tracking the disposition of a new issue for proper retail allocations and priority of orders.

BE AWARE – Hot Topics

Financial Reform Legislation (Dodd-Frank Act):

- Expands the mission of the MSRB to protect municipal entities and obligated persons.
- Subjects Municipal Advisors to certain MSRB Rules.
- Requires registration with the SEC and MSRB.

Build America Bonds

MSRB/FINRA required systems:

- EMMA
- SHORT SYSTEM
- NIIDS
- RTTR/TRACE

Disclosure Obligations:

- Continuing disclosure
- Issuer events (previously known as material events)
- Annual financial information
- Credit ratings
- Other material information

Retail:

- Disclosures
- Best execution
- Mark-ups/downs
- Suitability
- Retail orders



AVOID THE RISKS!

FROM THE BOND BUYER –

- Firm will pay SEC \$470,000 to settle G-37 violation
- FINRA fines firm \$700,000 for not keeping e-mails
- FINRA eyes action against firms selling muni's to retail without disclosure
- Market participant pleads guilty in (bid rigging) case
- FINRA fines firms for reporting and pricing violations:
Firm 1: \$77,000
Firm 2: \$25,000
- Firm charged over mark-up's
- IRS begins BAB Audits
- IRS tax-exempt bond office (TEB's) aims to close 1,200 exams more than double its all time high
- Dodd-Frank Act: New governance provisions means new roles and responsibilities
- SEC to launch inquiry that may recommend municipal legal and regulatory changes

Alternative Regulatory Solutions, LLC

Key Personnel

Kimberly McManus, President and Founder

Glenn Green, Vice President

Alternative Regulatory Solutions, LLC (ARS) was founded in July 2009, by Kimberly McManus, President. Glenn Green joined the firm on January 1, 2010. Ms. McManus and Mr. Green have extensive experience in fixed income compliance, with expertise in the municipal market. Prior to establishing ARS, Ms. McManus and Mr. Green had over forty years combined experience with regional and national broker dealers in both the compliance and audit fields.

Alternative Regulatory Solutions, LLC was established to provide firms with advisory services for fixed income products, specializing in municipals. In this capacity, ARS has contracted with national, regional, and small boutique firms in conducting numerous services, including:

- Completing the extensive FINRA Continuing Membership Application (CMA) for both large and small firms to create new businesses or add sectors to their existing business platform.
- Writing policies, procedures, and surveillance programs for compliance with MSRB, SEC, FINRA and other rules and regulations.
- Implementing and carrying out surveillance programs:
 - Detailed testing (documentation reviews, blotter reviews, e-mail reviews, etc.)
 - Monthly monitoring (RTTR, TRACE, etc.)
 - Exception reporting (best execution, mark-ups/downs, front running, etc.)
 - AML testing
- Providing training:
 - Annual CE Firm Element Training required by MSRB and FINRA
 - AML training
 - G-37 engaging and interactive e-learning training module
- Providing regulatory guidance on a continuous basis regarding rule changes and interpretations.

ARS has also been invited to speak with FINRA at several round tables regarding significant regulatory issues.

Call us today for an initial consultation regarding your regulatory and compliance needs.

Testimonials and references are available upon request.



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