



PART 10

Compliance

Chapter 1: Compliance/Audit Requirements

A COMPREHENSIVE COMPLIANCE MANUAL CAN BE FOUND ON COMMUNITYLINK AND MUST BE REVIEWED BY EVERY REGISTERED STAFF MEMBER.

Section 1: Team Responsibilities

- Once a year Commonwealth schedules a Branch Audit to ensure the Company's office is compliant with all FINRA rules and Commonwealth rules
 - General Counsel is in charge of preparations for the annual audit
 - Commonwealth Provides a Visit Preparation Checklist on Community Link
 - General Counsel must make sure that all material requested on the checklist is ready by the date of the audit
 - General Counsel will regularly spot-check items to be certain that all paperwork, investments, allocations, communications, and other audit sensitive matters are compliant

Section 2: Frequently Audited Compliance Rules

- As a branch of Commonwealth we are required to prominently display a Commonwealth Branch Office Certificate and a SIPC sign in a clearly visible area.
- The Company is required to maintain a Confidentiality Agreement for all third-party vendors (e.g., computer technician, cleaning staff, landlord) with access to sensitive information.
- Computer systems containing, or with access to, confidential information must have password protection. Passwords must be changed regularly (at least every 90 days).
 - Passwords are required to contain 3 of 4 of the following: uppercase letters, lowercase letters, numbers, and special characters (e.g. @, #, \$).
 - Each person in the office should have his or her own individual login and password. Sharing usernames and passwords is prohibited.
- The Company is required to install the Shield, Commonwealth's hardware and software information security solution on each computer that has access to Commonwealth's network.
- All confidential information must be maintained in a secure location.
- A Disclosure of Outside Business Activity form is required for every registered employee who has an outside job, business, board position, or other non-Commonwealth related business activity.
- When the company uses a third-party vendors to store sensitive client information (e.g., vendor that provides a cloud drive or an online CRM system), a Vendor/Third-Party Due Diligence Request form must be completed.
 - For instance the Company's third party automated scheduling software, Schedule Once, had to be approved by Commonwealth through Due Diligence.
- All client documentation must be destroyed using a cross-cut shredder. The Company uses a shredding service and has to maintain certificates of destruction from the shredding service.
- Certain types of information must be kept and maintained with respect to Commonwealth's securities accounts and transactions.

- To be compliant with Commonwealth's Books and Records Retention Policy Pickler Wealth Advisors uploads all documents to COMMunity Link's Advisor Documents or Client360® Documents as the means for storing items electronically in accordance with SEC Rule 17a-4(f).
- We are allowed to use our own server for electronic record storage for the sake of convenience, but it does not meet the record retention requirements.
- When an auditor visits, we must be prepared to provide paperwork for the Company's registration as an LLC with the state of Tennessee.
- We maintain all advertising submissions, Compliance approvals, final published versions incorporating any changes requested, distribution lists, and/or invitee and attendee lists for events on COMMunity Link.
- All branch business-related social media pages require the review and approval of Commonwealth's Advertising Review team
- If a team member has a social media account that lists them as employed by Pickler Wealth Advisors, the social media page must be approved by Commonwealth and monitored by Erado
- The Company has to maintain a chronological correspondence file for all incoming and outgoing nonelectronic correspondence (e.g., hard-copy letters, memos, faxes, cards, Post-it notes).
- All investment-related correspondence must be submitted to the Compliance department within 10 days of receipt.
- A complaint file should contain any correspondence, legal documents, and other material relating to any client or regulatory complaint or proceeding and all complaints must be forwarded to the Commonwealth Compliance department within 24 hours of receipt.
- Commonwealth requires that offices maintain a Do Not Call Log to comply with FCC and FINRA regulations.
 - We are required to maintain a folder labeled "Do Not Call Log," which we do and have available to present to auditors even though do not cold-call.
- The Company has to maintain a Direct Mail Trade and Check Log for all direct investment business.
 - We can use Commonwealth's Direct Activity report to satisfy blotter requirements for companies that provide feeds.
- Advisors must log any transactions for sponsors that do not provide electronic data feeds.
- All checks and certificate receipts and deliveries must be recorded on the check log and forwarded promptly by 12:00 noon the next business day after receipt.
 - Checks are automatically logged now when deposited through the Commonwealth mobile app and a separate log is not required.
- If we provide an original, numbered agreement to a potential investor, we have to maintain an Offering Memorandum log identifying each recipient and his or her numbered agreement.
- We have to maintain financial records documenting fund receipt and disbursement.

- All of our financial records are subject to inspection during the Compliance visit.
- We are required to meet or speak with each advisory client to whom we provide advisory services at least annually and document the meetings and the topics discussed, including rollover recommendations, in the CRM.
- We have to maintain records of our consulting agreements.
- We must document the suitability of investment recommendations.
- We are required to make sure that all of our Clients' investment allocations match their investment objective.

Chapter 2: Audit

- Audit can come in two different forms: Announced by Commonwealth and unannounced by FINRA
- If an Audit has been scheduled with Commonwealth:
 - Prepare for audit as noted above.
 - Schedule one hour for president to be available in the morning for the "Audit Interview" during which the auditors will ask the President questions;
 - Schedule ½ hour to one hour for a meeting in the afternoon to discuss findings;
 - Request Identification when the Auditor arrives;
 - Provide Auditor(s) with ample space to set up computers or other equipment they may need to perform the audit.
- If an unannounced audit is performed by FINRA:
 - Immediately request FINRA representative's identification;
 - Alert President and General Counsel to FINRA representative's presence;
 - General Counsel Immediately notify Commonwealth of Audit; and
 - Follow any Commonwealth instructions as relayed by Commonwealth.

Chapter 3: Audit Response Letter

- When Commonwealth finishes an audit, the Auditor will, within approximately two weeks send a formal Letter of Audit Findings to the Company.
- When the Letter is received, the General Counsel will draft a response, which specifically and individually addresses all findings, and when necessary, describes the steps that have been taken to correct any issue and any process that will be carried out in the future to prevent the same mistake.
 - Any new processes should be added to the Process Manual.

Chapter 4: Commonwealth Approval of Marketing Materials

- Submitting Advertising Pieces Through the Compliance Portal

ALL ADVERTISING DOCUMENTS – INCLUDING BUT NOT LIMITED TO INVITATIONS, WEEKLY MARKET UPDATES, AND SOCIAL MEDIA *STATIC* POSTS (e.g. PERSONAL/COMPANY BIO) -- MUST BE SUBMITTED TO COMPLIANCE

- To submit marketing materials to Compliance:
- Log on to Commonwealth’s CommunityLink
- Hover over “My Practice”
- Select “Advertising” under the “Compliance” header
- Select “Online Submission Form” Under the “Advertising Submission” header
- Work your way through the checklist:
 - Click “David Pickler”
 - Under “Content Relating to” select “Advisory Business Only” on the dropdown menu
 - Select the appropriate audience (It is typically “Client” or “Client and Prospect”)
 - On the next 3 radio button options, select “No”
 - Select that the advertising piece was created by “Me or someone in the office”
 - Select the appropriate submission type (e.g. email, brochure, web ad)
 - Type in the title of your advertising piece
 - Select “Yes” or “No” depending on whether or not this piece discusses a type of product (this is typically “No”)
 - Type in a brief comment on the piece (e.g. This is an invitation to our client event Great Performances where our top clients will enjoy beverages and hors d’oeuvres while listening to live music.)
 - Click “Browse” and select the appropriate PDF of the invitation
 - All invitations should be saved in the appropriate event folder: Shared Drive > Communications > Events > “Year” > “Event Name”
 - The quickest way to save an online invitation from Constant Contact:
 - ♦ Email it to yourself
 - ♦ **PROOF READ AND MAKE SURE LINKS WORK CORRECTLY**
 - ♦ Print it out
 - ♦ Scan the printed email invitation and Email it to yourself
 - ♦ Save that PDF in the appropriate folder
 - Select how many pages the document is
 - Click “Upload and Submit”
- Filing Sponsor Reimbursement Paperwork with Commonwealth
 - Within 2-3 business days following the event, the CBO is to:
 - Log on to Commonwealth’s CommunityLink
 - In the search bar at the top, type in “Non-cash”
 - Select the first link that pops up: Non-Cash Compensation Report
 - A pop-up box will appear
 - Click the blue “Non-Cash Compensation Report” link
 - Make sure David Pickler is set at 100%
 - On “type of expense,” select “Client Event” from the dropdown menu

- Enter in the company names of each sponsor for the particular event (these fields will autofill; make sure to select the autofilled suggestion or the form will not submit.)
- Enter in the amount they are paying towards the event
- Enter in the type of payment (this is typically “Reimbursement”)
- Select whether or not the sponsor was present at the event (this is typically “Yes”)
- Click “Browse Files” and select the appropriate submission pieces
 - Invitation (which will have been previously approved by Commonwealth at this point)
 - All receipts
 - Guest list for event
- Click “Submit”
- Commonwealth will contact you if there is an issue or if they have not received the sponsor’s payment after several weeks

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- Make sure to attach receipts, invitation, guest list, and a letter (if necessary)
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Chapter 5: Securities Related Emails

- No business related email should ever be sent to a client from an email address that is not hosted by Commonwealth.
- Should a client send any team member a securities related email to a private or otherwise un-hosted email address the team member should take the following steps:
 - Forward the client’s email to the team member’s hosted email address (@picklerwealth.com or @picklerwealthadvisors.com);
 - Respond to the client from the hosted email address to address their securities related inquiry; and
 - Request that the client send any future emails to the hosted email address, so that we can remain in compliance with our industries rules and regulations.