

Broker-Dealer Expertise and Services

Financial Services

We apply our collective experience drawn from in-house roles, former regulators, and consulting professionals to help our clients remedy past deficiencies and prevent future regulatory and compliance issues related to both the institutional and retail broker-dealer businesses.

Our team is drawn from top executives at leading global financial institutions and former regulators with decades of experience and specialized skills to assist clients with event driven work and to guide clients' compliance strategies. The team includes lawyers, CPAs, data scientists, and industry experts working together to assist clients with internal reviews and investigations, regulatory investigations, trading analyses, and compliance and supervision assessments. We have intimate and hands-on expertise with many of the systems utilized by broker-dealers, as well as their processes, control functions, and personnel.

Multiple Specialties

Our two specialty areas are: **(1) Regulatory & Litigation;** and **(2) Compliance Advisory.** We have experience with both retail and institutional broker-dealers and specialize in the normalization and analysis of complex and voluminous data from disparate sources.

We understand your needs having spent many years serving in-house as clients. We tailor our offerings to meet our clients' requirements and are well positioned to coordinate with your Legal and Compliance teams to manage the process with care and diligence with the result being minimal disruption to your business.

— AREAS OF EXPERTISE

- Institutional sales & trading (equities, derivatives, fixed income)
- Trading operations and execution methodology (e.g., payment for order flow, best execution, gamification of trading)
- Investment banking due diligence
- Market structure
- Non-financial regulatory reporting (CATS, OATS, EBS, LOPR, TRACE, etc.)
- Trading surveillance and controls
- Wealth management compliance and supervision frameworks
- Operational risk control framework, compliance risk assessments, and risk control self assessments; Volcker compliance
- Regulatory change, policies & procedures, branch and regulatory exams
- Research policies & procedures and conflict avoidance

Broker-Dealer Regulatory Litigation Services

- Managing and assisting with responses to federal, state, civil and criminal regulatory inquiries and investigations (e.g., DOJ, SEC, CFTC, FINRA, CFPB)
- Internal controls assessment and process improvement plans
- In-depth trade review lookbacks, corrections, impact analyses and remediations
- Investigations and inquiry support (e.g., regulatory, compliance, fraud, whistleblower, insider trading, front-running, embezzlement, potential market manipulation and spoofing, internal investigations and fact-finding; routine exam support)
- Complex remediation programs (e.g., mutual funds, UITs)
- Litigation support (e.g., expert witness, managed document review, transactional disputes and damage modeling)

Broker-Dealer Compliance Advisory Services

- Advising on domestic and international wealth management compliance
- Assessment of compliance risk management and operational risk control frameworks and processes
- Review of conduct risk framework, supervision framework, heightened/enhanced supervision processes, client complaints and policies & procedures
- M&A related compliance assessments/audits
- Policies & procedures and related controls: gifts & entertainment, non-cash compensation, low-priced securities, vulnerable clients and public communications
- Assist with regulatory and branch examinations
- Implementation of regulatory changes/developments
- Competitive analysis of business and compliance practices and processes
- Compliance enhancements related to combining/separating broker-dealers

— SAMPLE OF REPRESENTATIVE ENGAGEMENTS

- Analysis of high-volume, high-frequency trading accounts for layering/spoofing
- Remediation of OTC large option position reporting system/processes
- Remediation of electronic bluesheet reporting system/processes
- Assessment of institutional supervision program
- Analysis of whistleblower front-running claims
- Analysis of potential pre-arranged bond trading
- Customer remediation of sales practice related issues
- Broker-dealer liquidity analysis
- Analysis of client activity for multiple issues of potential financial advisor misconduct
- Analysis of credit card activity for indicia of unauthorized issuance
- Enhanced due diligence for non-domestic investment banking transactions

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FTI Consulting is an independent global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities. FTI Consulting, Inc., including its subsidiaries and affiliates, is a consulting firm and is not a certified public accounting firm or a law firm. ©2022 FTI Consulting, Inc. All rights reserved. www.fticonsulting.com

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