

# THE MONTHLY QUEST

## Dates to Remember

- February 24-27 - NAVA Conference  
(Quest's Booth: #82)
- March 17-19 - Money Laundering Alert Conference  
(Quest's Booth: #204)
- May 5 - FINRA Rule 2821 Training Requirements go into effect

## SEC & FINRA Announce Steps to Protect Seniors (From [www.finra.org](http://www.finra.org))

The Securities and Exchange Commission (SEC), the North American Securities Administrators Association (NASAA), and the Financial Industry Regulatory Authority (FINRA) today announced a new initiative as part of securities regulators' efforts to protect senior investors. The goal of the initiative is to identify effective practices used by financial services firms in dealing with senior investors, and to provide information about these practices publicly.

As regulators have increasingly focused on protecting older investors, many investment advisers and broker-dealer firms are evaluating their current practices in serving seniors. SEC staff, NASAA, and FINRA will solicit input from all interested parties in order to identify strong supervisory, compliance, and other practices used by financial services firms serving seniors in the following areas: marketing and advertising to seniors; account opening; product and account review; ongoing review of the relationship and appropriateness of products; discerning and meeting the changing needs of customers as they age; surveillance and compliance reviews; and training for firm employees. The findings will be published so all firms can improve their service to older investors.

(Con't to Right)

SEC Chairman Christopher Cox said, "It's important to maximize the cutting-edge practices being developed by financial services firms to ensure that America's senior investors are being protected and well-served by brokers, investment advisers, and others in the securities industry."

This effort is one part of the multifaceted coordinated national initiative to protect seniors from investment fraud and sales of unsuitable securities that was announced by SEC Chairman Christopher Cox and NASAA, and FINRA (formerly the NASD and NYSE) in May 2006. The initiative has several components, including targeted examinations, enforcement of the securities laws in cases of fraud against seniors, and active investor education and outreach.

Since the start of this initiative, securities regulators have brought numerous enforcement actions against those who would prey on senior investors, initiated and completed a series of examinations of securities firms that offered "free lunch" sales seminars targeting seniors (report available at <http://www.sec.gov/spotlight/seniors/freelunchreport.pdf>), and sponsored numerous programs and events across the country to educate older investors on how to invest wisely and avoid costly mistakes.

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## Increasing the Number of High Net Worth Clients

As many financial firms are finding, offering Minimum Continuing Legal Education (MCLE) credits to attorneys helps them increase their number of high net worth clients.

Currently, 43 states require attorney's licensed in their state to obtain MCLE credits on an annual or biannual basis. Offering credits to individuals affected by the requirement can open the door to a number of financial opportunities.

"It's really an untapped market," says Alan Krenke, President and CEO of Quest CE. "By offering MCLE credits for presentations, wholesalers are able to develop relationships with attorneys who advise high net worth clients."

Developing this relationship with attorneys, and familiarizing them with the financial products offered by their firm, can increase sales of insurance and investment products. When advising a high net worth client, the topic of investments often arises. While the attorney cannot make any financial suggestions, they can direct them to a financial advisor offering the wholesalers products.

"Often times, a wholesaler and the manager of a financial advisory branch will coordinate the meetings, bringing together attorneys, certified public accountants, and financial advisors," says Krenke. "This creates a network of local professionals better suited to understand and cater to the needs of their clients."

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QUEST CE

## New Course Meets NFA Training Requirements

Quest CE has announced the creation and filing of a course to meet the National Futures Association (NFA) one hour training requirement.

The course, Ethics and the Securities Futures Professional, covers topics required by the NFA, including law governing securities futures products, registration and licensing, ethics, promotional materials, and insider trading.

"A number of firms that we work with are affected by this requirement," says Mike Kufahl, Director of Business Development for Quest CE. "This course will be incorporated into their programs and available to other firms and individual financial professionals as well."

The course retails on Quest's proprietary training site, [www.InsuranceContinuingEducationTraining.com](http://www.InsuranceContinuingEducationTraining.com) for \$14.95. Quest also customizes programs for firms and offers discounts based on volume.

About Quest: Over the past 20-plus years, Quest CE has built a reputation of being the premier provider of Compliance Solutions to the financial services industry. In addition to offering CE for professionals holding insurance licenses and professional designations like the CFP, CIMA, CLU/ChFC, and CPA designations, we also provide a complete spectrum of financial compliance training solutions.

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