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**From the desk of the CEO:**

Here we are, well into the fourth quarter of 2019, heading into what can be, for many financial services professionals, the busiest time of year. The holidays put a festive feel in the air while advisors turn their attentions to such client needs as income and estate tax planning, last minute RMDs and charitable contributions to name a few.



The Home Offices in both Louisville and Appleton are very, very busy, both with normal business processing, a multitude of business-enhancing projects, and of course, onboarding new advisors and staff to existing branches of firms all across the country. We are also deep in the midst of Errors & Omissions enrollment time, and FINRA's annual registrations renewal is right around the corner.

As another year draws to a close, I've had the opportunity to sit back and reflect a bit on 2019, where the Firm is currently, and where we are going.

PCS continues its commitment to provide you – our advisors, representatives, and support staff – with white glove, concierge-level services. One way we honor this commitment is by having seasoned, experienced Home Office personnel available to support the needs of you, your staff and clients; we are pleased to announce in this newsletter the addition of several more talented and versatile staff to the Louisville Home Office. Additionally, our teams in Appleton and Louisville are working on several exciting technology enhancements you will see roll out in 2020.

PCS is committed in maintaining our philosophy of being a Firm that treats all constituencies and business partners with honor, dignity, and respect. Treating each of you as we ourselves would want to be treated has helped fuel our growth in recent years. We strive to provide the highest level of professional service to you.

As a Firm, we are honored that advisors have entrusted us with this responsibility. We do not take it lightly. We thank you for that trust and confidence and look forward to a strong finish to 2019 and a successful New Year!

**Ernest Sampson, ChFC, CLU, AEP, CFP™**

**Direct (502) 992-3540**

**Email: [esampson@pcsbd.net](mailto:esampson@pcsbd.net)**

## ADMINISTRATIVE UPDATE:

### Errors & Omissions Insurance Renewal

The 2019-20 Errors & Omissions insurance renewal is currently underway. After vetting several carriers and options, PCS elected to renew coverage with HDI Global SE.

HDI Global is a leading international industrial lines insurer and member of the Talanx Group. In the United States, HDI Global SE operates with its subsidiary, HDI Global Insurance Company, a commercial property and casualty insurer with an A rating from A.M. Best.

The Errors & Omissions Enrollment Form, along with payment in the form of a check, should be submitted to Kim Hill in the Finance Department no later than November 8<sup>th</sup>, 2019.

New E&O certificates will be provided to all covered persons around December 9<sup>th</sup>, as soon as they become available. Contact Mary Wescott with any questions or concerns.



Mary Wescott,  
Chief Administration Officer

### 2020 FINRA Registration Renewals

The 2019 FINRA annual renewal calendar has been published, and based on FINRA's timeline there are several upcoming dates of which of registered representatives should be aware:

November 11<sup>th</sup> – Detailed information about the 2020 renewal process will be delivered to all registered personnel.

November 14<sup>th</sup> – Invoices for registration renewals will begin being emailed out.

November 14<sup>th</sup> – December 6<sup>th</sup> – All registered personnel should review invoices to determine registration needs in 2019.

**December 10<sup>th</sup> – ALL registration invoices must be paid in full to Private Client Services.**

December 16<sup>th</sup> – PCS must pay ALL renewal fees to FINRA by end of business day.

If you have any questions or concerns, please contact either Mary Wescott or Kim Hill.

### New SIPC Transaction Fee Assessment Coming in 2020

Effective January 2, 2020, registered individuals who place a stock or bond trade in a client account will begin to see a new SIPC transactional fee appearing on their Repertoire commission statements. (***Mutual fund transactions are excluded from the fee assessment.***) The SIPC transaction fee will be calculated at 0.1875% of gross commission on the stock or bond trade and will appear on the Repertoire statement as "SIPC Assessment". The SIPC Assessment Fee covers certain expenses such as excess SIPC coverage and the SIPC assessment itself.

PCS is very mindful of the expenses incurred by our reps and advisors and has absorbed this expense from the inception of the firm through 2019. Going forward, placing a fee such as this to cover expenses where they are incurred supports PCS' ability to maintain concierge-level customer service, as well as competitive payouts.

## LICENSING & REGISTRATION UPDATE:

### Examination Requests:

When requesting an exam window be opened for a new FINRA Registration exam, the PCS Securities Examination Request Form must be completed and forwarded to Licensing and Registration and send the registration fee to the Accounting Department .



Kim Nelson  
Onboarding Manager



Lindsey Ebben  
Registration & Licensing

### State Registration Requests:

When requesting a new State Registration, the PCS Representative State Registration Request Form must be completed and forwarded to Licensing and Registration. The registration fee should be made payable to Private Client Services and submitted to the Accounting Department in the Louisville Home Office.

### Procedures and Tips for Recruiting Representatives:

When you are considering adding a new Representative to your practice, contact the PCS Point Person to discuss and review your potential recruit: **Leah Shores Hunt 502.992.1658**

#### ***And remember:***

- PCS will perform due diligence on all potential new Representatives.
- An average onboarding takes approximately 5 weeks - This is not a guarantee and could fluctuate depending upon the time of year.
- A full review of the representative's background, book of business and role will be performed by the PCS Management team prior to an approval.
- Have you considered using the PCS Business Development team for assistance with recruiting to your practice? We would love to help!

#### ***Steps for adding new advisors and/or non-registered associates***

Please visit the Advisor Resource Center and click on the "Registration" tab. Here you will find detailed instructions for bringing on both Dually Registered and Registered Representatives, Registered Sales Assistants and Non-Registered/Access Persons.

Producing Representatives will be required to submit the PCS Prospective Advisor Questionnaire as well as a complete Book of Business Spreadsheet. This information should be submitted well in advance of the 5 weeks and will be carefully reviewed by the management team. Upon approval, a completed Registered Representative Packet must be provided.

All registration material should be submitted via email to: [Registration@pcsbd.net](mailto:Registration@pcsbd.net)

Onboarding questions can be directed to:

Lindsey Ebben, Registration & Licensing  
502.992.3587

or Kim Nelson, Onboarding Manager  
502.992.3568

## OPERATIONS UPDATE:

### Annual Inactive Account Fee for Pershing Brokerage Accounts

Each calendar year, Pershing identifies retail client accounts that are subject to a fee because they meet certain inactive account criteria. To assist your office with identifying accounts subject to the charge, being prepared to manage client inquiries, and even providing the opportunity for the registered representative to absorb inactive fees on behalf of clients, we've summarized helpful information below.

#### **Inactive Account Criteria**

An inactive account is defined as a retail account that meets the following parameters:

- The account has been open since January 1
- The account had no settled trades from January 1 through December 31
- The account had one or more security positions for the entire year, exclusive of fixed income book entry-only positions, with margin and/or credit interest of less than \$100 per year

#### **Fee Amounts, Account Charge Date and Exemptions**

The inactive account fee is \$15.00 for a mutual fund only account and \$30.00 for a mixed securities account, which is charged in late February for the previous calendar year. There are some inactive account fee exemptions, which are as follows:

- Accounts executing one trade that settles during the calendar year, regardless of the commission generated, which includes systematic trades and exchanges, but excludes dividend reinvestment trades
- Accounts with an average monthly balance of \$10,000 or greater in certain sweep money market funds or an aggregate FundVest position of \$10,000 or more
- 529 Plans and Cash On Delivery (COD) accounts
- JPU accounts in the advisory office range
- Asset management accounts, such as Corestone Accounts (except for Silver level Corestone Accounts)
- Individual retirement accounts (IRAs), simplified employee pension accounts (SEPs), and qualified retirement plans (QRPs) for which Pershing LLC acts as the custodian or servicing agent and collects service fees for tax reporting
- Accounts holding annuities only will not be charged an inactive account fee

#### **Reports to Identify Preliminary Inactive Accounts**

To identify clients that are currently subject to an inactive account fee, based on account type, holdings and activity year to date, Pershing provides a preliminary inactive account report in NetX360, which is usually available the first week of each month. To access the report, follow the process below:

1. Log into **NetX360**
2. Under the **Menu**, click on **Reports & Documents**, then click on **Report Center**. The Report Center landing page displays.
3. Click on **All Reports**. The All Reports criteria page displays.
4. In the **Keyword(s)** field, type **GLB820M3** and click **Apply**. The Preliminary Inactive Account Detail Report By OFF/IP displays.
5. Click on the report name hyperlink. The report detail criteria page displays. Some fields may be prepopulated.



Lorna Hill, Director Training  
& Strategic Operations

*(Continued on the next page)*

### **Annual Inactive Account Fee for Pershing Brokerage Accounts (Continued)**

1. Delete any criteria in the **OFF** field. This will allow all accounts to display, regardless of the account office range prefix.
2. Delete any criteria in the **IP** field. This will allow all accounts to display for all rep codes to which you are entitled.
3. Leave the **Report Date** field as-is. They will prepopulate with a date range that will include the most recent monthly reports.
4. Click **Display**. Results will display or a notification that there are no results to display will appear.
  - a. **More** than one monthly report may display, depending on the date range and the date that the Pershing report was generated.
  - b. Multiple reports for different rep codes and different office ranges may also display.
10. Click on the **View** link to view the report. The report displays the rep code, account number, short name and asset type of MF for mutual fund only or MX for mixed.
  - a. If you would like to view multiple reports in one document, select the checkboxes to the left and click View Selected as one at the bottom of the screen.

#### **What Next?**

We understand you know your clients best, as well as their goals and objectives for the accounts they have with you. However, we also know that many clients like to avoid inactive fees, if possible, so we've put together some questions to ask yourself as you review the inactive account report.

*Is a brokerage account still the best account type?* Review the report and client accounts to determine if a brokerage account is still suitable for the client. In some instances, clients no longer have equity or fixed income positions and will de-network accounts back to the product sponsor if they hold only mutual funds.

*Will the client be placing trades prior to year-end?* Some clients have securities that are maturing within the next month, and they will be wanting to trade the proceeds soon. Maybe a client mentioned wanting to possibly trade idle cash or rebalance their account, and maybe it is time for a client review meeting.

*Does the client want to keep things as-is?* In other situations, clients are aware of the fee, as it is disclosed the PCS Client Fee Schedule, and they will let the fee be assessed to their account as an account expense. The only thing to consider here is that if a client does not have enough cash to cover the fee, and a debit balance sits in the client account too long or unsecured, Pershing will write the debit off, and it will be assessed to the representative of record.

*Do I want to pick up the fee for the client?* It is certainly understandable that you may want to absorb the fee on behalf of one or all clients. The final inactive account fee report will be available annually in early January via the Report Center in NetX360. After the final report has been posted and until **January 31**, you are able to submit requests to [operations@pcsbd.net](mailto:operations@pcsbd.net) to absorb fees on behalf of your clients. Any requests submitted prior to the final report posting cannot be processed. Provide the client name, account number, and indicate the registered rep is covering the inactive account fee. Please note that these fees cannot be set up to be absorbed on a perpetual basis, and this process will need to be completed each year. Pershing reserves the right to charge the inactive account fee for clients that transfer out their securities prior to year-end to avoid this fee.

Should you have any additional questions, contact Lorna Hill at 502-992-3598 or via email at [lhill@pcsbd.net](mailto:lhill@pcsbd.net).



## Required Minimum Distributions - Pershing Brokerage Accounts

Clients can take RMDs early in the year, late in the year or in installments throughout the year, however, we know some clients wait until the very last minute to get it all done. Year-end processing can be quite hectic, so it is good to be prepared and review clients that are required to take RMDs prior to year-end. Although it is ultimately a client's responsibility to ensure they've satisfied their RMD, Pershing has provided some tools to assist your office with supporting clients during this process.

### **Items for Attention (IFA)**

NetX360's IFA is a consolidated source for viewing open items that affect your clients' accounts, including RMDs and enables you to access timely data, monitor RMD status, view and manage data.

To view RMDs in IFA:

1. Go to your **NetX360** home page by clicking the **Home** tab.
2. Click on the **Items for Attention** tile header. The Items for Attention page displays.
3. Click on the **All IFAs** subtab. The All IFAs page displays in a table.
4. In the IFA Summary table, click the blue hyperlink next to Required Minimum Distribution. The RMD details table displays.

The details table will display the accounts subject to RMDs based on information that has been provided to Pershing and whether the client has met or not met their RMD for the current year for that account. If you click on the account number hyperlink, a detail dialog box will appear that will also show you if the client has a periodic distribution established on the account, and if you click on the status hyperlink, you can change the status as it appears in IFA.

- 2019 RMD data via IFA is available in 2019 only. This data is not available in 2020. Therefore, if you want a list of 2019 RMD items, save your list in Excel by December 31, 2019.
- 2020 RMD data is anticipated to be available on January 7, 2020; however, this date is subject to change. RMDs payable prior to the availability of 2020 data will be held and distributed on the business day following the data update.

### **Periodic RMD Distributions**

One way for clients to avoid forgetting to take an RMD is to establish periodic RMD distributions. If a client established 2019 RMD periodic instructions auto-calculated by Pershing from the 2018 year-end fair market value, the client agreed to a supplemental distribution (up to the available cash in his or her account) intended to ensure that the RMD amount is met by December 31. If the RMD is not met, Pershing will issue a supplemental distribution. A periodic RMD should not be established with a payout date of December 31 specifically for the supplemental payment feature, since the calculated RMD will be released on this date.

One-time, ad hoc distributions processed after the periodic RMD instructions were established do not reduce the periodic RMD payment schedule.

To obtain a list of accounts that have established periodic instructions for 2019 RMDs, access Periodic Instructions via the Service and Operations tab and select the Required Minimum Distribution option.

*(Continued on the next page)*

**Required Minimum Distributions—Pershing Brokerage Accounts (Continued)****Manual RMD Calculation**

Clients are supposed to take their RMDs prior to transferring their accounts into the firm, but this does not always happen. Pershing is not able to auto-calculate the RMD since the account was not held at Pershing to calculate the Prior Year-End Fair Market Value.

There is an RMD Calculator available under Tools > Retirement Center in NetX360, which generates a professional report that can be saved in the client file.

**RMD Withdrawal Strategies**

Many clients can build RMDs into their cash flow as an income source, but if a client's expenses are covered with social security or other retirement income, Pershing offers the ability to reinvest the cash in a taxable brokerage account with one distribution form and journaling the assets to the non-retirement account.

Another option would be to transfer assets in-kind, as RMDs do not have to be in cash. A client could move \$5,000 worth of shares to satisfy a \$5,000 RMD. It is important to carefully note the value of the shares on the transfer date to ensure they satisfy the RMD amount and that amount also serves as the cost basis in the receiving account.

Many clients have opted to take advantage of qualified charitable distributions (QCDs) or funding a grand child's 529. There are many options available, depending on your clients' situation.

**Tax Reporting**

As the tax reporting agent, Pershing is obligated to report distributions that are processed after December 31, 2019, as distributions reportable in 2020. In compliance with IRS and state requirements, tax amounts withheld this year will be reported for 2019 and will not be eligible for reversal in 2020.

To facilitate year-end distribution request processing, submit 2020 distributions after January 1, 2020.

We strongly suggest that the client verify his/her RMD amount with a tax professional, as there may be other pertinent information that could impact the RMD amount.

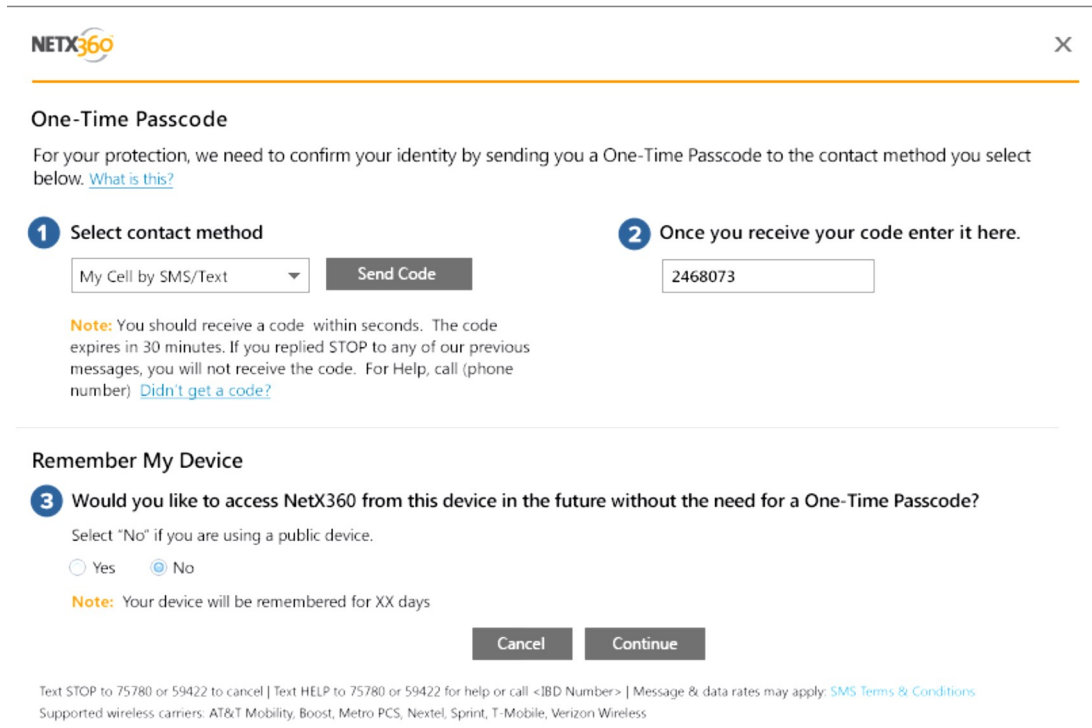
Should you have additional questions, contact Lorna Hill at [lhill@pcsbd.net](mailto:lhill@pcsbd.net) or 502-992-3598.

## NetX360 Login Made Easier with One-Time Passcode (OTP)

On Monday, December 2nd, a more secure and convenient way of logging into NetX360 will go into effect. The One-Time Passcode (OTP) authentication process makes logging in easier as users no longer need to remember additional security questions and answers. After entering your user ID and password on an unrecognized device, you will be prompted to register a phone number (or email address) where a temporary passcode will be sent for authentication.





Kelly VandenBrook  
Director, B/D Operations



The screenshot shows the NetX360 One-Time Passcode authentication interface. It includes a 'Send Code' button, a text input field containing '2468073', and a 'Remember My Device' section with radio buttons for 'Yes' and 'No' (selected). A 'Continue' button is visible at the bottom.

In the **Contact Method** field, select the applicable method from the drop down menu. NOTE: It is recommended that you register a phone number as this is the most convenient and quickest mode of delivery.

- When selecting either 'SMS/Text' or 'Voice Call', enter your phone number in the **Phone Number** field, populate the **Device Nickname** field and click **Verify**.
- When selecting 'Email', enter your email address in the **Email Address** field, populate the **Device Nickname** field and click **Verify**. The system will send a passcode to your new device and displays the **Verify Your Device** pop-up screen. The passcode expires after 10 minutes.

Enter the passcode you received and click **Verify**. The **One-Time Passcode** page re-displays and the **Verified** icon  displays to the right of the added contact method. NOTE: You cannot edit an existing contact method. You must click the **Delete** icon  to the right of the contact method to clear all fields in that row, click **Continue**, and then enter a new contact method with your updated data. In the **Remember My Device** section, select **Yes** or **No** (clicking **Yes** causes the system to remember your device for 30 days). Click **Continue**.

The **Security Email Setup** page displays, confirming your OTP security settings have been saved.

Should you have any questions about this process, please contact Kelly VandenBrook at [kvbrook@pcsb.net](mailto:kvbrook@pcsb.net) or (502) 992-1533.



## PCS TRADE DESK:

The PCS Trade desk is up and running and available to help representatives place trades, process trade corrections, or answer trade related questions. The easiest way to reach the trade desk is by calling (502) 992-1644. The trade desk is monitored by multiple PCS Home office personnel, all qualified to assist with whatever trading issue you may have.

Operations questions may be addressed by either calling the Operations phone loop at (502) 992-1640, or via email to [Operations@pcsbd.net](mailto:Operations@pcsbd.net).

**Reminder** - As outlined in the PCS Non-Registered Fingerprint Person Agreement, no NRF may accept orders from a client, nor can they enter orders at the direction of a Registered Representative. All client trades must be entered by the Registered Representative who took the order or an appropriately registered RSA. Any NRF who contacts the trade desk to place a trade will not be permitted to place the trade.



Kevin O'Bryan  
Director, Client Relations

## U4 UPDATE REMINDER:

### Disclosure Reminder:

The FINRA form U4 must be updated in a timely manner (Usually within 30 days, but sometimes within 10 days) if any registered person has a disclosable event. These disclosable events include, but are not limited to, financial matters such as bankruptcy, compromise with creditors, or liens; legal matters; violations of industry rules; and other items related to outside business activities. Failure to disclose reportable items to the Home Office may result in delayed disclosure and significant late filing fees. Each late disclosure may result in as much as a \$1,575 late filing fee, which is the responsibility of the Representative to pay!

## BUSINESS DEVELOPMENT UPDATE:

We'd like to welcome the following new groups to the PCS family:

- Bradford Financial Group - Dallas, TX - 08/16/2019
- Strategic Capital Advisers - Springfield, OH - 08/19/2019
- AEGIS Financial - Oshkosh, WI - 10/31/2019



Steve Higdon,  
Chief Development Officer

## TECHNOLOGY UPDATE:

Microsoft is ending its support for Windows 7 on January 14, 2020. This means devices with Windows 7 will no longer receive necessary security updates from Microsoft after January 14, 2020. Any current Windows 7 device used to perform PCS related business will need to be retired or upgraded to Windows 10 to maintain security of PII data.

<https://support.microsoft.com/en-us/help/4057281/windows-7-support-will-end-on-january-14-2020>

Here are some options if you have a Windows 7 device:

- Upgrade to Windows 10 by purchasing a full Windows 10 license
- Retire or recycle the device by properly wiping the hard drive data and purchasing a new Windows 10 device

<https://www.microsoft.com/en-us/windows/get-windows-10?step=Win10Question1>

Please consult your IT support to plan for the move from Windows 7 or contact [pcshelpdesk@pcsbd.net](mailto:pcshelpdesk@pcsbd.net) with any questions.



Phil Prosser  
Technology Coordinator

## PCS Compliance Portal—Via Quest CE

The PCS Compliance and Supervision Portal has been up and running for about two years now, and has significantly streamlined the review and approval process for the many items that are submitted to the home office and supervisory personnel. We appreciate everyone's time and patience as you learn to use the new system.

The Compliance Surveillance Team has put together two helpful tools to assist with the use of the portal. Both are available on the Advisor Resource Center under the Compliance Button. The tools are named: Quest Portal Quick Reference Guide, and Instructions for Submitting Disclosures in Quest. We strongly recommend you review these two tools and even have them handy when submitting items into Quest.

One quick reminder - If you are logging in to submit either your check log or correspondence cover sheet, and you have nothing to report, simply select the check box identifying you have nothing to report and that is all you will need to do. This works well if you log in on a consistent basis. If you are behind on your reporting for some reason (we all get busy) then you will need to upload a blank blotter or cover sheet and provide the dates represented by the submission. Without this information your supervisory principal will not be able to determine the review period.

Lastly, some great news! If you are new to PCS or are adding a new representative this year, the new person(s) will not have to complete Firm Element CE, but will get instant access to the portal (At no charge).

If you have any questions or need help accessing the portal, please do not hesitate to reach out to your Managing Principal, OSJ Manager, or to me directly at [jluse@pcsbd.net](mailto:jluse@pcsbd.net).



Jeremy Luse  
Compliance Surveillance Officer

## MANAGING PRINCIPAL GUIDANCE:

### Variable Annuity Application Guidance:

Private Client Services is working diligently to prepare for the new SEC Best Interest Regulation that will become effective in June, 2020. That may seem like a long way away, but the reality is that the rule will change the way our industry makes recommendations and also requires representatives to better document the rationale for their recommendations.

Earlier this year PCS rolled out an updated version of the PCS Purchase Form designed to comply with Regulation BI and other State rules (NY Rule 187 for instance). The new Purchase form requires representatives to dive deeper into the conversations they have had with clients and fully document the recommendations made to the client. The suitability standard has now become a part of the new regulation under the “Care” provision, but the recommendation must also be in the client’s BEST INTEREST.



Jane Vande Voort  
Managing Principal

Kelly Schroeder  
Managing Principal

What does that change on the Purchase form? It changes the depth of explanation needed to justify the recommendation:

- The New form asks questions related to the objectives and goals of the client and why the recommendation is in the best interest to meet the objectives, risk tolerance and goals of the client.
- It requires the representative to compare the recommended product to other available products and provide feedback on why the recommendation is in the clients best interest.
- It asks what specific products were discussed with the client. Remember, this is not the product type, but specific products.
- The form also requires the restrictions, or negative factors associated with the recommendation be listed. These are things such as surrender charges and surrender periods, liquidity limitations, fees, commissions, and any other item that may cost the client or restrict access or performance of the product recommendation.
- The final documentation item relates to exchange or replacement recommendations. The form must represent the reasons for the replacement/exchange and how the client is better off after the exchange and why replacing an old product is in the client’s best interest.

So what are the main reasons that a new variable product application is identified as not in good order (NIGO) and requires additional work by the representative and PRD desk? Below is a short list of items that are seen consistently by the PRD folk and should be avoided in order to allow for a smooth and timely review and approval of your applications:

- Client financial information inconsistencies - As we have discussed previously, the Net worth, Liquid Net Worth, and other investment value entries on the PCS Customer Account Form need to paint a picture of the client’s financials as well as the client’s other investments. These three inputs generally will not match exactly, but they should make sense and coordinate. If there are discrepancies then the representative should add comments within the comments section to provide additional clarification to the PRD reviewer.
- Purchase Form consistent misses:
  - \* Products being purchased and sold should list the product provider and specific product name
  - \* The Guaranteed death benefit type and amount needs to be listed. “Face value” is not an acceptable entry, put in the dollar amount.
  - \* When comparing fees between replaced and new products, the comparison needs to be as consistent as possible. Do NOT include sub-account fees in this section as sub account can and do change. If the new product results in a reduction of sub-account fees this information should be detailed in Section 8 of the form.
  - \* Incomplete sections - Make sure all applicable sections of the form are complete. In this case, more information is better than less information!
  - \* Does the product being recommended/purchased make sense based on the objective listed on the CAF? Many times we see a growth investor with an income rider on a VA. Without additional explanation we are unable to approve the application as it does not make sense based on the suitability information provided.
  - \* When replacing a VA contract, provide guidance as to why the old product no longer meets the needs and objectives of the client. FINRA asks this question, so make sure you provide an explanation that is designed to answer that question!

**Finally remember, the new rules are all about BEST INTEREST, and your recommendation needs to be supported!**

**PCS STAFF UPDATES:**

**Ann Wilson** ([awilson@pcsbd.net](mailto:awilson@pcsbd.net)) Ann joins PCS after being with Hilliard Lyons for over twenty eight years. She joined Hilliard Lyons as an attorney in the Legal Department, followed by two terms in Compliance as Associate Director of Retail Compliance, and two terms in Private Wealth as branch principal and supervisor. Most recently, Ann built and managed the Central Supervision Unit, which moved sales supervision from the branch managers to a team of six people in home office. She holds her KY insurance license, along with FINRA Series 7, 63, and 9/10. Ann is a graduate of Georgetown College and University of Louisville School of Law. She enjoys spending time with her two rescue dogs, Scout and Daniel, volunteering with a therapeutic riding program and gardening. Ann joins PCS as our Director of Field Supervision.

**Cassandra Dunning** ([cdunning@pcsbd.net](mailto:cdunning@pcsbd.net)) Cassandra joins PCS from Hilliard Lyons, a regional Broker/Dealer where she was a Senior Compliance Analyst. She has over twenty years of experience in the financial services industry in areas including Operations, Trading and Compliance. Cassandra received a Bachelor of Science degree in Accounting from the University of Kentucky and a Masters in Business Administration from Indiana University Southeast. Cassandra currently holds FINRA Series 4, 7, 24, 53, 55 and 63 licenses. Cassandra joins PCS as part of the field examination team, as well as working with Kevin O'Bryan in Client Services/Trading.

**Todd Oberhausen** ([toberhausen@pcsbd.net](mailto:toberhausen@pcsbd.net)) Todd joins PCS from Hilliard Lyons with twenty years of securities industry experience. Todd most recently served as Hilliard Lyons' AML Officer and was responsible for designing and implementing the firm's AML Program. Prior roles at Hilliard Lyons include Senior Compliance Specialist responsible for developing and reviewing processes to ensure regulatory compliance, Senior Internal Auditor responsible for planning, performing, and documenting financial, operational, and IT audits and collaborating with management regarding the firm's annual risk assessment, Investment Management Group Coordinator responsible for educating Advisors on transitioning business from transaction to fee-based and the investment management process, and Operations Associate responsible for managing daily dealer ledger responsibilities and addressing Advisor questions. Todd has a Master of Business Administration Degree from Bellarmine University. Additionally, Todd holds the Series 7 and Series 66 licenses and Certified Internal Auditor (CIA) and Certified Anti-Money Laundering Specialist (CAMS) designations. Todd joins PCS in a risk management role and will be performing internal audits for various back-office processes and procedures.

**Diana Perez** ([dperez@pcsbd.net](mailto:dperez@pcsbd.net)) Diana joins PCS from Hilliard Lyons with fourteen years of industry experience including mutual fund operations, equity trading, and field supervision. Diana graduated from the University of Texas – San Antonio with a Bachelor of Finance degree and holds FINRA Series 7, 63, 55, 9/10 and 65. Diana enjoys spending time with her husband (Ed) and son (Shawn), volunteering with her church and playing the piano. Diana joins PCS as a Home Office Managing Principal.

Please join us in welcoming Ann, Cassandra, Todd, and Diana to the PCS family.

**Ed Martin** After several years with PCS Ed Martin has retired. Ed worked in the Finance Department at the Louisville Home Office. We wish Ed the very best in his retirement.

**Mary Heckel** Since 2012 Mary Heckel has been the smiling face that greets clients and answers the phone in the Louisville office. Mary is retiring at the end of November. We wish Mary the best in her retirement years.



**COMPLIANCE UPDATE:****Texting With Clients - Now Available:**

Seth Owen  
Director of Compliance

As of the October 1<sup>st</sup>, 2019, Private Client Services now offers a solution for our Registered Representatives who wish to communicate with clients via text message. The sole PCS approved text messaging vendor is MyRepChat.

In short, the platform offers individuals the ability to send and receive business-related text messages using MyRepChat's website or via their personal smartphone by using an application readily available for download. There is no long-term obligation and the cost is \$16/month which is setup/paid directly to MyRepChat. When setting up a MyRepChat account you have the option to create a new phone number (i.e. preferred area code can be chosen during initial setup) to be used for business-related text messages with clients on a continual basis. Since copies of the messages will also be sent to the representative's existing PCS approved business email address on a daily basis, PCS is able to retain copies of those communications within our existing email surveillance platform enabling the firm to meet industry regulatory obligations. Private Client Services will review each initial MyRepChat account during the setup process through a vendor tailored compliance portal. Use of the MyRepChat application allows individuals the opportunity to text their clients while separating out business-related communications from personal communications using their same smartphone.

Private Client Services recently had two live webinar/demos led by MyRepChat experts for those who registered in advance. For those who weren't able to attend either session and are still interested in learning if this is the right solution for their business, feel free to reach out to MyRepChat directly by visiting their website (<https://www.ionlake.com/myrepchat/>). Be sure to reference your broker-dealer association with Private Client Services when communicating specifics with MyRepChat so the correct information can be tailored to you.

As a result of the above new client communication solution, Private Client Services has updated its related text messaging policies, which it formerly prohibited as did many other firms due to industry obligations to retain and monitor these communications. Our updated policy as well as a PCS specific FAQ has been posted on the Advisor Resource Center under the [Compliance section](#) and should answer many of your Compliance-related questions. For technical questions about MyRepChat's features including how setup the account, sync with your Client Relationship Management (CRM) platform and/or Marketing Pro please direct those inquiries to MyRepChat directly.

While there isn't a requirement for PCS Registered Representatives to setup a MyRepChat account, for those who want the ability to communicate to clients via text message for business-related purposes, they must use MyRepChat at this time. Otherwise, securities business-related text messaging related to your capacity as a registered representative with PCS remains strictly prohibited.