



SOCIAL NETWORKING AND WEBSITE POLICY

Representative Social Networking Policy:

Although individuals in the financial services industry have increasingly been communicating to clients and prospects online, the SEC, FINRA, and state regulators have taken the position that online securities-related communications are to be treated in the same manner as printed advertising and sales materials. FINRA provided guidance in Regulatory Notice 10-06 on how securities-related communications on LinkedIn, Facebook, blogs, etc., must be supervised by firms that allow such websites to be used.

This policy sets forth the social networking policy for both registered representatives and advisory representatives related to how to use such websites for securities-related communications¹. Any violation of the Social Networking Policy may subject a representative and/or PCS to sanctions by regulators; therefore, it is important to follow these guidelines. Representatives will be required to certify annually that they have complied with this policy.

Blogs:

If you wish to discuss securities-related matters on a blog, then you must **obtain pre-approval from the Compliance Department** in order to facilitate the compliance oversight and recordkeeping required by the regulators.

Your blog must identify your affiliation with Private Client Services² and must indicate the state(s) in which you are securities registered and/or insurance licensed and, hence, authorized to do business in, although the blog may be seen by those outside those jurisdictions. Also, if you include a hyperlink in your blog posting, additional required disclosures can be added.

Non-securities-related discussions, such as those related to personal matters or approved outside business activities, may be posted on disclosed third-party blog websites. It is your responsibility to assure that discussions posted on these third-party websites do not touch upon securities-related topics.

1. The social networking policy has been designed to reasonably prevent violations of SEC and FINRA advertising rules. However, depending on the content of your online communications, additional rules from other regulators or designation boards may apply, such as state insurance regulators or the Certified Financial Planner Board.

2. If the blog is on your approved website, and the approved disclosure language is in the footer, then you are in compliance. If the disclosure does not appear in the footer, then it must appear on the blog page of the site. The disclosure must include the name of your RIA, name of your broker/dealer (Private Client Services) and the non-affiliation language. Disclosure approval is required through the MarketingPro system if not in the footer of your website.

Approved Social Media:

You are approved to use LinkedIn, Twitter, Facebook Business Pages, YouTube, and Instagram to advertise your securities-related business, provided you follow the policies and procedures set forth below.

1. If you maintain a social media profile that solicits business or advertises financial services, you must disclose your LinkedIn profile, Twitter account, Facebook Business Page, YouTube channel, and/or Instagram page URL on the accompanying Social Networking and Website Disclosure Form.
2. Your LinkedIn profile and Twitter account must be archived through a PCS approved vendor in order to satisfy record keeping and FINRA supervisory requirements.
3. Your Instagram, YouTube, and Facebook Business Page must be archived through a PCS approved vendor and requires an additional fee be paid to PCS for those archiving services.
4. You must submit a complete copy of your profile page as well as any other static content (i.e., background or “wall” information or banner advertisements) you will be posting on social media via MarketingPro for pre-approval before you post. A copy of the materials submitted for review, compliance approval certificate, and a copy of the posted pages are required to be maintained in your advertising file.

→ *When you list your biographical information on your user profile on social media, be careful not to embellish your achievements, job titles, responsibilities, degrees, or awards. What may seem like innocent puffery could be deemed by the SEC or FINRA as a misleading advertisement.*

5. On LinkedIn, YouTube, Instagram, and Facebook you must identify your affiliation with Private Client Services³, disclose your branch office address and list the states in which you are authorized to do securities or insurance business. If you include an outside business or reference a business name under which you are conducting your securities business, you must disclose that such businesses are not corporate affiliates of Private Client Services.
6. Although LinkedIn encourages users to seek out recommendations in order to increase inquiries through LinkedIn searches, **you must customize your LinkedIn profile so it does not show any recommendations** since such recommendations, once they are included on your page are in violation of firm policy against testimonials⁴. It can be awkward to ask those who have complimented you to take back their nice comments, so there is no requirement for you to police comments placed by third parties on their webpages; however, you may not encourage such comments⁵. If third-party recommendations do, somehow, get posted on your page, you must remove them as soon as they are noticed. Likewise, no recommendation may be given by you to any securities-registered individual, since such a recommendation would constitute a prohibited testimonial and would require approval from PCS for a securities-registered person, and such permission likely will not be given under any circumstances.
7. Facebook’s “like” button: The “like” button on Facebook has been viewed by some regulators in the industry as a potential endorsement when used to “like” certain posts or is encouraged by the profile user. The use of the like button should be done with caution and only used for generic industry news or subject matter, and never in relation to a specific product or service. Advisory reps must pay close attention to the use of the “like” button since testimonials are prohibited by SEC rules for advisory reps.

3. If used for investment business, your LinkedIn, YouTube, Instagram, and Facebook page(s) must include the standard name and affiliation disclosure: Securities (and Advisory services if applicable) offered through Private Client Services, Member FINRA/SIPC. Advisory Services offered through <name of outside RIA>. Private Client Services and <name of outside RIA> are unaffiliated entities. (Include branch office address and phone number).

4. PCS firm policy prohibits any statement which refers, directly or indirectly, to any testimonial of any kind concerning the investment adviser or concerning any advice, analysis, report or other service rendered by such investment adviser. The testimonial prohibition applies to statements about the investment adviser’s advisory capabilities and to personal statements and refers to use of statements made by both clients and non-clients such as former colleagues and service providers.

5. Comments placed on a blog can also constitute a testimonial and must be removed.

8. No endorsements may be made on any social media profile that includes any information related to the securities industry and/or the user is listed as a registered representative (or any other approved title).
9. Twitter accounts should be used to direct recipients to representative webpages or other public sites in order to provide additional resource information. Due to the limited number of characters in a tweet it is difficult to provide the required disclosure information necessary with any type of recommendation or solicitation. Due to this limitation, all recommendations, solicitations, invitations to events, or advertising in general are prohibited within a tweet. Twitter accounts should be created specifically for business purposes and should be separate from any non-business Twitter accounts. Since all tweets will be archived and reviewed, just as all business-related e-mail, personal tweets are considered an inefficient use of firm resources and should be avoided.
10. Please remember that anything posted on a Twitter account may be saved and re-produced at any point in time, so attention should be given to all tweets prior to posting. Any tweet that is distributed should be done so marked as “private”, meaning only the named recipients will receive the posting and it will not be made public. Please see www.twitter.com for more detailed instruction on how to mark tweets as private.
11. The only Twitter attachment that may be allowed is a pre-approved representative photograph. No other attachment may be used with a business related “tweet”.
12. No hyperlink may be included in a “tweet” that directs a recipient to a file located on a site or location other than a PCS approved site or location. Third party providers are available that allow Twitter users to place files and link the location into a tweet. These services are not allowed, and the use thereof is considered a violation of PCS policy and would be subject to disciplinary actions.

Prohibited Activities:

You are not allowed to engage in any securities-related communications using Instant Messenger, text messaging, chat rooms, and other, similar, “instant” communications unless prior PCS Compliance approval is received. If you are on these platforms, and someone who knows your background seeks to engage in such discussions, you must engage them offline or ask them to email the inquiry to your PCS approved email address.

Instant Messenger, chat rooms, and other “instant” communications are considered by FINRA to be correspondence since such communications can be saved and printed by any of the recipients. Given their immediate nature, there is limited to no opportunity for submission of such online conversations to Compliance for review and limited to no ability for the firm to archive such items.

Text Messaging is only allowed for representatives who use the PCS approved vendor and only after prior approval from PCS Compliance. Proper archiving and monitoring capabilities must be setup. If interested in using text messaging for business please contact compliance@pcsb.net for additional information including the firm's approved vendor, the cost, and the overall text messaging policy.

Additional Information:

You are not allowed to use the PCS logo on your website, social media profile or Facebook Business Page. Additionally, you are not allowed to post copyrighted materials on your website, your blog or on social media sites without the owner’s prior consent. You may link, where permitted, to the page on which such materials are located. Any hyperlinks to other websites or pages (except for links to FINRA, SEC or SIPC) must be accompanied by the following disclosure: “By clicking on any link to a third-party site, you acknowledge that you are leaving my web page and that I am not responsible for the content or accuracy of such third-party sites.”

Finally, you are not allowed to allude to or discuss online any potential inside information about a public company. Regulators regularly monitor online communications for tipping related to potential insider trading.

Representative Website Policy:

If representatives desire to advertise their investment business or advisory services on a website, FINRA Rule 2210 requires PCS Compliance to approve the website before it goes live. To assist representatives in launching their websites compliantly, we recommend the following website hosts: Broadridge (formerly Emerald), Smarsh, Advisorwebsites.com, twentyoverten.com, and/or FMG Suite as vendors for representatives' financial services websites.

You must disclose any website you use to advertise your business, even if the website does not refer to any investment products or services. This includes any website you use for any approved outside business activity, including a tax or accounting practice. You need to disclose any such website using the accompanying Social Networking and Website Disclosure Form and submit it to your assigned Registered Principal, Field Supervisor, or Regional Director.

You may only refer to investment products and services that you sell as a result of being a registered representative/investment advisory representative with PCS on a disclosed website. You cannot refer to these products on any accounting or tax website you may have, because we cannot assure these websites will meet regulatory advertising and disclosure requirements.

All representative websites must include hyperlinks for FINRA (www.finra.org), SIPC (www.sipc.org) and BrokerCheck (brokercheck.finra.org). These links should appear on the landing page for the site (home page) as well as any page that has representative profile information. The broker/dealer disclosure with links to FINRA and SIPC should also be listed on pages with product information. For more specific detail please contact your Managing Principal or the Compliance Department.