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PCS Quarterly Newsletter for Q2 2024



Tim Graham, President
Building Stronger Relationships

Over the course of the last several weeks, I've had the opportunity to travel and spend some good, quality, face-to-face time with some of you. For me, it's been invaluable and reinforces the significance of fostering and supporting long-lasting relationships. These relationships not only provide stability and trust but also serve as a cornerstone for driving positive performance, both for PCS and for your businesses. The importance of supporting all of you and investing in long-lasting relationships cannot be overstated.

I genuinely believe feedback is a gift, especially when we at PCS have the responsibility to provide a platform that supports your needs and enables you to focus on what's most important: your clients. At its core, the feedback we receive serves as a catalyst for growth and development of PCS and provides us with opportunities to improve. By acknowledging and acting upon your constructive feedback, we at PCS are committed to the journey of continuous self-improvement, with the goal of achieving greater success in the support we provide for all of you.

We will continue to invest in innovative technology and personalized white glove service to address your feedback as it's necessary, and we understand that. The right technology can streamline processes, enhance efficiency, and provide valuable insights, ultimately enabling PCS to deliver superior white glove service to all of you. While technology undoubtedly plays a pivotal role, the human element remains irreplaceable and our personalized service will continue to improve and my hope, stand out as a beacon of trust and reliability.

Thank you for your feedback and your continued business. My hope is you will see and feel the improvements we will be making in the coming months as we continue to the journey of self-improvement.

Enjoy the summer season!



Todd Oberhausen, Senior Director Risk & Compliance
Important Forms Updates

Compliance recently revised the UIT Disclosure Form. This disclosure document is designed to explain certain options, features, and factors clients should evaluate when considering an investment in a unit investment trust. **This form is only required to be on file once per account rather than for each transaction.**

Structured products, especially those offered and sold to retail investors have faced and will continue to face a high level of regulatory scrutiny. As a result, Compliance has created a new Structured Product Disclosure Form. This disclosure document is designed to help clients understand the general features and risks associated with structured products. **This form is only required to be on file once per account rather than for each transaction.**

If you have questions, please email compliance@pcsb.net. Thank you for your continued partnership and cooperation.



Patrick Homan
2024 PCS Firm Element CE Program

2024 PCS Firm Element CE Program

PCS is happy to announce the 2024 Firm Element CE program will launch on July 1st. PCS will again utilize the Quest CE program, which is the same provider used in prior years.

As a reminder, the Firm CE program includes the following components, all of which **must be completed by November 30, 2024**:

- Firm Element CE courses (assigned to individuals based on role and business lines)
- Annual Compliance Meeting (assigned to all registered persons)
- Annual Compliance Questionnaire (assigned to all registered persons)
- Annual firm attestations

The program also provides access to insurance continuing education courses, as well as certain designation courses at no additional charge.

Finally, similar to 2023, we have included IAR CE for advisory representatives registered on the advisory side in the following states:

Arkansas	Nevada (new for 2024)
California (new for 2024)	North Dakota (new for 2024)
District of Columbia	Oklahoma
Florida (new for 2024)	Oregon
Hawaii (new for 2024)	South Carolina
Kentucky	Tennessee (new for 2024)
Maryland	Vermont
Michigan	Wisconsin
Mississippi	

If you have any questions, please email the Compliance team at compliance@pcsb.net.



Steve Mills, Chief Operating Officer
Guarding Your Digital Identity: Depending Against AI-Driven Fraud

In January of 2024, a disturbing incident shook the financial world as a Hong Kong bank employee fell victim to deepfake technology, resulting in a fraudulent payout of \$25 million.^[1] This sophisticated deception, where AI-generated replicas of colleagues participated in a video conference, underscores the growing threat posed by AI-driven fraud. Another harrowing example involved Padric Fitzgerald, who received a distressing call purportedly from his kidnapped daughter, a cruel manipulation facilitated by AI-generated audio.^[2] These distressing instances underscore the alarming capabilities of deepfake technology and its potential to exploit even the most cautious individuals.



Source: Federal Trade Commission. As of February 2018 – February 2023.

Beyond deepfake technology, AI has the capability to swiftly scour the Internet for personal data, facilitating a form of fraud known as "synthetic fraud." Synthetic fraud entails the creation of a new identity by blending genuine and falsified information. For instance, a perpetrator might utilize a stolen social security number alongside a fictitious name to initiate account creation and conduct transactions. This type of fraud poses significant challenges for monitoring and detections, as fraudsters often invest years in building a solid credit history under a fabricated identity before executing final fraudulent activities and subsequently abandoning the identity. Synthetic fraud stands as the fastest-growing category of financial crime in the United States, signifying the urgent need for robust countermeasures. In fact, the rise of advancing technology has contributed to an increase in fraud of over 30% from 2022 to 2021.^[3]

As fraudulent activities evolve in sophistication, maintaining vigilance and implementing proactive defense strategies are imperative for consumers. Staying abreast of recent AI trends is paramount, requiring dedication to exploring news articles, podcasts and participating in relevant workshops or webinars. These avenues provide valuable insights into AI's evolving role in fraud and strategies to mitigate risks. Online courses available through platforms like Coursera, Udemy and edX offer opportunities to deepen understanding, covering introductory to advanced levels taught by industry experts. Understanding that scammers often exploit emotions emphasizes the significance of staying aware of recent trends to recognize potential warning signs before emotions compromise judgement.

Enforcing robust security measures is crucial in safeguarding personal information effectively. This entails employing strong, unique passwords with a combination of numbers, symbols and letters for each website, and maintaining updated security software with automatic updates enabled. Regularly monitoring communications from entities relying on sensitive data, such as the IRS, banks and credit card providers enables early detection and prevention of fraud. Neglecting the communications from these institutions increases vulnerability, particularly among susceptible demographics like children, the elderly and the homeless. Investing in identity protection services offering comprehensive coverage against all forms of fraud serves as an additional layer of defense.

In conclusion, as artificial intelligence-driven fraud becomes increasingly prevalent and sophisticated, it is imperative for individuals to remain vigilant and proactive in their defense strategies. By leveraging advanced technologies, implementing robust security measures, and fostering a culture of awareness and education, we can better protect ourselves against the evolving landscape of fraudulent activities. With a concerted effort and a commitment to staying informed and adaptive, we can mitigate the risks posed to AI-driven fraud and safeguard our financial well-being and digital assets.

In partnership with Fiducient Advisors, the included information has been obtained from a variety of sources believed to be reliable though not independently verified. Any forecasts represent future expectations and actual returns, volatilities and correlations will differ from forecasts. Past performance does not indicate future performance and there is a possibility of a loss.

[1] <https://www.cnn.com/2024/02/04/asia/deepfake-cfo-scam-hong-kong-intl-hnk/index.html>, February 2, 2024
 [2] AI heralds the next generation of financial scams (ft.com), January 18, 2024

[3] New FTC Data Show Consumers Reported Losing Nearly \$8.8 Billion to Scams in 2022

New Partnership: Pontera

PCS has recently partnered with Pontera to offer software that enables advisors to rebalance held-away retirement accounts like 401(k)s and 403(b)s alongside traditional custodied investment accounts through a unified interface.

Many advisors have seen a 30% or more AUM gathering opportunity from existing clients when partnering with Pontera. Their platform integrates into systems like Orion, Black Diamond, Tamarac and more for reporting and billing. If you would like more information, please reach out to either Matt Hecht mhecht@pcsb.net or Steve Mills smills@pcsb.net.



Shari Lorbiecki, Insurance Licensing Coordinator
Introducing SureLC

Private Client Services is pleased to announce that we've teamed with SureLC, the financial industry's number one onboarding and compliance software used for insurance appointments. SureLC has advisor portals specific to PCS that will consolidate information from multiple sources to make maintaining your carrier appointments, state insurance licenses, and continuing education easier.

While some of you may be familiar with SureLC from working with various insurance marketing organizations like FIG and Crump or other insurance marketing organizations, it is important to note that each instance of SureLC is unique to the company providing you the portal.

The FINRA registration information available inside of the PCS instance of SureLC is reflective of your registrations with PCS. Additionally, all insurance carrier appointment requests for any business running through PCS can now be requested through your PCS SureLC rep portal.

Soon, you will be receiving an invitation to a training demo of the new tool from Shari Lorbiecki and Mary Wescott at PCS. While it's very user-friendly, we encourage you to take advantage of this walk through of SureLC and have the opportunity to ask any questions you may have. We want to make sure everyone is comfortable with the new software platform and knows how to use it effectively to take full advantage of its benefits. If you have immediate questions about this tool, please email us directly at surelc@pcsb.net.



Mary Wescott, Chief Administrative Officer

Affiliate Discount Code for Kaplan/College for Financial Planning

PCS is pleased to partner with Pershing to offer all affiliated representatives and support personnel a 20% discount off licensing and education products with Kaplan/College for Financial Planning. Go to the website <https://kaplan.com/> and use discount code Pershing1 to access the discount. If you have any questions, please contact Mary Wescott (mwescott@pcsb.net).

On-Demand Video of "Understanding Your PCS Errors & Omissions Coverage" Available

Anyone who was unable to attend the April 17th webinar hosted by PCS and Lillian Marvay, JD, owner of the Independent Broker Dealer Consortium, on "Understanding Your PCS Errors and Omissions Coverage" can access and watch the recorded session on demand. It's available inside the Advisor Resource Center section of www.pcsbd.net. Click on the Training Services page for access to the E&O video, as well as other training sessions of a variety of topics including compliance, technology, and business processing.



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