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Newsletter

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SEC Wants Independent Monitor to Run GPB Amid Fraud Charges

Less than a week after charging GPB Capital executives with fraud, the SEC asked a federal judge to put an outsider in charge of the business to protect investors who own GPB private placements and avoid any further potential problems at the firm. The SEC charged senior executives at GPB Capital with running a Ponzi-like scheme that raised over \$1.8 billion from 17,000 investors. At the same time, the Justice Department unsealed a criminal indictment in the Eastern District of New York charging the three GPB executives, David Gentile, Jeffrey Schneider and Jeffrey Lash, with securities fraud, wire fraud and conspiracy. [Read On.](#)

Latest Registration Rules in New York May Have Far-Reaching Impact

The New York Attorney General announced on Dec. 1, 2020, amendments to the New York Investment Advisory Act that will require many investment advisor representatives (IARs) to register with the State of New York. If you render investment advice within or from the State of New York, now is the time to begin reviewing the rule and your registration obligations. [Read On.](#)

JP Morgan Chases Another Bank Broker Who Joined LPL

JPMorgan Chase & Co. has returned to court to keep a former bank-based broker who joined LPL Financial from reaching out to his former clients. J.P. Morgan Securities, the bank's broker-dealer entity, sued Stephen B. Browne in Metairie, Louisiana, for "aggressively soliciting" his former customers and for pre-announcing his move to at least two of them in violation of his employment agreements, according to a complaint filed in U.S. District Court in the Eastern District of Louisiana. [Read On.](#)

FINRA Releases Annual Report Addressing Areas of Examination Focus for 2021

FINRA announced its 2021 report on FINRA's examination and risk monitoring program on February 1, 2021. The report combines and replaces two of their previously published annual reports: the report on examination findings and observations and the risk monitoring and examination program priorities letter. [Read On.](#)

Big BDs Keep Getting Bigger as Small Firms Merge or Exit

The consolidation is being driven, in part, by mergers and acquisitions and a desire among BDs to increase scale in response to evolving industry dynamics. BDs need to invest significant amounts of capital to operate and maintain brokerage and advisory platforms and increasingly sophisticated advisor-facing technology tools, in addition to other areas of their business, while facing increasing competitive threats. [Read On.](#)