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Newsletter

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Broker-Dealers Must Comply with the Customer Protection Rule When Borrowing Customer Securities

Firms operating FPL programs should be mindful of the requirements in the Customer Protection Rule, that the NAL grace period ends on April 22, 2021, and that SEC Examinations staff will likely have this issue on their radar during future exams. [Read On.](#)

Whistleblower Receives \$3M CFTC Award

The Commodity Futures Trading Commission (CFTC) has awarded a whistleblower approximately \$3 million for a tip resulting in the CFTC opening an investigation that yielded enforcement action. The CFTC has granted whistleblower awards associated with enforcement actions resulting in monetary sanctions totaling more than \$1 billion. The agency's Whistleblower Program was created under Section 748 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. [Read On.](#)

Stock Shorts Collapse As No Hedge Fund Wants 'Head Ripped Off'

Elevated valuations would seem to provide ammo for short sellers. The S&P 500 is trading at about 23 times next year's earnings, near the highest since 2000. Compared with the 10-year Treasury yield, the benchmark is offering the thinnest risk premium since 2010. [Read On.](#)

FINRA Provides Advice for BDs to Fight Fraud

It is more important than ever for broker-dealers to be watchful for fraud and take the proper steps to combat it, including the filing of suspicious activity reports (SARs) when warranted, according to Greg Ruppert, head of National Cause and Financial Crimes Detection Programs at FINRA. [Read On.](#)

JP Morgan Quickly Secures TRO Against Five Bank Brokers Who Joined LPL

J.P. Morgan Securities has obtained a temporary restraining order blocking five former Chase Bank branch advisors in the Chicago suburbs who left earlier this month for LPL Financial from soliciting the bank's customers. [Read On.](#)