



## Personal & Private Securities Transactions

FINRA Rule 3210 requires broker-dealers to have policies and procedures in place to supervise associated persons' activities, including trading activity. When you join Securities America you disclose your **Personal** Securities Transactions, i.e. existing brokerage accounts. Once affiliated with Securities America, if you wish to open a new outside brokerage account (not held at SAI) you must get preapproval by going to the *Resource Center*>*Keyword Search 407 Letter*>and completing the fields under Request a Compliance Pre-Approval Letter in the bottom right of the screen. You will receive an email from compliance if approved. You will then add the information regarding the new account via *Compliance Questionnaires*>*Outside Brokerage Accounts & Holdings*.

FINRA Rule 3280 addresses **Private** Securities Transactions. All registered reps and associated persons are required to obtain prior written approval from Securities America before engaging in a private securities transaction. This encompasses everything from private limited partnerships, privately held companies, promissory notes, etc. The forms required for this approval process are not in the forms library, but our office has copies and can walk you through the process if you want to participate in a Private Securities Transaction.

Both Personal and Private Securities Transactions have similar attestation processes. For Personal Securities Transactions you will use Compliance Questionnaires to attest that disclosed accounts are still open, and they will reflect as closed if you transfer to an internal account. In contrast, Securities America will email a document annually for you to sign attesting that you are still participating in and abiding by the rules of participation in approved Private Securities Transactions.

3280c(2) specifies that information for private securities transactions must be recorded on the books and records of the firm and supervised as if the transaction was executed on behalf of the member. As such, records must be maintained while the registered representative is invested in the product. Should the registered representative liquidate the investment or close the account, the transaction paperwork must be maintained for a minimum of six years beyond that time. Keeping this rule in mind, it is important to remember that, like Personal Securities Transactions or Outside Business Activity, if you are no longer invested in a previously approved Private Securities Transaction you will need to provide documentation as to the timing and nature of your exit from the PST. On rare occasions, you may obtain preapproval and then change your mind about participating in a PST. If that occurs you will also have to submit an attestation that you did not execute the request so that the appropriate notations can be made on SAI's files.

Please note: Engaging in private securities transaction(s) without approval is considered a Sales Practice Violation. If you are ever in doubt as to whether something requires disclosure or pre-approval, do not hesitate to contact our office.