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3PM, ComplianceMax Develop Specialized Compliance Program

ComplianceMAX and the **Third Party Marketers Association** have created a compliance program specifically designed for third party marketers. The program and its core components, including monthly workbooks, procedures manuals, self-test templates and a model document library, are available to both investment advisors and broker-dealers.

The program is scheduled to be officially rolled-out on July 1.

"The degree of compliance that is demanded of third party marketing organizations has risen so much over the past few years," said **Erika Cramer**, co-chair of 3PM's benefits committee and founder of **Alternative Access Capital**. She said problems have arisen because smaller firms, including third party marketers, are being regulated by rules designed for the larger, retail investors. "To focus on running a business and meeting the high level of standards that are required for compliance is a difficult task for an organization our size."

Lisa Roth, president and ceo of ComplianceMAX, said the program includes built-in hints, a workbook that puts together a third-party marketers mandatory compliance tasks and also lets firm's know when various tasks are due.

"It is designed to train the most novice compliance person," she said.

By creating a manual specifically for third party marketers, Cramer said firms will know "that the rules and regulations and the policies and procedures in that manual really apply to our type of business."

"The fact is, compliance in our industry...just doesn't follow any logic or pattern," Roth said.

The ability to conduct self-tests is also a benefit to the program, Cramer said, noting that hiring an outside organization to conduct an audit or test a firm's policies and procedures can be an expensive task.

"We wanted to create a program that was comprehensive but also added some flexibility to each of our members," Cramer said. "We wanted to make sure that there was flexibility in the options of the program so that members could buy into certain aspects of the program."

The program is available through a password-protected Web portal that provides interactive workbooks and easy-to-use formats. As part of the program between 3PM and ComplianceMAX, two Web seminars will be hosted each year dedicated to third party marketers.

Through the arrangement, members of 3PM can utilize the service at a special rate of \$150 a month, which also includes self inspection templates as an add-on feature.

"What 3PM has created is a way to access a high level of compliance standards through being a group member, working in numbers to really create something that helps all of us," Cramer said.

3PM is hosting its first Web cast, Compliance and Regulatory Issues Facing 3PMs Operating Broker/Dealers, on June 25 at 1 p.m. EST. The approximately 40 minute presentation is free to 3PM members and is \$100 per person for non-Association members.

Firms must register here before June 22.



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