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The Dos and Don'ts of Social Media and Email Archiving

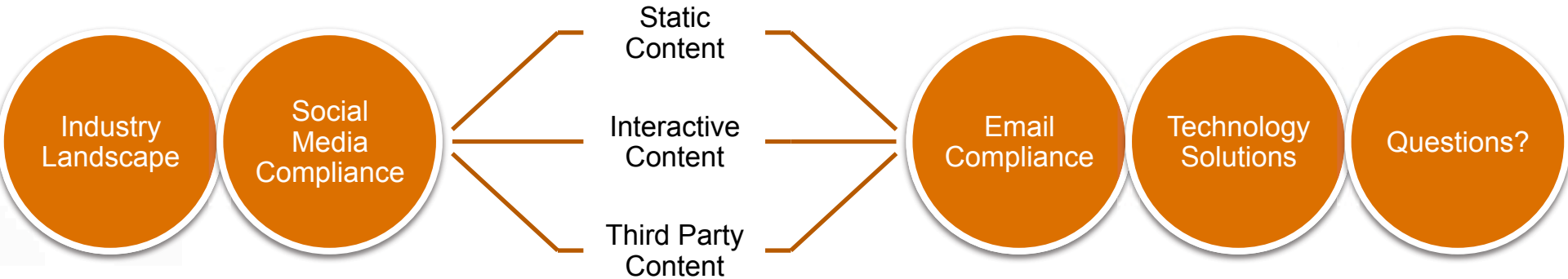
Timothy Welsh, CFP

President, Nexus Strategy, LLC.

Michael Laks

Financial Program Strategist, Laserfiche

Agenda



Social Media Use Among Financial Advisors

- ▶ Every year social media becomes more important for financial advisors
- ▶ Social media is here to stay- and it is changing the way businesses are interacting with their customers and clients
- ▶ In today's competitive landscape, taking advantage of new media is critical to continued success



Social-media tools used by advisers professionally

2013		2012
67.5%	LinkedIn	61.9%
25.3%	facebook	21.7%
23.1%	twitter	18.7%
16.3%	blog	13.2%
11.3%	Google+	7.9%
9.7%	YouTube	7.4%
0.9%	Pinterest	1.1%
0.3%	Instagram	0.6%
13.1%	Do not use	17.0%

Social Media Benefits for Advisors


▶ Advisors use social media for a variety of reasons including:

- Networking
- Marketing
- Prospecting
- Research



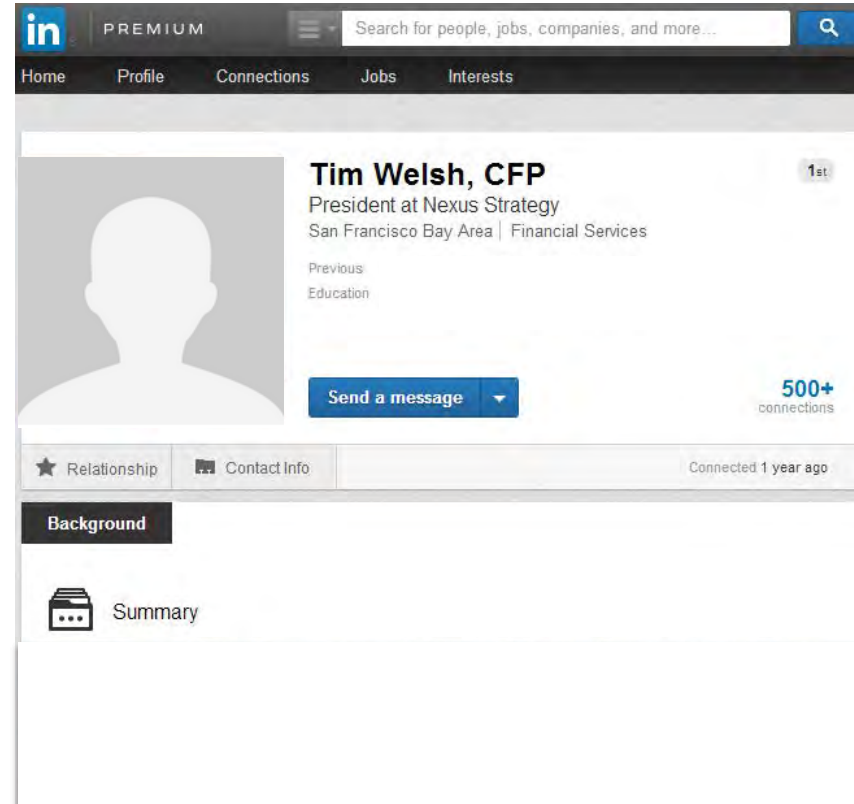
19.3%

of advisers this year have gained new clients from using social media, compared with 15.4% in 2012.

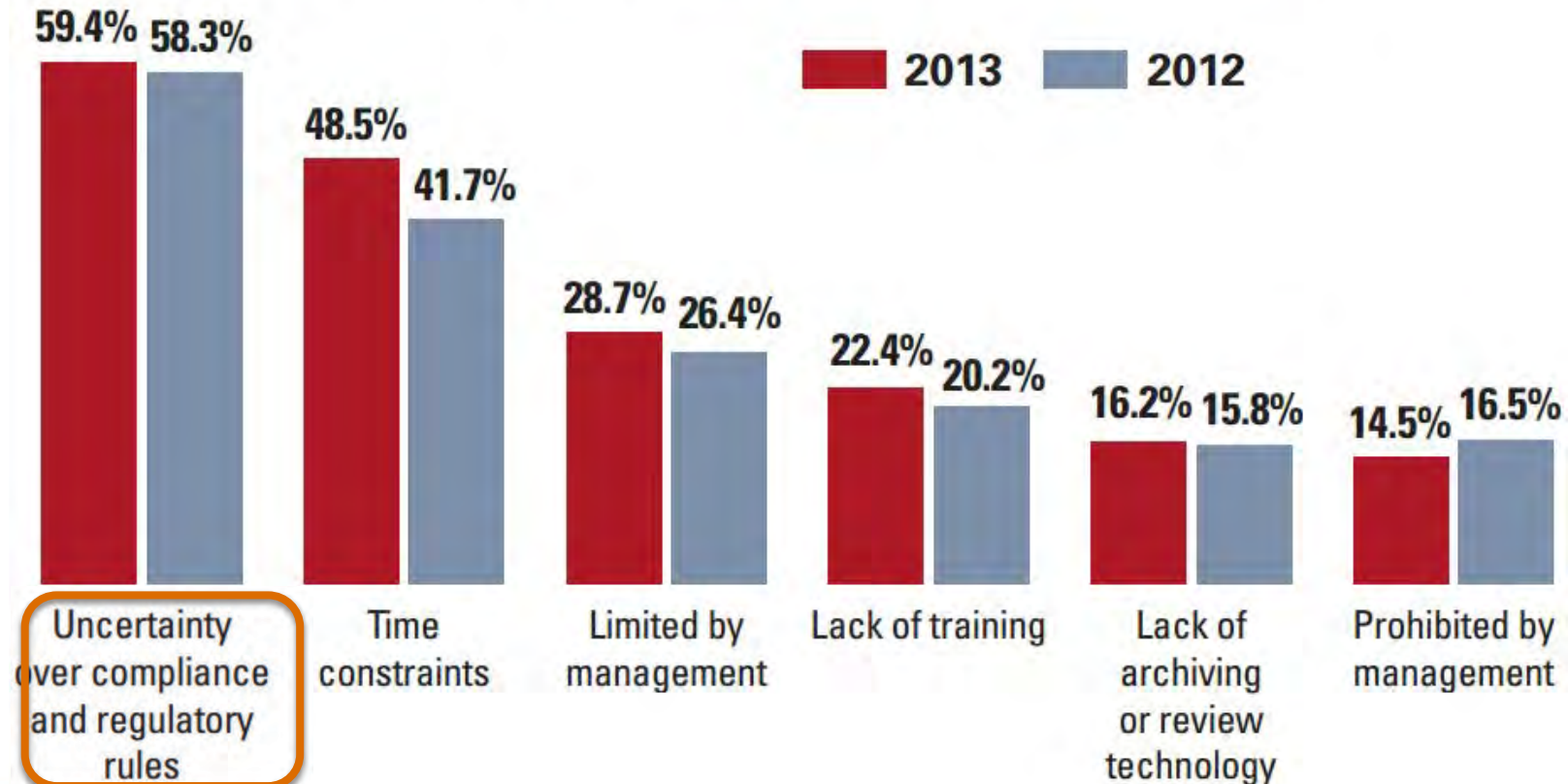
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What can you do today?

- ▶ Create a LinkedIn Profile
- ▶ Write a short introduction to you and your firm
- ▶ Add a photo!



Primary challenges for advisers when using social-media sites for business purposes



- ▶ Develop a “Social Infrastructure”
 - Integrated into marketing strategy
 - Flexibility to actively use social media
 - Technology framework
 - Compliance

Social Media Compliance Overview

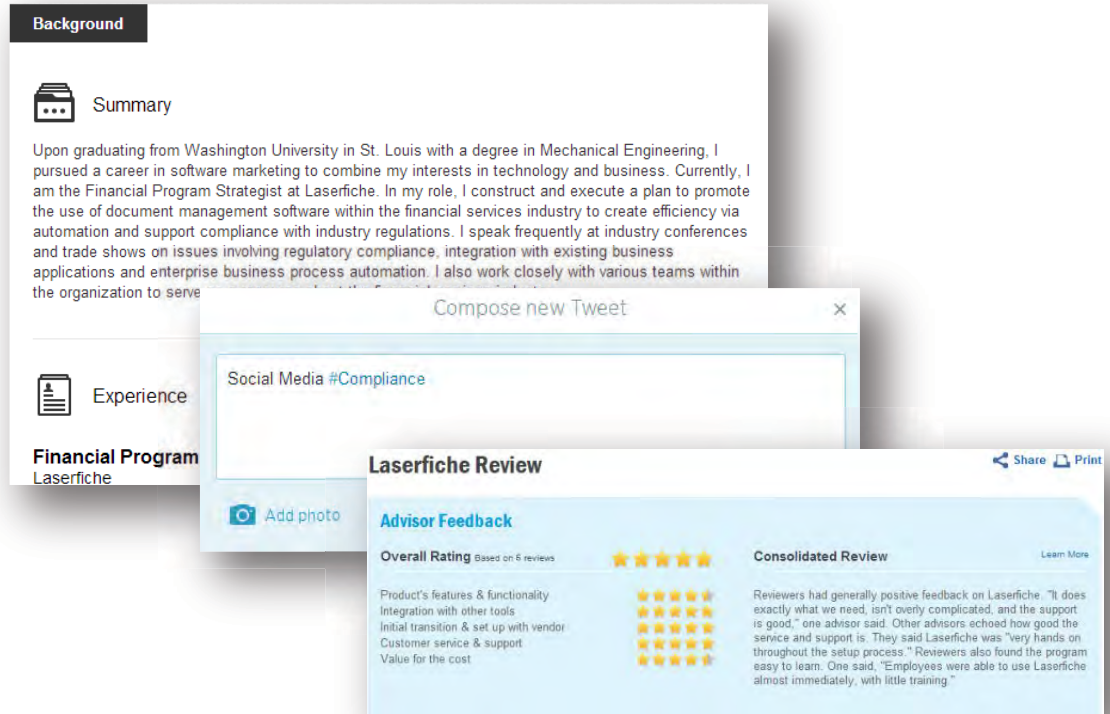
- ▶ Must comply with:
 - Antifraud provisions
 - Compliance provisions
 - Recordkeeping provisions
- ▶ Exact regulations depend on your regulator



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Types of Social Media Content

- ▶ Static
- ▶ Interactive
- ▶ Third Party



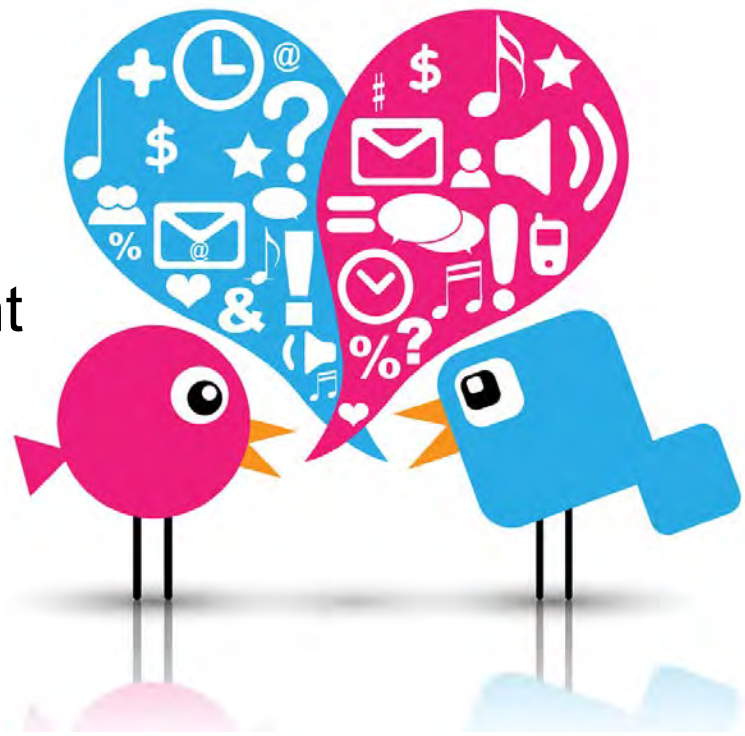
The collage consists of three overlapping screenshots:

- Static Content:** A LinkedIn profile page for a user named "Financial Program Strategist at Laserfiche". It shows a "Background" section with a "Summary" icon and a paragraph of text describing their career path from Washington University to Laserfiche, and an "Experience" section with a "Financial Program Strategist at Laserfiche" entry.
- Interactive Content:** A "Compose new Tweet" window with a text input field containing "Social Media #Compliance" and an "Add photo" button below it.
- Third Party Content:** A "Laserfiche Review" page showing "Advisor Feedback". It includes an "Overall Rating" of 5 stars based on 8 reviews, a "Consolidated Review" section with a "Learn More" link, and a list of review criteria with corresponding star ratings: "Product's features & functionality" (5 stars), "Integration with other tools" (5 stars), "Initial transition & set up with vendor" (5 stars), "Customer service & support" (5 stars), and "Value for the cost" (5 stars). A quote from a reviewer states: "Reviewers had generally positive feedback on Laserfiche. 'It does exactly what we need, isn't overly complicated, and the support is good,' one advisor said. Other advisors echoed how good the service and support is. They said Laserfiche was 'very hands on throughout the setup process.' Reviewers also found the program easy to learn. One said, 'Employees were able to use Laserfiche almost immediately, with little training.'"

- ▶ Examples: profile, background information, blog posts
- ▶ Treat like an advertisement
- ▶ FINRA requires principal pre-approval
- ▶ Must archive all content

Interactive Content

- ▶ Examples: posts on Twitter or Facebook, comments on blogs
- ▶ “Content is determinative”
 - May be treated as a public appearance or an advertisement
- ▶ FINRA requires principal supervision
- ▶ Must archive all content



Third Party Content

- ▶ Examples: reviews on yelp, endorsements on LinkedIn, the 'Like' button on Facebook
- ▶ Firm is not responsible for 3rd party content
- ▶ Exceptions:
 - Entanglement theory
 - Adoption theory
 - Testimonial rule



- ▶ Examples: content is solicited, reviewed or paid for by the firm
- ▶ Content is attributable to firm
 - Must archive all content
 - Supervision or pre-approval are required

If firm involves itself with the preparation of the content, it becomes 'Entangled'

- ▶ Examples: content is approved before release, content is re-posted by firm
- ▶ Content is attributable to firm
 - Must archive all content
 - Supervision or pre-approval are required

If firm explicitly or implicitly endorses or approves content, it becomes 'Adopted'

- ▶ New guidance update
- ▶ Explained when 3rd party reviews do not trigger the testimonial rule
- ▶ SEC does not want advisors to be misleading by:
 - Highlighting good reviews over bad reviews
 - Adding their own reviews or commentary



Testimonial Rule Continued

- ▶ Common examples that violate the rule:
 - Facebook “Like” button
 - LinkedIn Endorsements
 - LinkedIn Recommendations
 - Reviews that you are entangled with
 - Filtered, edited or highlighted reviews



Top Skills

25 Wealth Management



1 recommendation

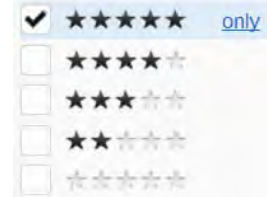


Tim and I served together on the Financial Planning Association national Board of Directors. During that time (and after) Tim consistently demonstrated unusual abilities to be both imaginative and practical, thoughtful and effective, insightful and... [View](#)



**Place a review
and get 10% Discount**

Stars [show all](#)



Testimonial Rule Continued

An advisor may post reviews from **independent** 3rd party websites if **all** reviews are posted in an **unedited and unfiltered** context and the advisor had **no direct or indirect role in authoring** the reviews.

Social Media Compliance

- ▶ Treat social media like advertising
- ▶ Provide a platform for posting
- ▶ Archive everything so that it can be found at a moment's notice
- ▶ Make everything auditable



- ▶ What emails need to be archived?
 - Content is determinative
 - All communication relating to “business as such”
- ▶ Regulations refer to “communication”
 - This includes mail, email, instant messages, social media and the communication of the future

Social Media and Email Compliance

- ▶ Social media posts and emails are corporate business records
- ▶ Difficult to keep track of because they can be deleted or modified easily
- ▶ Best practice is to store with the rest of your business records
- ▶ ECM

What is ECM

- ▶ Enterprise Content Management (ECM)
- ▶ ECM = Document Management + Workflow
- ▶ Securely store all of your content in compliance with regulations while automating critical business processes



Search and
Retrieve



Capture



Distribute



Secure



Store



Automate

Industry Drivers: Compliance

- ▶ Compliance with SEC and FINRA record-keeping regulations
- ▶ Your documents must:
 - Be secure
 - Be unmodifiable and undeletable
 - Be indexable via metadata
 - Have an audit history
 - Other requirements of rules 17a-3 and 17a-4



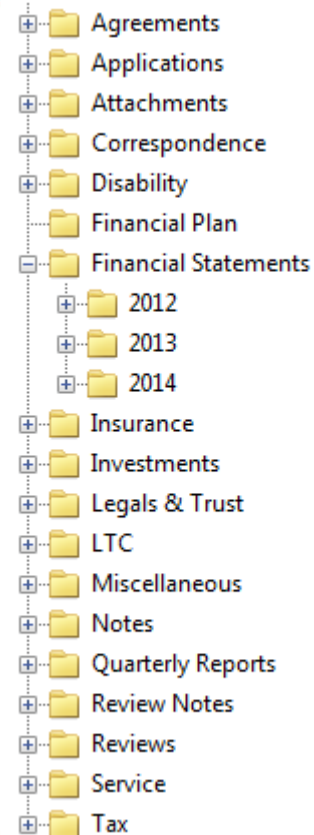
Industry Drivers: Efficiency

- ▶ Reduced overhead
- ▶ Organized client records
- ▶ Streamlined workflow
- ▶ Content stored in one place
- ▶ Established compliance processes
- ▶ Enhanced productivity

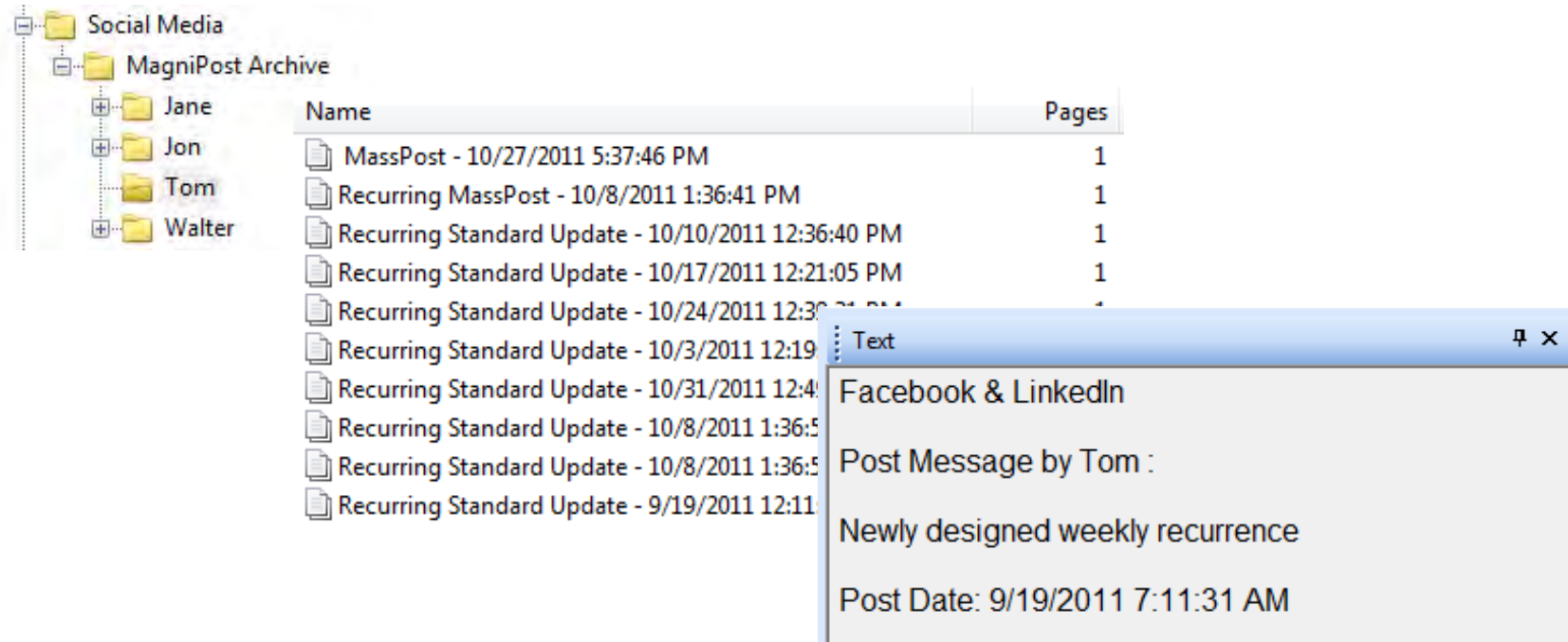


Industry Drivers: Standardization

- ▶ Maintain central control while allowing local flexibility
- ▶ Standardized naming and folder structure
 - Automated filing
- ▶ Never lose a document again!



Social Media Archived in ECM



The screenshot shows a file explorer on the left with a tree view:

- Social Media
 - MagniPost Archive
 - Jane
 - Jon
 - Tom
 - Walter

The main area displays a table of documents:

Name	Pages
MassPost - 10/27/2011 5:37:46 PM	1
Recurring MassPost - 10/8/2011 1:36:41 PM	1
Recurring Standard Update - 10/10/2011 12:36:40 PM	1
Recurring Standard Update - 10/17/2011 12:21:05 PM	1
Recurring Standard Update - 10/24/2011 12:30:21 PM	1
Recurring Standard Update - 10/3/2011 12:19:11 PM	1
Recurring Standard Update - 10/31/2011 12:41:11 PM	1
Recurring Standard Update - 10/8/2011 1:36:51 PM	1
Recurring Standard Update - 10/8/2011 1:36:51 PM	1
Recurring Standard Update - 9/19/2011 12:11:31 AM	1

A preview window titled 'Text' is open over the last row of the table, displaying the following content:

Facebook & LinkedIn
Post Message by Tom :
Newly designed weekly recurrence
Post Date: 9/19/2011 7:11:31 AM

Questions?

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