

BOOKS AND RECORDS

Listed below are the items we will be reviewing when we conduct your office exams. These are also the items other regulators may ask to see in the event they conduct an office exam. We have included this information for your reference. You will need to review and set up your procedures, along with your books and records to accommodate these requirements.

I. Communications with the Public (including advertising & sales literature)

Evidence of principal review of all materials regarding securities clients must be maintained in an orderly fashion. This includes:

- Letters and emails
- Disclosure on letterhead, business cards, email signature line, fax cover sheets
- Social Media-Website and LinkedIn review (if applicable)
- Advertising materials, brochures, phone book ads
- Seminar and Public speaking materials – may require FINRA review.
- Consolidated Statements – review FINRA NTM 10-19

II. Business Processing

- Maintain Daily Business blotters to be filed with Home Office monthly.
- New securities purchase transactions & securities redemption transactions
- Maintain record of KCD Principal's approval of business processed.

III. Customer Records must include the following:

- Files easily identifiable as securities and separate from insurance files.
- KCD New Account Form – with principal signatures
- Investment Disclosure with each application
- Copies of applications and approval forms signed by designated principal.
- Any research done on product to prove suitability.
- Quarterly Statements

IV. Reference Materials

- KCD Compliance Manual accessible online bookmark: www.kcdfinancial.com
- FINRA Manual accessible online bookmark: www.finra.org
- MSRB Rule Book accessible online: www.msrb.org (if applicable)
- Prospectuses: keep up to date (none older than 13 months)
- SIPC sign displayed (if a registered branch office)

V. Other Designated Compliance Files

- Customer Complaint file – even if empty
- Do Not Call List – even if you do not telephone solicit.
- Office Review History file – including inquiries and exams.

VI. Representative Files

- Current U-4 – review current filing for updates.
- KCD Representative Agreement
- Agent appointments with variable companies
- Current Insurance License(s)