

Broker Dealers & Investment Management Litigation

Navigating regulatory requirements in complex markets



Whether you are seeking to

- organize, license, and operate a broker dealer or investment advisor
- register as a securities professional
- determine registration requirements in compliance with securities laws and regulations
- evaluate, structure and negotiate the purchase, sale, re-structuring of a broker dealer, investment advisor, or related multi-line service organization

our team helps clients new to the securities industry and experienced firms overcome obstacles, expand opportunities, and adhere to industry requirements for long-term success.

We help clients manage

- Decisions on how to structure their securities-related business
- Federal, state, and self-regulatory organization compliance processes
- Relationships among highly-regulated affiliates (including banks and insurance companies), firm principals and other registered individuals
- An ever-changing regulatory landscape and market practices
- Complex fund and investment adviser structural issues
- Business and reputational risks

Interdisciplinary team and collaborative approach

- Former in-house counsel and compliance officers for broker dealers, investment advisors, REITs and large fund managers
- Former SEC staff
- Seasoned tax, ERISA, regulatory, employment, real estate and mergers and acquisitions practitioners

Related Practice Areas

Banking & Financial Services

Business Development Companies

Commercial & Syndicated Lending

Corporate & Securities

Corporate Governance

E-Discovery - Encompass

E-Discovery & Information Governance

Emerging Growth & Venture Capital

Executive Compensation, ERISA, Employee Benefits

FinTech

General Counsel Services

Investment Management

Litigation

Mergers & Acquisitions

Private Equity

Public Company Compliance & Counseling

Real Estate

Securities & Enforcement

Securities Offerings

Tax

- Experienced trial lawyers who, when necessary, regularly address regulatory matters before securities regulators and courts

Our attorneys provide business-minded, market-experienced, business-oriented legal advice and strategy.

Our clients span the alternative investment and financial services sector

- Broker dealers, from large retail to boutique investment banking firms
- Commodity pool operators
- Entrepreneurs
- Family offices
- FinTech firms
- Fund consultants
- Funds of funds
- Hedge funds and private equity funds
- High net-worth individuals
- Individual registered securities professionals
- Investment advisers, including robo-advisers
- Managers of large investment funds
- Pension funds, insurance companies, and other institutional investors
- Real estate funds
- Venture capitalists and venture capital funds

Navigate the legal and regulatory landscape, focus on business objectives

With broad industry experience and regulatory and product knowledge, Nelson Mullins offers broker dealer, investment advisory, and related clients creative solutions to help manage legal and regulatory risks and position your business for long-term success.

Our investment broker-dealer and investment advisory services allow you to

- **Address broker-dealer status questions** – including issues raised by using finders and other unregistered sources of capital introduction
- **Conduct operational due diligence** – of broker dealers, investment advisors, and their principals, registered staff, and related entities
- **Engage key service providers** – including compliance consultants, out-sourced principals and CCO services, third party administrators, placement agents, and prime brokers
- **Maintain compliance with federal and state laws and regulations and self-regulatory organizations rules governing securities, firms, brokers and advisers** – including the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, the

White Collar
Defense &
Government
Investigations

Related Industries

Banking & Financial
Services

Dodd-Frank Act, the USA PATRIOT Act and the Commodity Exchange Act, and rules of the Financial Industry Regulatory Authority, National Futures Association, and others

- **Establish a culture of compliance** – implement robust compliance policies and procedures and supervisory controls, train employees and consultants and monitor ongoing compliance performance
- **Evaluate investment opportunities** – and negotiate and implement deal structures and strategies aligned with business objectives, including acquisition of broker dealer and investment advisory firms and related businesses
- **Interact with regulators** – prepare registration applications, including Forms BD and ADV, applications for exemptive relief and ongoing regular compliance reporting
- **Firm advertising** – consult regarding the preparation of compliant marketing materials
- **Litigate essential regulatory matters** – before the SEC, CFTC, state regulators, SRO's, and state and federal courts
- **Negotiate the terms of investment** – in hedge funds, private equity funds, venture capital funds and other alternative investment vehicles
- **Negotiate transactions and joint venture deals** – work with a legal team with practical business sense and a deep understanding of and experience with market relationships among broker dealers, investment advisors, and affiliated firms
- **Protect your business interests** – in connection with regulatory examinations, audits and enforcement actions as well as client and talent retention, including compliance consultation with individual brokers and investment advisors changing firms
- **Raise investment capital** – leverage our relationships with managers, sponsors, institutional investors, service providers and other contacts within the alternative investment industry
- **Register as an investment adviser, broker dealer, or related registered individual**– with the SEC, applicable state securities regulators, or relevant self-regulatory organization
- **Structure relationships with firms' employees and independent contractors** – including matters regarding restrictions upon solicitation and competition
- **Seek regulatory relief** – including exemptive and no-action relief from the SEC, state securities regulators, and self-regulatory organizations
- **Structure and operate investment management firms and related service companies** – attract and retain high-level talent
- **Structure transactions and deal documents** – designed to align interests and achieve business objectives
- **Trade complex structured productions** – including swaps and other derivatives
- **Understand and navigate compliance issues associated with managing and investing in private funds** – including investment adviser registration and exemption, broker-dealer status questions and supervisory policies and procedures

Why Nelson Mullins?

- Practical business mindset and experience combined with deep regulatory knowledge
- Multi-disciplinary team
- Cost efficiency and budget predictability
- Industry experience with regulators and key service providers

Experience

Following is a selected sampling of matters and is provided for informational purposes only. Past success does not indicate the likelihood of success in any future matter.

Firm Formation, Acquisition, and Structuring

- Represented clients acquiring or otherwise forming broker dealers
- Represented clients acquiring or otherwise forming investment advisory firms
- Represented multi-line service companies with structuring the relationships among their broker dealer, investment advisor, insurance, real estate, and/or other service affiliates, including joint services agreements, privacy compliance, and referral relationships
- Represented broker dealer associated with industry affinity group structure relationship with clearing broker and other service providers
- Represented independent broker dealer client with structuring relationship with its investment advisory affiliates and national retail broker dealer
- Represented clients in formation of investment advisory firms in conjunction with launch of business development companies

Registration, Employment, and Transition

- Represented firms, individuals and groups of individuals with regard to their respective registrations with the SEC, CFTC, state securities regulators, and SRO's, including FINRA and the NFA
- Represented firms, individuals, and groups of individuals with regard to employment and independent contractor relationships between and among broker dealers or investment advisers and individuals
- Represented firms and individuals in transition matters with respect to non-solicitation and non-competition issues, including raiding claims
- Represented individual with regard to obtaining simultaneous registration with two broker dealer firms from state regulator

Regulatory Compliance

- Represented broker dealer and investment advisory firms in developing policies and procedures designed to comply with applicable securities law and regulation
- Represented investment advisor in evaluating fund compliance with Sections 3(c)(1) and 3(c)(7) of the Investment Company Act

- Represented broker dealers in assessing compliance with and amendment of firms' membership agreements with FINRA
- Represented national broker dealer in reforming compliance policies addressing disposition of client accounts upon death of client and upon receipt of family-related court orders
- Represented investment advisers in developing compensation systems designed to attract and retain talent
- Represented investment advisers in preparing annual updating amendments to their Form ADV's
- Represented broker dealers in preparing amendments to their Form BD's
- Represented firms in conduct of annual and third-party compliance program reviews, and conducting portfolio reviews and other mock audit services
- Represent firm and fund boards of directors and their independent directors with regard to their regulatory obligations

Exemptive and No-Action Relief

- Represented investment advisory firms in interpreting and obtaining exemptive and no-action relief regarding various statutory and regulatory requirements related to fund clients as well as other operational issues.
- Represented broker dealers with to regard to interpreting and obtaining exemptive and no-action relief regarding to various statutory and regulatory requirements
- Represented un-registered private equity firm in obtaining no-action relief from numerous state securities regulators to ensure that it need not register as a broker dealer in those jurisdictions

Regulatory Defense and Litigation

- Represented numerous firms and individuals in defense of them before the SEC, state securities regulators, and SRO's, as well as in court, regarding securities regulatory allegations and charges
- Represented numerous firms with regarding to initial inquiries and investigations by the SEC, CFTC, state securities regulators, and SRO's, regarding matters rising under various securities statutes, regulations, and rules
- Represented broker dealers, investment advisers, and related individuals in defense of investor-related, employment-related, and other claims