

Reporting Period: \_\_\_\_\_

Each OSJ Supervisor must complete and submit this checklist to the firm's Compliance Department within 15 days of the month end. **Please note that no review will be deemed complete until the appropriate document(s) are initialed and dated by the OSJ Supervisor. Notes should be taken regarding each item reviewed to evidence the review.**

**I. GENERAL INFORMATION**

1. Reporting OSJ Supervisor's Name: \_\_\_\_\_ 2. OSJ Supervisor's Branch Code: \_\_\_\_\_
3. OSJ Supervisor's Branch Location: \_\_\_\_\_
4. List all location(s) under your supervision.

| Location Address | Location Type   | # of RR | # of NRF |
|------------------|---|---------|----------|
|                  | <input type="checkbox"/> OSJ Branch <input type="checkbox"/> Non-OSJ Branch<br><input type="checkbox"/> Unregistered Location |         |          |
|                  | <input type="checkbox"/> OSJ Branch <input type="checkbox"/> Non-OSJ Branch<br><input type="checkbox"/> Unregistered Location |         |          |
|                  | <input type="checkbox"/> OSJ Branch <input type="checkbox"/> Non-OSJ Branch<br><input type="checkbox"/> Unregistered Location |         |          |
|                  | <input type="checkbox"/> OSJ Branch <input type="checkbox"/> Non-OSJ Branch<br><input type="checkbox"/> Unregistered Location |         |          |
|                  | <input type="checkbox"/> OSJ Branch <input type="checkbox"/> Non-OSJ Branch<br><input type="checkbox"/> Unregistered Location |         |          |
|                  | <input type="checkbox"/> OSJ Branch <input type="checkbox"/> Non-OSJ Branch<br><input type="checkbox"/> Unregistered Location |         |          |
|                  | <input type="checkbox"/> OSJ Branch <input type="checkbox"/> Non-OSJ Branch<br><input type="checkbox"/> Unregistered Location |         |          |
|                  | <input type="checkbox"/> OSJ Branch <input type="checkbox"/> Non-OSJ Branch<br><input type="checkbox"/> Unregistered Location |         |          |
|                  | <input type="checkbox"/> OSJ Branch <input type="checkbox"/> Non-OSJ Branch<br><input type="checkbox"/> Unregistered Location |         |          |
|                  | <input type="checkbox"/> OSJ Branch <input type="checkbox"/> Non-OSJ Branch<br><input type="checkbox"/> Unregistered Location |         |          |

5. Among those whom you supervise, list all who also supervise others.

| Name | Rep Code | Branch Code | City, State |
|------|----------|-------------|-------------|
|      |          |             |             |
|      |          |             |             |
|      |          |             |             |

**II. REVIEW ITEMS**

1. Have you reviewed actively traded client accounts (account with more than 6 trades during the review period)? The review should include, at a minimum:  Yes  No  None to Review
- Suitability of active trading
  - Maintaining active trading account form (B002)
  - Unauthorized transactions
  - Commission practice

Note that the OSJ Supervisor should contact the clients to make certain that they are aware of the activities in their accounts.

2. Have you reviewed the accounts with high turnover ratio, high commissions over asset ratio, and large commission amount? The review should include, at a minimum:  Yes  No  
 None to Review
- Suitability of active trading
  - Maintaining active trading account form (B002)
  - Unauthorized transactions
  - Commission practice

*Note that the OSJ Supervisor should contact the clients to make certain that they are aware of the activities in their accounts.*

3. Have you reviewed monthly client account statements for the review period? The review should be done to identify, at a minimum, the following:  Yes  No  
 None to Review
- Unusual client account activities
  - Unusual deposits and disbursements (i.e., frequent deposits of below \$10,000)
  - Client's mailing address (cross reference with the Rep's address and use of P. O. Box and care of address)
  - Unsuitable position concentration
  - Unsuitable margin account transactions and debit balance
  - Prohibited securities transactions

4. Have you placed client monitoring calls? The OSJ Supervisor must verify the following, at a minimum, during the call with the clients:  Yes  No  
 None to Call
- Client's awareness of the client account activities
  - Client's receipt of the account statements and confirmations
  - Client's concerns

5. Have you reviewed your RRs' commission reports? The review should be done to identify, at a minimum, the following:  Yes  No  
 None to Review
- Submitting direct application without receiving the OSJ Supervisor's approval
  - Selling products the RR is not licensed for
  - Appearance of parking a license
  - Any unauthorized business conduct

6. Have you reviewed your RRs' personal securities account(s)? The review should be done to identify the following, at a minimum:  Yes  No  
 None to Review
- Better price than the RR's clients for the same securities and the same side of transaction
  - Front running and scalping
  - Insider trading
  - Mailing address and use of P. O. Box and care of address
  - Unusual deposits and withdrawals
  - Frequent trading

7. Have you reviewed each RR's CRD to ensure that: (i) there are no outstanding deficiencies; (ii) there are no unreported events; and (iii) they are current and up to date?  Yes  No  
 None to Review

8. Have you reviewed your RR's outside business activities? The review should include, at a minimum:  Yes  No  
 None to Review
- Unreported or unapproved outside business activities
  - Unreported or unapproved private securities transactions
  - CFSC clients' participation in outside business activities

9. Have you reviewed all incoming and outgoing correspondence? The review should be done primarily to verify that:  Yes  No  
 None to Review
- Customer complaints are being reported
  - RRs are not attempting to resolve complaints on their own
  - RRs are not soliciting, offering or selling unapproved products
  - Customer funds and securities are being handled in accordance with the firm's policies
  - RRs are not engaging in any unapproved outside business activities
  - RRs are not selling any products or services not approved by the firm
  - RRs are not using any exaggerated, promissory or inflammatory statements

- Yes  No  
 None to Attend
10. Have you attended any public appearances, such as public speaking and seminars, sponsored and /or conducted by any individuals under your supervision? If yes, provide:
- Title and Brief Summary of the Presented Material: \_\_\_\_\_  
\_\_\_\_\_
  - Date, Time, and Location: \_\_\_\_\_  
\_\_\_\_\_
  - Have you noticed the representative's use of materials not approved by the firm's Advertising Compliance Department?  Yes  No
  - Have you noticed the representative's use of any unscripted materials?  Yes  No  
If yes, did the registered representative follow the content standards?  Yes  No
  - Have you noticed any recommendations of securities or investment strategies?  Yes  No
  - Have you noticed any violation or potential violations?  Yes  No

11. Have you reviewed the following logs to make certain that your RR's business practices are in compliance with the firm's policies and procedures?  Yes  No  
 None to Review

- |  |   |
|--|---|
| <input type="checkbox"/> Cash and non-cash compensation log (D033) | <input type="checkbox"/> Checks received blotter (D028)     |
| <input type="checkbox"/> Direct business blotter (D020)            | <input type="checkbox"/> Securities received blotter (D019) |
| <input type="checkbox"/> Gift and entertainment log (D029)         | <input type="checkbox"/> Cancel/Correction Tickets (D032)   |

12. Have you reviewed "Registered Representative's Monthly Checklist Report" form (D023) submitted by your RRs for the review period?  Yes  No  
 None to Review

13. While reviewing the submitted D023s, have you identified any issues, violations, or potential violations?  Yes  No  
If yes, please submit the RR's report to the firm's Compliance Department.  None to Review

14. List all written and/or verbal customer complaints received during the review period OR  None

15. Do you supervise any individuals who are placed under the Heightened Supervision program? If yes, provide their names below.  None

16. Have you reviewed the following exception reports? (check the reports reviewed)  Yes  No  
 None to Review
- |   |  |
|---|--|
| <input type="checkbox"/> Excessive Commission Reports | <input type="checkbox"/> Mutual Fund Short Term Holdings Reports |
| <input type="checkbox"/> Large Trade Reports          | <input type="checkbox"/> Over Concentration Reports              |
| <input type="checkbox"/> Missing 2111 Reports         | <input type="checkbox"/> Registration Violation Reports          |
| <input type="checkbox"/> Mutual Fund Switch Reports   | <input type="checkbox"/> Active Trading Reports                  |

Note that on a weekly basis, exception reports must be run and all items appearing on such reports must be reviewed to determine if any further action or more in-depth reviews are warranted in any instance. Areas in which an RR seems to have continual problems must be brought to the firm's Compliance Department.

### III. ACKNOWLEDGEMENT AND CERTIFICATION

I have reviewed all activities as required for the review period. I understand and agree that I am responsible for ensuring that all activities of the RRs comply with industry rules, regulations, including internal policies and procedures.

Furthermore, with my signature below, I certify that: (i) I have personally completed this form; (ii) all information and statements contained herein are accurate and complete; and (iii) I have maintained the appropriate document(s) to evidence my review and will provide such documents at any time. I also understand that false statements or information shall constitute a violation of the rules and regulations including the firm's internal policies and procedures.

\_\_\_\_\_  
OSJ Supervisor's Name

\_\_\_\_\_  
OSJ Supervisor's Signature

\_\_\_\_\_  
Date