



As Chair of the Securities Industry/Regulatory Council on Continuing Education (“Council”), I would like to continue the tradition established by my predecessors, and provide you with a review of the activities and accomplishments of the Council in 2015. As described in the following sections, the Council’s primary mission continues to be implementing improvements to the Securities Industry Continuing Education Program (“Continuing Education Program”) to better serve the industry’s continuing education needs.

The Council

There are 19 industry members and three SRO members, as well as SEC, NASAA, and SRO liaisons to the 2015 Council. Industry members serve four-year terms. The Council meets quarterly.

The Council has specific advisory and consultative responsibilities to the Continuing Education Program. These are:

- I. Recommending and approving new content for the Regulatory Element Program.
- II. Recommending updates to the Firm Element Program.
- III. Promoting effective implementation of meaningful continuing education to the securities industry.
- IV. Liaising with appropriate industry groups and regulators.
- V. Maintaining the program on a revenue neutral basis subject to adequate financial reserves.



There are five standing Council committees: the Executive Committee, the Regulatory Element Committee, the Firm Element/Strategic Planning Committee, the Finance Committee and the Nominating Committee. Additional ad-hoc committees are convened when necessary. In the following sections, I will share some of the Council's 2015 accomplishments as well as plans for 2016 and beyond.

I. The Regulatory Element Program

David Fischer-Lodike of Edward Jones Investments served as the Chairperson of the Regulatory Element Committee in 2015. The Regulatory Element is comprised of four distinct programs:

- The S101 General Program, is the original Regulatory Element Program introduced in 1995, for General Securities Representatives and those representatives for whom a separate program has not been created;
- The S201 Supervisors Program for Registered Principals and Supervisors, introduced in October 1998;
- The S106 Program for Series 6 Investment Company Products/Variable Contracts Representatives, introduced in January 2002; and,
- The S901 Program for Operations Professionals, introduced in October 2013. This was the first program to offer self-selection by candidates for one module that reflected their business functions in addition to three modules that contain content that every registered person should know.

The Council's goal is to refresh one-third of the content for each Regulatory Element Program annually with updated content that addresses rules, regulations and ethical business practices, especially those topics that are of fundamental importance to the industry or of regulatory concern. Content for these programs is developed by the Regulatory Element Content Committees, composed of industry subject matter experts, along with SEC, SRO and NASAA representatives, who meet periodically for this purpose.

S101 Personalization

With personalization successfully introduced into the S901 Program, the Council and the Regulatory Element Content Committee has been working with FINRA Continuing Education Staff to complete content development for the personalization of the S101 Program.



Personalizing the S101 Program provides the Council with the opportunity to develop content designed to be more focused on specific job functions in the Retail Sales, Investment Banking, Trading, Research, and Institutional Sales areas. This initiative was Council's primary focus in 2015 with launch of the personalized S101 Program scheduled for January 4, 2016.

Web Delivery of the Regulatory Element

The production development of the CE Online Program successfully launched October 1, 2015. To date, the S106, S201 and S901 Programs are now offered Online. The personalized S101 Program is expected to launch January 4, 2016. The cost of a session taken via CE Online has been reduced from \$100 to \$55.

Full details about the CE Online Program including FAQs can be found at finra.org and cecouncil.com.

II. The Firm Element

This year's Firm Element/Strategic Planning Committee Chairman was Kenneth Cherrier, Chief Supervisory Officer, Waddell & Reed, Inc. This committee reviews issues and trends in the industry and provides guidance on tools that may be useful to the industry. The committee updates the *Firm Element Advisory* semi-annually in order to provide the most current regulatory information for firms. The *Firm Element Advisory* highlights resources such as SRO Regulatory Notices, and notices and advisories from other regulators. The Council encourages firms to include pertinent *Firm Element Advisory* topics in their Firm Element training plans.

For 2016, the Firm Element Advisory will migrate from a document into a Web-based service offering more robust links to regulatory resources and added flexibility for users.

III. Promotion of Effective Continuing Education in the Securities Industry

The Council Website, www.cecouncil.com, serves as a reliable source of information and assistance to the securities industry with respect to Securities Industry Continuing Education. The website provides mechanisms that allow for news alerts and customized information on a variety of CE-related topics to be delivered to subscribers. A variety of tools and materials are also available to individuals to assist them in preparing for their Regulatory Element sessions. Further resources are available to assist firms in developing their Firm Element training programs.



The cecouncil.com website provides a launch page for participants to take their CE Online session.

IV. Liaising with Appropriate Industry Groups and Regulators

On occasion, Council members or SRO staff who support Council functions speak at industry conferences to keep industry participants apprised of the latest issues and matters with regard to the Continuing Education Program and to receive feedback on Council initiatives.

As part of our outreach members and liaisons to the CE Council have spoken about the CE Online and Personalization of the S101 Continuing Education Programs to industry representatives at the following meetings in 2015:

- Association of Registration Management's annual conference (ARM)
- Licensing and Registration Council/Registration and Qualifications Subcommittee meetings (LRC)
- FINRA Small Firm Advisory Board
- FINRA Compliance Advisory Group
- FINRA Regulatory Advisory Group
- FINRA Annual Conference
- FINRA District Meetings
- Securities and Insurance Licensing Annual Conference (SILA)
- National Society of Compliance Professionals Annual Conference (NSCP)

The Council is grateful for the SEC's continued support over the years. Special thanks go to members of the Commission staff who have worked so closely with us: Katherine England, Mia Zur, and Alex Jadin who attend the CE Council and Content Committee meetings; and Jon Wieman (Los Angeles) who has attended the CE Content Committee meetings.



V. Maintaining the Continuing Education Program on a Revenue Neutral Basis

One of the responsibilities of the Council is to provide advice and consultation on maintaining the Continuing Education Program on a revenue neutral basis while ensuring adequate financial reserves to maintain and improve the Continuing Education Programs.

The Council Finance Committee regularly reviews the financial health of the Continuing Education Program to ensure that it remains positioned to continue our mission. John Meegan, Chief Operating Officer, Hefren-Tillotson, Inc. served as the 2015 Finance Committee Chair.

VI. Conclusion

The Council continually seeks to raise the industry's awareness of both the Council and its mission to promote Continuing Education within the securities industry. The Council continues to be grateful for the SEC's commitment to this goal and would appreciate continuing support from you and your fellow Commissioners to raise awareness of the Council's work and of the importance of the Continuing Education program in general. I'd be happy to answer any questions you might have.

Sincerely,

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