



# Conspicuous Compliance

published by

Horrigan Resources, Ltd. (HRL)

...compliance solutions for the financial services industry

September 18, 2008

Volume 8, Number 3

## The Newsletter that Almost Was...

"What a difference a day makes! 24 little hours ... brought the sun and the flowers where there used to be rain!" Lyrics to a great song and an apt segue to our current communiqué. Hopefully these lyrics are also a fitting metaphor to the capital markets after months of volatility and in some quarters, visceral fear. At HRL, we were moments away from hitting the **SEND** button on an earlier edition of this quarterly compliance newsletter the other day, and decided to hold off. Our table of contents seemed relevant way back then – just this past Monday – and included monitoring the rumor grapevine, risk management, compliance documentation, and more. Instead we offer an abbreviated version for our readers who have so much to do and so little time!

## In This Issue

The Newsletter that  
Almost Was - pg 1

Be Relevant! - pg 1

"Government's view  
of the economy  
could be summed  
up in a few short  
phrases: If it moves,  
tax it. If it keeps  
moving, regulate it.  
And if it stops  
moving, subsidize  
it."

Ronald Reagan,  
8/15/86

## Be Relevant!

What might Compliance Officers do to add value with compliance resources?

- **Confront emerging risks where they live** ... listen in on client conference calls, attend investment policy meetings, sit at the trading desk or in operations – anywhere and everywhere, observe and assimilate;
- **Leverage internal controls** ... trade allocation reports, client call logs, call center response times, approval forms, personal securities trades - all deserve extra scrutiny and more frequent testing;
- **Document exceptions** ... they will happen, and perhaps should be expected in some areas - just ensure that they are approved and documented;
- **Fix problems promptly** ... policies and processes are being stress tested like never before, so if they crack, be swift to identify and resolve;
- **Get input** ... don't close your door – circulate and interact;
- **Stay on the enterprise message** ... stress and pressure may lead to sloppy communication, so help your colleagues frame conversations;
- **Shut down rumors on all fronts** ... rumors are a big problem these days and the Feds are aroused (in 2008 the SEC prosecuted the anti-rumor rule for the first time in 74 years);
- **"CCO was here"** ... let them know you were there and well informed about the event, subject matter, document, meeting, report, exception, and any other source material you review - your fingerprints will demonstrate ongoing monitoring and analysis and should help you triage the compliance risks of the firm;
- **Trust and verify** ... hear them out, but see for yourself!

How you handle this new world thrust upon you and your firm may have implications of historic proportions. So focus on the most important aspects of your business, and roll up those sleeves! **Observe, assimilate and be relevant!**

**Betsy Rathz, President  
Horrigan Resources, Ltd.  
10592 Perry Highway, #209  
Wexford, PA 15090  
(724) 934-0129 phone  
(724) 934-0132 fax  
[brathz@horriganresources.com](mailto:brathz@horriganresources.com)  
[www.horriganresources.com](http://www.horriganresources.com)**

© 2008 Horrigan Resources, Ltd. All rights reserved. Reproduction or redistribution of *Conspicuous Compliance* is strictly forbidden without prior written permission of Horrigan Resources, Ltd. This publication has been prepared for your general information and no responsibility is taken for any errors or omissions. While all care has been taken in its preparation, no warranty is given as to the accuracy of the information. This publication is not intended to provide legal advice.