



Legal Risk Management Tip August 2008

SEC ANNOUNCES NEW SUSPICIOUS ACTIVITY REPORT (SAR) ALERT MESSAGE LINE AND ANTI-MONEY LAUNDERING (AML) SOURCE TOOL FOR MUTUAL FUNDS

On August 7, 2008, the Securities and Exchange Commission (SEC) unveiled a new Suspicious Activity Report (SAR) Alert Message Line. This hotline may be used by securities firms to voluntarily report the filing of an SAR, bringing the matter to the immediate attention of the SEC. Although placing a call to the *SEC SAR Alert Message Line* does not alleviate a firm's obligation to file an SAR or notify law enforcement, the hotline allows firms to bring incidents of suspicious activity to the attention of regulators in an efficient and effective manner. The *SEC SAR Alert Message Line* is (202) 551-SARS [(202) 551-7277]. Firms may also report suspicious activities or transactions that may relate to terrorist activity to FinCEN's Hotline, which is (866) 556-3974.

The SEC also announced a new one-stop online reference site to assist mutual funds in complying with Anti-Money Laundering regulations. The *AML Source Tool for Mutual Funds* provides links to key AML laws, rules and other guidance designed to help mutual funds create and maintain compliance programs that meet the legal requirements pertaining to anti-money laundering. A similar tool was unveiled to the public last year, the *AML Source Tool for Broker-Dealers*, and has since been a popular resource assisting securities firms in understanding all applicable AML regulations. The Source Tools were initially developed for use by the SEC examiners in the Office of Compliance Inspections and Examinations (OCIE), but have proved to be an invaluable one-stop resource for broker-dealers and now mutual funds to access applicable AML requirements in one-easy-to-reference location.

For more information, or to discuss anti-money laundering program regulatory considerations, please contact us at (619) 298-2880.

Alternatively, meet the JLG Team at an upcoming industry conference! We will be presenting at the Ascendant Compliance Conference, IA Week Conference and NSCP National Meeting during September and October 2008. These are excellent forums for you to expand your compliance knowledge. For more information, please visit our website at www.jackolg.com.

Author: Michelle Jacko, Managing Partner and Zachary Rosenberg, Law Clerk, Jacko Law Group, PC ("JLG"). JLG works extensively with investment advisers, broker-dealers, investment companies, hedge funds and banks on legal and regulatory compliance matters. For more information about this topic and other legal services, please contact us at (619) 298-2880, info@jackolg.com or visit www.jackolg.com. Thank you.

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