

## Required Branch Office Files

### CORRESPONDENCE FILE

Both OSJ and Non-OSJ branch locations must maintain this file. This file should include, but not be limited to:

- Incoming and outgoing correspondence (paper);
- Evidence of being reviewed;
- Maintain this file in chronological order;
- Additional copy should also be maintained in the client's file

Correspondence (including fax) is defined as any written letter, electronic mail message, and any letter received from a client of prospective client. (No need to maintain a copy of electronic mail message in this file) Any mail containing a complaint of any nature is to be immediately given to the Compliance Department and maintained in the Customer Complaint file. If your supervisor is not present in your branch office, correspondence must be faxed or scanned into a PDF format and emailed to your supervisor weekly for his/her review.

### CUSTOMER COMPLAINT

Both OSJ and Non-OSJ branch locations must maintain this file. This file should include but not be limited to:

- Clients' written complaint letter (summary of the complaint, if verbal);
- Evidence of complaint being reviewed and forwarded to the Compliance Department;
- Any other documents provided or used during the investigation of the complaint;
- Any related documents, such as, a settlement agreement;
- Maintain this file in chronological order.

"Complaint" is defined as any written statement by a client or a person acting on behalf of a client alleging a grievance involving the activities of a person under the broker-dealer's control in connection with the solicitation or execution of any transaction or the disposition of securities or funds of the client. When a written complaint is received, a copy should be forwarded immediately to the firm's Compliance Department for follow-up.

**CUSTOMER COMPLAINT (MUNICIPAL SECURITIES)**

Both OSJ and Non-OSJ branch locations must maintain this file. The file should include, but not be limited to:

- Municipal securities related (including 529 plan) customers' written complaint (summary of complaint, if verbal);
- Evidence of complaint being reviewed and forwarded to the Compliance Department and MSRB Brochure delivery date;
- Any other documents provided or used during the investigation of the complaint;
- Any related documents, such as, a settlement agreement.

"Complaint" is defined as any written statement by a customer or a person acting on behalf of a customer alleging a grievance involving the activities of a person under the broker-dealer's control in connection with the solicitation or execution of any transaction or the disposition of securities or funds of that customer. When a written complaint is received, a copy should be forwarded immediately to the firm's Compliance Department for follow-up.

**CHECKS RECEIVED AND FORWARDED BLOTTER**

Both OSJ and Non-OSJ branch locations must maintain this file. The file should include, but not be limited to:

- Checks received log with copies of checks;
- Evidence of being reviewed by a principal;
- Copies of checks should also be maintained in the client's file;
- Maintain this file in chronological order.

It is our policy to advise clients to send checks, appropriately made out, directly to the appropriate third party. However, when clients do send checks to the branch made payable to a third party, the branch must send the check to the appropriate third party no later than noon of the following business day. Should a client send or submit a check payable to Coastal Equities, Inc. or the registered representative, the check must be returned to the sender.

## **SECURITIES RECEIVED AND DELIEVERED BLOTTER**

Both OSJ and Non-OSJ branch locations must maintain this file. The file should include, but not be limited to:

- Securities received log;
- A copy of the stock certificate return letter;
- A copy of the Stock Certificates;
- Evidence of being returned to the sender (via overnight or registered mail);
- Maintain this file in chronological order.

Receiving securities is prohibited by the firm. Nevertheless, the branch must maintain the file. Should a client erroneously send or submit securities to the branch location, the securities must be returned to the client with the stock certificate return letter. The logs must be reviewed periodically to ensure that all securities received are appropriately sent in a timely manner.

## **ADVERTISING FILE**

Both OSJ and Non-OSJ branches must maintain this file. The file should include, but not be limited to:

- Copies of all related materials with the evidence of compliance approval;
- Copies of FINRA approval letter, if applicable;
- Final copies must be maintained in the file;
- Maintain this file in chronological order;
- Rejected advertising material must be maintained in a separate file.

Advertisements are communications in the public media, such as newspaper or television advertisings as well as unrestricted website material like a public web site or banner advertisement. Please note that depending on the products of services mentioned, they may need to be filed with FINRA.

### **ADDRESS CHANGE FILE**

Both OSJ and Non-OSJ branch locations must maintain this file. The file should include, but not be limited to:

- Address change form signed by the client;
- Evidence of being reviewed and approved by a principal prior to being processed;
- Evidence of such request being processed or access to such evidence;
- Maintain this file in chronological order;
- Additional copy should also be maintained in the client's file.

Address change requests must be received in writing from the client. Address changes for multi-party accounts must have a written request from each party. In addition, requests to change an address to a post office box will only be accepted if the client's permanent street address is maintained in the client file, both at the home office and the branch. **Please note that address change requests for directly held accounts must be forwarded to the sponsoring firm with a copy to the home office at [newaccounts@coastal-one.com](mailto:newaccounts@coastal-one.com).**

### **INVESTMENT OBJECTIVE CHANGE FILE**

Both OSJ and Non-OSJ branch locations must maintain this file. The file should include, but not be limited to:

- A copy of Investment Objective change request form;
- Evidence of being reviewed by a principal;
- Maintain this file in chronological order;
- Additional copy should also be maintained in the client's file.

All investment objective changes must be received in writing from the client and approved by a principal.

**LOA FILE**

Both OSJ and Non-OSJ branch locations must maintain this file. The file should include, but not be limited to:

- Letter of authorization, such as, wire request, fund transfer request, and etc., signed by the client;
- All LOAs other than those required to be maintained in the addressee change request file should be in this file;
- Evidence of LOAs being reviewed and approved by a principal prior to being processed;
- Additional copies should be maintained in the client's file;
- Evidence of being processed or access to the evidence;
- Maintain this file in chronological order.

The RR is responsible for making certain that the customer's instruction has been processed in a timely manner. Please note that RRs are prohibited from sending an request directly to the sponsoring firm.

**PERSONAL SECURITIES FILE**

Both OSJ and Non-OSJ branch locations must maintain this file. The file should include, but not be limited to:

- A copy of annual Outside Accounts attestation and request forms;
- Copies of account statements and transaction confirmations or electronic access to such information;
- Maintain this file in chronological order.

Personal securities accounts include any accounts where an Associated Person has a personal financial interest; the Associated Person is the named trustee or custodian; or the Associated Person otherwise has control over the account. Related accounts include accounts for relatives residing with the Associated Person and accounts for any person who is supported, directly or indirectly, to a material extent by the Associated Person. These requirements do not apply to accounts limited exclusively to transactions in unit investment trusts and variable contracts or redeemable securities in mutual funds.

## **ORDER TICKETS AND CANCEL/REBILL REQUESTS**

Both OSJ and Non-OSJ branch locations must maintain this file. The file should include, but not be limited to:

- Order tickets;
- Cancel/rebill request forms;
- Evidence of being reviewed and approved (if required;)
- Maintain in chronological order.

RRs must keep copies of all order tickets and cancel/rebill requests. Cancel/Rebills requiring an account or account name change (including errors) must be approved by a principal.

## **GIFTS, GRATUITIES, AND ENTERTAINMENT**

Both OSJ and Non-OSJ branch locations must maintain this file. The file should include, but not be limited to:

- Gift Approval forms;
- Gift, Gratuities, and Non-Monetary Compensation log;
- Evidence of being reviewed and approved.

When an Associated Person receives or offers a gift that exceeds the \$100 limitation, either alone or when aggregated with other gifts from the same product sponsor within the calendar year, the person must immediately report the gift to his or her OSJ Supervisor and return the gift. Evidence of the gift's returned should be maintained. Entertainment includes a broad range of activities such as trips, parties, and other activities. RRs must accompany entertainment to avoid entertainment being considered a gift which is subject to \$100 limitation. Records of entertainment must include details of who was entertained and nature of entertainment.

## BRANCH FILE

Both OSJ and Non-OSJ branch locations must maintain this file. The file should include but not be limited to:

- Business continuity plan and calling tree;
- Office lease agreement(s);
- Equipment/furniture lease agreement(s);
- Manuals:
  - CEI WSP Manual;\*
  - CIA P&P Manual;\*
  - Registered Representative Contract(s);
  - MSRB Manual;\*
  - FINRA Manual;\*
  - Business Continuity Plan;\*
  - Anti-Money Laundering Program.\*

\*web-link to the manual is acceptable.

## PUBLIC APPEARANCES FILE

Both OSJ and Non-OSJ branches must maintain this file. The file should include, but not be limited to:

- Public Appearance/Seminar Request form, copies of all related materials, including invitation, agenda, handouts, with evidence of compliance approval;
- A list of individuals who attended the seminar (if applicable);
- Maintain this file in chronological order.

All training and education programs provided to the general public as a seminar format must be pre-approved by your principal and the Compliance Department. All related materials such as, invitation, seminar agenda and handouts must be also pre-approved.