



# Investment Industry Newsletter

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*FinTech Securities, LLC*

*Nimble, Innovative & Responsive . . .*

*We are excited to welcome you to the monthly FinTech Focus Newsletter. It is our goal to provide you with industry news, product updates & training, and vendor highlights. We believe you will find quality information pertinent to your business. We value your feedback to help us provide the best tools and services for your brokerage needs. We appreciate your business!*

*. . . Your FinTech Team ~ Jack, Mary, Christiane, Cheryl & Scott*

## **\*\*ROX® Electronic Trading System\*\***

Many of our clients use our ROX® Electronic Trading System. We believe it will streamline your executions. ROX® is a trading product of our clearing firm, Lek Securities Corp and is an online execution, quote and charting system that resides on your computer desktop. It provides for immediate execution of securities and offers real-time quotes and charts of securities and indices. There is no additional charge beyond the brokerage commission for the ROX® system.

FinTech Securities aims to create streamlined trading environments for you. In order to better serve you we are continuing to develop strategic trading partnerships to enable straight through processing. Please keep us abreast of the partnerships that would be most effective for you.

Please let us know if you would be interested in individual ROX® training or a group WebEx educational forum. We are happy to demonstrate options or answer questions to further utilize the trading product.

## **\*\*Vendor Spotlight: BetaVest Technologies Case Management System\*\***

BetaVest™ is an investment technology firm founded in 2000 by registered financial advisors and IT professionals that is dedicated to streamlining the process of client management and dynamic asset allocation utilizing advanced financial simulation systems. Unlike other software firms, BetaVest™ bases all of its products on the reality of investing rather than the misconceptions that have come to be accepted as fact in the financial industry. Their products are modeled on a combination of years of industry experience both in the financial and software development industries, and feedback gathered from financial advisors and product managers at every level.

The complete software package available includes the CEM Multimedia Tool and the desktop application. It will allow you to input and analyze client data, optimize and create cash flow scenarios, optimize with up to 7000 portfolio allocations, and generate a full set of detailed reports. Included are additional modules such as a Retirement Quick Planner, Lump-Sum Pension Analyzer and an Annual Review Module. The response is clear, BetaVest™ products not only make sense, but fill a huge void between the Advisor or Portfolio Manager's ability and the Client's expectation. **BetaVest™ encourages you to try their products or attend one of their seminars to discover how they can help you close more business and retain satisfied clients.** 866.972.5680 [www.betavest.com](http://www.betavest.com)

*\*\*Please see page 2 for commission guidance regarding Section 28 (e).*

In light of the SEC changes to Section 28 (e), we wanted to resend the update for your review.

### SEC Section 28 (e) Update

The SEC has released an Interpretive Release regarding the use of commission dollars under Section 28(e). Below is a summary of the release.

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Securities and Exchange Commission  
Commission Guidance Regarding Client Commission Practices Under Section 28(e) of the Securities Exchange Act of 1934.

Effective Date: July 24, 2006

The release interprets the scope of the safe harbor as follows:

"Research services" are restricted to "advice," "analyses," and "reports" within the meaning of Section 28(e)(3).

- Physical items, such as computer hardware, which do not reflect the expression of reasoning or knowledge relating to the subject matter identified in the statute, are outside the safe harbor.
- Research related to the market for securities, such as trade analytics (including analytics available through order management systems) and advice on market color and execution strategies, are eligible for the safe harbor.
- Market, financial, economic, and similar data could be eligible for the safe harbor.
- Mass-marketed publications are not eligible as research under the safe harbor.
- "Brokerage services" within the safe harbor are those products and services that relate to the execution of the trade...
- Eligibility of both brokerage and research services for safe harbor protection is governed by the criteria in Section 28(e)(3), consistent with the Commission's 1986 "lawful and appropriate assistance" standard.
- Mixed-use items must be reasonably allocated between eligible and ineligible uses, and the manager must keep adequate books and records concerning allocations...

This Release reiterates the statutory requirement that money managers must make a good faith determination that commissions paid are reasonable in relation to the value of the products and services provided by broker-dealers in connection with the managers' responsibilities to the advisory accounts for which the managers exercise investment discretion.

For more information regarding Client Commission Practices Under Section 28(e) please visit the web link below and click on '**Release No. 34-54165**'.

<http://www.sec.gov/rules/interp.shtml>

Please contact us with any questions you may have. 888-822-3310