

## Financial Tracking tapped by SEC

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Financial Tracking Technologies Inc. has recently caught the interest of the Securities and Exchange Commission.

The Greenwich-based compliance software firm was awarded a contract for its Employee TradeSphere, an automated software program designed to ensure that investment professionals are compliant with SEC regulations when trading investment securities.

"It was a long time running," said managing principal Anthony Turner, referring to the SEC's 18-month selection process. "An organization of that size takes a long time to make a decision. They're definitely a flagship organization for us."

The program, whose users include investment advisers, mutual funds and brokers, allows employees to get SEC clearance before they make a trade. It also performs ongoing trade surveillance and enables them to register online for compliance, Turner said.

"It's completely paper-free," he said. "This is one of the best ways to return investor confidence in the marketplace."

Employee TradeSphere will become increasingly valuable to the financial services industry as the government proposes new regulations for investment firms after the \$65 billion Madoff debacle and various hedge fund scandals, Turner said.

"Had there been a third-party technology in place, problems could have been detected," he said. "The tide is rising in relation to compliance."

The program offers 16 separately sold compliance modules, such as Anti-Money-Laundering,

Price/Valuation Checking and Hot Issue Flagging.

Concerning the price, Turner would say only that "the cost is 60 percent less than if you hired someone."

The SEC determined that Employee TradeSphere was the "best solution for our purposes," SEC Contract Specialist Jeremy Garrett said.

Financial Tracking's compliance modules allow for the efficient analysis of massive amounts of data with respect to trading and investing, said Guy Talarico, founder of New York City-based Alaric Compliance Services, which uses Financial Tracking software. "It would be very onerous to do that manually," he said.

Programs such as Employee TradeSphere are very helpful to compliance firms' goal of closely tracking investment professionals, said Victor Zimmermann Jr., the Stamford-based managing partner in the Investment Management group of New York City-based law firm Curtis, Mallet-Prevost, Colt & Mosle LLP.

"I think there's a big market for this because the costs of compliance are on the rise, and the number of firms needing compliance systems in place is going up," he said, adding that Employee TradeSphere has already received the SEC's endorsement. "The SEC's using it, so they're probably going to look favorably upon other firms using it."

Clients served by Financial Tracking, which has grown to 33 employees since being founded in 1999 as a portfolio compliance monitoring service, include a third of the 50 largest publicly traded money managers or insurers, according to the company.