

POSITION DUTY STATEMENT

DFPI-HR0 203 (Rev. 08-21)



NAME [Employee]	EFFECTIVE DATE [Actual Start Date]
CLASSIFICATION TITLE Financial Institutions Examiner	POSITION NUMBER 410-121-4101-338
WORKING TITLE Financial Institutions Examiner	DIVISION/OFFICE/UNIT/SECTION General Counsel Division / Broker Dealer/Investment Adviser Office
BARGAINING UNIT R01	GEOGRAPHIC LOCATION Los Angeles

General Statement: Under general supervision, the Financial Institutions Examiner (FIE) conducts field and remote examinations of investment advisers and broker-dealers and performs technical and administrative duties to ensure compliance with provisions of the Corporate Securities Law of 1968 ("Law") and the rules thereunder and assists in developing procedures and program activities for the unit. Duties include, but are not limited to, the following:

A. Specific Assignments [Essential (E) / Marginal (M) Functions]:

45% (E) Conducts regulatory examinations, individually or as part of a team, of investment advisers including larger firms and hedge funds that have up to \$100 million in assets under management and who may operate more complex investment and trading strategies. Determines whether licensees are operating in accordance with state laws and regulations. Examination procedures include, but are not limited to, examining:

- Licensee's books and records
- financial statements to determine if the licensee meets minimum net worth requirements, and is properly reporting and safeguarding client assets
- client profiles, investment advisory agreements, and recommendations to determine suitability
- firm and representative brochures, private placement memos, and investment advisory agreements to determine if appropriate disclosure has been made of the adviser's conflicts of interest, the risk and suitability of recommended investments, and whether fiduciary duty is met
- advertising and public disclosures
- management and performance fees to determine the accuracy and appropriateness
- Form ADV and amendments

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Examinations may be performed on a routine/cycle basis or on a “for cause” basis, which may stem from consumer complaints, referrals from other agencies, or other filing disclosures. Cause examinations may target specific risk areas and incumbent may be required to gather evidence for possible enforcement actions. The FIE will follow program established examination manuals, modules, and procedures in conducting regulatory examinations. In addition, incumbent may testify at administrative hearings related to the examination process, the information provided by the licensee, and how the licensee violated applicable laws and regulations. Incumbent may also be a lead examiner on examinations and provide training to other examiners assigned to the examination.

The FIE prepares a report of findings or violations at the conclusion of the regulatory examination. FIE is responsible for obtaining sufficient evidence during the examination to support the findings in the regulatory report. The incumbent may assist in the review of workpapers, and regulatory reports prepared by other examiners.

30% (E) Conducts regulatory examinations, individually or as part of a team, of broker dealer firms and their branch offices including larger independent firms or large branch offices. Determines whether licensees are operating in accordance with state laws and regulations. Examination procedures include, but are not limited to, examining:

- Licensee’s books and records
- written supervisory procedures, including implementation and compliance
- registration requirements, examination requirements and qualifications of representatives
- know your client obligations, client questionnaires and profiles, client agreements, and the suitability of recommendations
- due diligence, advertising, products recommended and sold,
- trades and other securities transactions and blotters, markups/markdowns, and commissions and fees
- supervision, new client and client transactions approval, outside business activities, undisclosed transactions/selling away from the broker, and customer complaints
- Form BD and amendments

Examinations may be performed on a routine/cycle basis or on a “for cause” basis, which may stem from consumer complaints, referrals from other agencies, or other filing disclosures. Cause examinations may target specific risk areas and incumbent may be required to gather evidence for possible enforcement actions. The FIE will follow program established examination manuals, modules, and procedures in

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conducting regulatory examinations. In addition, incumbent may testify at administrative hearings related to the examination process, the information provided by licensees, and how the licensee violated applicable laws and regulations.

The FIE prepares a report of findings or violations at the conclusion of the regulatory examination. FIE is responsible for obtaining sufficient evidence during the examination to support the findings in the regulatory report. The incumbent may assist in the review of workpapers, and regulatory reports prepared by other examiners.

- 10% (E)** The FIE will follow Department and Program established procedures to record, maintain, and upload examination documentation/information, materials, and other records in the program designated applications/databases including, but not limited to CRD/IARD, DOCQNET and NEMO. The FIE will ensure the accuracy of examination statuses, findings, documentation, and the completeness of all examination records.

Additionally, based on the Department guidance and procedures, prepare general administrative personnel documents such as time reports, training request documents and travel related documents.

- 5% (E)** Training
Incumbent may also be a lead examiner on examinations and provide training to other examiners assigned to the examination. Incumbent may compile and update training materials for in-house training presentations to program staff. Additionally, the FIE will attend required and recommended professional training.
- 5% (E)** Reviews licensee annual report filings and application filings for a certificate, as needed. Determines the accuracy of financial statements and determines if licensee or applicant meets the minimum net worth requirement. Reviews applications and documentation submitted for proper disclosure, conflicts of interest, advertising, and overall compliance with the Corporate Securities Law of 1968 and the California Code of Regulations.
- 5% (E)** Responds to inquiries from the public and other regulators regarding technical questions concerning the Corporate Securities Law of 1968, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the California Code of Regulations Title 10, investment adviser and broker-dealer licensing and examinations processes, and investment adviser representative and broker-dealer agent registration issues. Performs administrative duties including, but not limited to adheres to Department policies, rules, and procedures; submits administrative requests including leave, overtime (if applicable), travel, and training in a timely and appropriate manner;

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accurately reports time in the timekeeping system; and submits timesheets by the due date.

And performs other related duties as required.

B. Supervision Received

The Financial Institutions Examiner (FIE) reports directly to the Financial Institutions Manager (FIM). The FIE may receive additional instruction from a lead FIE or Senior Financial Institutions Examiner (SFIE).

C. Supervision Exercised

NONE

D. Administrative Responsibility

NONE

E. Personal Contacts

The FIE has regular contact with DFPI peers: staff, management, executive office, Enforcement, Legal and other program areas, as well as representatives from other regulatory agencies such as other state securities administrators/agencies, NASAA, FINRA, the U.S. SEC, and control agencies and the general public.

F. Actions and Consequences

The actions of the FIE have a direct bearing on the success, integrity, and legality of the Department's BDIA program. BDIA licenses and regulates investment advisers, broker-dealers, and their registered representatives. Regulatory oversight protects the investing public from unethical and fraudulent activities and ensures California's financial services market is secure, fair, and transparent.

Consequences of the FIE inadequately performing the job diminishes the program and Department's efforts in investor and consumer protection. Regulatory examinations are conducted to review compliance with the state's laws and regulations.

G. Functional Requirements

The incumbent works 40 hours per week in an office setting.

Frequently:

- Sitting at a desk, in a chair, and in front of a computer screen.
- Moving/walking about the office and standing or sitting during meetings.
- Using a multi-line telephone console or Department issued cell phone.
- Utilizing MS Teams audio and video to connect with DFPI staff and management during remote work.

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- Utilizing MS Teams, Zoom or other program to conduct interviews and examinations of licensees.
- Traveling to and working within space allocated by licensee during on-site examination visits.
- Bend (neck and waist), squat, kneel, and twist (neck and waist).
- Perform repetitive hand motion, simple grasping, fine manipulation, pushing and pulling with right and left hands.

Occasionally:

- Reaching (above and below shoulder level).
- Traveling via private or public transportation (i.e., driving an automobile, via airplane, etc.) including overnight travel inside California may be required.
- Lifting and carrying up to 25 pounds.

H. Other Information

The position may require extensive traveling to licensees and occasional travel to conferences, meetings, and training events. Travel is primarily done by driving, but also includes periodic air travel, periodic overnight travel, and occasional overtime.

Incumbent is required to have and maintain an active drivers license.

CONFLICT OF INTEREST

This position is subject to Title 16, section 3830 of the California Code of Regulations, the Department of Financial Protection and Innovation's Conflict of Interest Regulations. The incumbent is required to submit a Statements of Economic Interests (Form 700) within 30 days of assuming office, annually by April 1st and within 30 days of leaving office.

FINGERPRINTING

Title 11, section 703 (d) of the California Code of Regulations requires criminal record checks of all personnel who have access to Criminal Offender Record Information (CORI). Pursuant to this requirement, applicants for this position will be required to submit fingerprints to the Department of Justice and be cleared before hiring. In accordance with DFPI's (CORI) procedures, clearance shall be maintained while employed in a CORI-designated position. Additionally, the position routinely works with sensitive and confidential issues and/or materials and is expected to maintain the privacy and confidentiality of documents and topics pertaining to individuals or to sensitive program matters at all times.

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I have read and understand the duties listed above and I can perform these duties with or without reasonable accommodation. (If you believe reasonable accommodation is necessary, discuss your concerns with the hiring supervisor. If unsure of a need for reasonable accommodation, inform the hiring supervisor, who will discuss your concerns with the Health & Safety analyst.)

Employee Signature

Date

Employee's Printed Name, Classification

I have discussed the duties of this position with and have provided a copy of this duty statement to the employee named above.

Supervisor Signature

Date

Supervisor's Printed Name, Classification