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IA Compliance: Master Emerging Challenges

Sept. 16, 2019 | Philadelphia, PA

UPCOMING WEBINARS

Conquering Current Compliance Challenges

Sept. 11, 2019 | 2:00 - 2:30 PM EST

RECORDED WEBINARS

Conquering Current Compliance Challenges

Recorded: August 14, 2019

HANDBOOKS

Private Equity Enforcement Lessons Learned: Compliance Guidance for the PE Business Model

Includes: Best Practices, Key Regulatory Issues and Compliance Tips

The SEC Examinations Priorities Handbook (2019 Edition)

Includes: Best Practices, Document Request Letters and OCIE Risk Alerts

The Adviser's Guide to SEC Advertising and Marketing Rules

Includes: 23 Best Practices, 5 Peer-tested tools and 15 No Action Letters

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The mock interview should be a page in your SEC exam playbook

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Surprises are certainly the enemy of compliance. Given that staff interviews are a growing staple of most SEC exams, conducting mock interviews with key personnel who may be called into an exam is critical (**IA Watch**, Oct. 26, 2017). Surprises can be avoided by determining up front who within each of your functional areas is best able to answer questions and engage with examiners most effectively, suggests **Kim Garber**, CEO of **CORE-CCO** in Dallas.

Garber, the former head of the SEC's Fort Worth Regional Office examination program, notes that most Commission exams will involve interviews with the firm's CCO and other key staff. Examiners will determine and communicate the areas they would like to address in interviews, states Garber. And while examiners may request to speak with specific people within your firm, including senior managers or partners, Garber reports that firms generally can determine who is the best person(s) to have answer questions for a specific area.

Interview tips

Interview guidance offered by Garber includes:

1. Answer questions openly and honestly.
2. Give the examiners the information they need.
3. Listen to the question and give accurate, concise answers.
4. Avoid drifting off on tangents or speculating what they want to know and answering questions not asked or providing information not requested.
5. Do not guess or speculate on the correct response.
6. If you do not know the answer with certainty, it is okay not to answer. Note that you will get back to the examiners with the information requested.
7. Ensure that the CCO or another appropriate person follows up with a response to any information when the initial person interviewed does not know the answer and to promptly correct any misinformation provided.

Documenting interviews

Should your firm be selected for examination, documenting staff interviews will be an important part of your playbook. Garber states that it is prudent to have at least two people participate in each interview, one (or more) to answer questions and one to take notes.

Garber suggests you also strive to maintain a record of each question asked and the firm's response. This affords you the opportunity to follow-up or confirm information as needed.

Editor's Note: Garber, along with **Marshall Gandy**, associate director (exams), SEC's Fort Worth Regional Office, and **Kit Addleman**, partner with Haynes and Boone, in Dallas will speak on SEC exams at **IA Watch's** June 7 [IA compliance conference](#) in Dallas. To see the full agenda, speakers and to register, [click here](#).

The information contained herein was current as of the publication date.

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