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# **THE SDDCO GROUP**

**Accountants & Consultants  
for the Financial Services Industry**

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[www.sddco.com](http://www.sddco.com)

The logo for The SDDCO Group, featuring the text "The SDDCO Group" in a serif font, with "The" in a smaller size above "SDDCO" and "Group" in a smaller size below "SDDCO". The text is white and centered within a dark blue square background.

*The*  
**SDDCO**  
*Group*

**Boston**

**New York (HQ)**

**Miami**

## The SDDCO Group

**The SDDCO Group** (“SDDCO”) is a professional services firm highly regarded for delivering meticulous outsourced support to the financial services industry. SDDCO offers a broad menu of support to emerging and established financial services firms. Engaging a team of SDDCO accounting, FinOp, and compliance professionals enables close collaboration across complex financial, regulatory, and tax matters.

**Our firm** descends from Sanders and Daniels Company, a CPA and consulting partnership formed in 1952, and its successor CPA firm, S.D. Daniels & Co., PC—an S Corporation since 1995. The firm expanded to five entities to broaden its support to the financial services sector: S.D. Daniels & Company, PC; S.D. Daniels & Company, LLC; SDDCO Fund Services, LLC; SDDCO Regulatory Services LLC; and SDDCO Brokerage Advisors, LLC.

**Our clients** include broker-dealers, municipal advisors, investment advisers, commodity brokers, asset management companies, privately held funds, and the investment arms of foreign banks. Outsourced services include accounting, bookkeeping, tax, regulatory compliance, registrations with regulators, states, and SROs, and dedicated FinOp, CFO, and CCO roles. SDDCO’s success is evidenced by our high rate of client referrals and enduring client ties.

**Our approach** is both client centric and staff attentive. We give our clients the most current advice and accurate product possible framed by a thorough understanding of how each business operates and our commitment to due care in the performance of our responsibilities. To carry out this mission, we develop and retain top talent by considering all that our employees desire from the workplace, all that our clients deserve from our employees, and all that our profession demands.

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# PROFILE OF SERVICES

## ▶ Outsourced Accounting & Bookkeeping Services

Back office efficiencies are essential to your success. For six decades, S.D. Daniels & Co., PC has been recognized for its professionalism in outsourced accounting and bookkeeping. SDDCO-PC serves broker-dealers, investment advisers, municipal advisers, family offices, asset managers, manufacturing, financial technology firms, and others. We remove administrative obstacles that divert your attention. Bill paying, maintaining the books and records, and preparing bank reconciliations are all functions that SDDCO-PC can reliably perform on a weekly, semi-monthly or monthly basis. Engagements feature onsite visits and ongoing assistance.

### **Accounting Services**

- Oversight of the books and records
- Setup/upgrade of QuickBooks accounting software systems
- Preparation and analysis of general ledger & financial statements
- Preparation of accountant compiled reports, including footnote disclosures
- Perform budgets and forecasting
- Supervision of cash flow

## ▶ Accounting Services for Funds

SDDCO Fund Services (“SDDCO-FS”) provides a back office solution for private equity firms, hedge funds, and asset management funds:

### **Private Equity Fund Services**

For private equity funds, SDDCO-FS will maintain your books and records; prepares timely reports; compute profit and loss allocations and management and performance fees; track partnership reimbursable expenses paid by manager; review capital call and distribution spreadsheets; oversee preparation of investor account statements; prepare your financial statements; and assist with outside audits.

### **Hedge Fund Services**

SDDCO-FS will maintain your books and records, and individual account statements. SDDCO-FS will calculate fund fees (administration, performance, and management); compute income and expense allocations; calculate the partners’ capital account balances monthly or quarterly; oversee the investor account statements; direct electronic downloads from your brokers to SDDCO accounting software; prepare the financial statements; and assist management with outside audits.

### **Asset Management Fund Services**

SDDCO-FS will maintain the books and records for the underlying investment vehicles, general partner, and management company. SDDCO-FS will calculate the individual account balances for each investor and use proven formats for creating periodic capital calls and investor statements; and assist management with outside audits.

## Accounting & Consulting Services for Startups

SDDCO helps technology firms and other business ventures root, grow, and expand to maturity. Our professionals perform setup functions, such as assisting the development of new banking and law firm relationships, facilitating business structure applications and personnel licensures, as needed, and establishing accounting software, systems, and procedures.

SDDCO offers ongoing accounting, bookkeeping, tax, and consulting services; prepares monthly and annual financial reports; and provides other forms of operational support. The scope of our service can be tailored to meet your anticipated business needs.

Back office efficiencies are essential to your success. SDDCO can be engaged to provide outsourced accounting and consulting services as follows for new ventures, be it product, technology, or service based:

### **Accounting Services for Startups:**

- Establish your startup's books and records, including chart of accounts
- Set up your accounting software systems online or at your location
- Prepare your cash or accrual based monthly financial statements
- Facilitate budget preparations to anticipate your funding needs
- Furnish accounting guidance to your legal counsel
- Manage your accounts payable and accounts receivable
- Reconcile your company bank accounts
- Provide entry level tax preparation services
- Prepare 1099, 1096, and other year-end reports

### **Consulting Services for Startups:**

- Devise a plan for company structure based on initial ownership and long term goals
- Assist with your selection of outsourced providers: insurance, legal, and payroll
- Support your attorney on accounting and tax issues associated with selected legal structure
- Consult on forms of equity from founders stock, convertible debentures, preferred stock
- Discuss funding methods and the associated accounting principles
- Develop systems of internal controls and accounting policies
- Design appropriate plan for employee benefits (medical, retirement, bonuses)
- Consult on staff retention plans including stock options and other equity based compensation

## **Outsourced CFO Role for Startups**

Engage us to assist your firm on a more intensified basis by performing as your Chief Financial Officer or Controller. An SDDCO professional can be retained to service your firm onsite, as often as weekly, to assume a variety of financial and business operations responsibilities.

Services may include: startup management; payroll assistance; strategic business and financial planning; cost reduction improvements; contract negotiation and administration; banking relationship management; risk assessment and advising; and taxation and audit facilitation.

## **Startup Benefits**

SDDCO clients realize the many benefits of outsourcing these functions, including a significant cost savings and a consistent superior product.

- *Best Execution:* Improve venture productivity by outsourcing back office duties so you can focus on your core goal—bringing your innovation to the marketplace.
- *Management Reporting:* It is crucial for new businesses to know their financial standing to budget and convey performance to outside investors and other interested parties.
- *Industry Alignment:* Most business ventures need assistance navigating the rules and regulations pertaining to their industry.
- *Financial Projections:* Many companies fail due to undercapitalization. Benefit from SDDCO guidance on how to stabilize the financial structure of your company.
- *Retainer Billing:* Partnering with our support under one monthly fee enables firms to tap our expertise without watching the clock. SDDCO engagements feature regular onsite visits and ongoing offsite access.
- *Trusted Track Record:* SDDCO has helped startups become well established businesses since 1952. Our highest compliment is your long term success.

## **FINOP Services for Broker-Dealers**

### **FINRA Member Broker-Dealers**

Each registered broker-dealer is required by securities law to hire a licensed professional to oversee the books and records and ensure compliance with net capital rules. As a CPA firm performing this outsourced function since the early 80's, S.D. Daniels & Company, P.C. ("SDDCO-PC") of The SDDCO Group brings three decades of experience to broker-dealers of all sizes. An SDDCO-PC FinOp will support or lead all aspects of this mandatory function:

#### **Financial Duties**

- Oversight of the member broker-dealer's books and records
- Preparation of accurate financial statements and supervision of those who assist
- Supervision/performance of member duties per the Securities Exchange Act of 1934
- Supervision/performance of member duties per the SEC uniform Net Capital rules
- Computation of the monthly Net Capital and all related items, such as Haircuts
- Monitoring of Net Capital compliance reporting

#### **FINRA Filings**

- Financial and Operational Combined Uniform ("FOCUS") Report, monthly or quarterly
- Supplemental Statement of Income ("SSOI"), quarterly
- Filing the related Schedule I, annually
- Securities Investor Protection Corporation ("SIPC") Report, semiannually
- FINRA Annual Assessment Report

#### **Authority Assistance**

- Interface with outside auditors or regulators during an audit exam and as needed

#### **New Broker Dealers**

SDDCO-PC will assist you through the FINRA new membership application process as it relates to the duties of the FinOp: creating an initial chart of accounts via QuickBooks or software of choice; reviewing the books and records to prepare trial balances, balance sheets, net capital computations, and required supporting documentation; facilitating your budget and projection preparations, as well as furnishing accounting guidance in the preparation of your Supervisory Procedures Manual and formal Business Plan.

## **Broker-Dealer Registration**

SDDCO Regulatory Services LLC (SDDCO-RS) provides full-service, compliance consulting to emerging securities firms and established broker-dealers. Our experienced consultants will facilitate your startup and support ongoing compliance with applicable rules and regulations.

### **Broker-Dealer Registration Services**

Under Section 15 of the Securities Exchange Act of 1934, most “brokers” and “dealers” must register with the SEC and join a “self-regulatory organization,” or SRO. To registers as a broker-dealer and conduct business, SDDCO will assist you to:

- File Form BD with the SEC
- Become a member of the SRO, FINRA (the Financial Industry Regulatory Authority)
- Become a member of SIPC (the Securities Investor Protection Corporation)
- Comply with state requirements as applicable, and
- Ensure that all “associated persons” satisfy their qualification requirements

### **Broker-Dealer FINRA New Membership Application**

The filing requirements of the FINRA new membership application or “NMA” are extensive and exact. SDDCO-RS consultants do not present you with a software program—we pilot the entire FINRA membership process for you.

#### **Broker-Dealer Startup Services:**

- **Building Your Business Plan:**  
SDDCO-RS will build your comprehensive business plan, which includes:
  - Charting your Management and Organization
  - Writing Biographies for your Principals
  - Documenting your Products and Services
  - Identifying your Target Clients
  - Detailing your Staffing Requirements
  - Outlining your Work Facilities
  - Identifying your Registered Principals
  - Assisting Selection of Critical Third Party Relationships: outside legal counsel, outside auditor, FinOp, clearing firm, and Fidelity Bond provider
  - Aiding preparation of your Pro Forma Financial Model
  - Advising on technology systems in accord with FINRA requirements
- **Drafting Your Policies & Procedures:**  
SDDCO-RS will draft, refine and finalize your mandatory applicant manuals:
  - Written Supervisory Procedures (“WSP”)
  - Business Continuity Plan (“BCP”)
  - Anti-Money Laundering Program (“AML”)
  - Continuing Education Program (“CEP”)

- **Managing Your WEB NMA:**  
SDDCO-RS will serve as your WEB NMA Administrator:
  - Establishing your WEB NMA Account
  - Uploading all required NMA file forms, manuals, and supporting documents. (FINRA has 180 days to finalize their review of your complete application.)
  - Administering WEB CRD and all mandated FINRA systems as required
  
- **Handling Your FINRA Requests:**  
SDDCO-RS will serve as your Appointed Representative:
  - Receiving all FINRA examiner requests for additional data
  - Interpreting and consulting you on all FINRA communications
  - Responding to all FINRA requests on your behalf
  
- **Preparing for Your Interview:**  
SDDCO-RS will prepare for your FINRA Pre-Membership Interview:
  - Advising you on the meeting format and content
  - Attending the meeting with you
  - Responding to any follow-up requests

NMA success hinges on our partnership in filing, collecting copious data, sending appropriate responses to follow-up requests, and preparing for your FINRA interview. Our clients are secure knowing that SDDCO-RS professional are well practiced in the meticulous process of filing on behalf of broker-dealers of varied size and structure.

## **Brokerage Hosting & Branch Supervision**

SDDCO Brokerage Advisors LLC (“SDDCO-BA”) is a MEMBER: FINRA/SIPC broker-dealer dedicated to serving financial industry professionals and their firms. SDDCO-BA was created by The SDDCO Group as the solution to a growing industry need for an independent broker dealer with broad institutional regulatory compliance and accounting experience.

SDDCO-BA provides the regulatory structure for professionals to conduct business and build a brand while developing the capital and business plan necessary to form their own FINRA member firm. If your business plan calls for brokerage services, alternative investments, or investment banking, SDDCO-BA will provide the supervision, expertise, and guidance to aid in your long-term success. If you seek to conduct business while forming your own broker-dealer and you need a stable environment in which to develop your business model; SDDCO-BA will be the place where you can prosper on your own terms in a FINRA and SEC compliant regulatory environment.

SDDCO-BA also remains true to its roots by offering financial industry participating firms—such as other broker-dealers, investment advisers, municipal advisers, hedge funds, mutual funds, private equity firms, and other corporate clients—outsourced business, investment banking, operations, and risk management consulting services.

## **Investment Adviser Registration**

SDDCO Regulatory Services LLC (SDDCO-RS) provides comprehensive compliance service solutions to investment advisers and private fund managers.

### **Adviser Registration**

SDDCO-RS leads advisers through fulfillment of their SEC filing requirements as follows:

- Creating and filing Form ADV Parts 1 and 2 and supporting documents
- Developing your customized Written Supervisory Procedures
- Drafting your Code of Ethics, BCP, and Insider Trading Policy
- Developing Solicitors Agreements and Disclosure Statements
- Reviewing planned marketing materials
- Licensing appropriate personnel

### **Adviser Program Support**

SDDCO-RS assists registered investment advisers (“RIA”) through the development of a compliance program per the Investment Advisers Act, the adoption of written policies and procedures designed to prevent violations, the designation of a Chief Compliance Officer, and the facilitation of your annual review.

SDDCO-RS provides this continued assistance through retained or project consulting:

- IARD Administration, yearly amendments to ADV Parts 1 and 2, delivery of updated ADV Part 2 within 120 days of fiscal year-end, prep of state notice filing and registrations, and filing of amended ADV upon material change to business.
- Drafting policies and procedures, updating Written Supervisory Procedures, monitoring insider trading policy, and reviewing marketing/performance material.
- Conducting the Annual Review to test effectiveness of firm compliance and conducting compliance reviews to prepare for regulatory exams.

### **Outsourcing the CCO Role**

An SDDCO-RS professional will perform with proper knowledge and authority as CCO to fully administer your in-house compliance systems. Working closely with management and staff, your SDDCO-RS CCO will plan, implement, and maintain your compliance program.

### **Benefits**

For two decades, our seasoned experts have worked with major asset management firms and service providers, independently supporting their full compliance with regulatory requirements. SDDCO-RS can establish a service model to suit your needs and maintain your institutional compliance through regulatory, business, and personnel changes.

## **Regulatory Compliance for Advisers & Broker-Dealers**

SDDCO Regulatory Services LLC (SDDCO-RS) specializes in ongoing regulatory support for broker-dealers and investment advisers. On an outsourced basis, we provide full-service compliance consulting to emerging and established firms. Our experienced consultants support ongoing compliance with applicable rules and regulations. We tailor our services to your business model and activity and support your compliance through onsite visits, offsite accessibility, and informed guidance.

SDDCO-RS collaborates with management to develop an inventory of applicable requirements, define the status of each requirement, and agree upon strategy. Our team will perform certain functions on behalf of your firm, monitor functions performed internally, and continually reassess needs per an agreed upon mandate. Our consulting team provides a suite of services on a retainer or project basis.

### **Broker-Dealer Regulatory Compliance Services:**

- Registration and Licensing
- Web CRD Administration
- Disclosures and Certifications
- Policies and Procedures
- Supervisory Controls
- CEO Certification
- Independent Review
- Annual Compliance Meeting
- Annual Review of Business Operations
- Continuing Education Program
- FINRA New Member Application
- FINRA Continuing Membership
- Anti-Money Laundering Advising
- Business Continuity Planning
- Liaise with Regulators
- E-Communication Review

### **Investment Adviser Regulatory Compliance Services:**

- Web IARD Support
- Disclosures and Certifications
- Policies and Procedures
- Compliance Manual
- Annual Compliance Meeting
- Continuing Education Program
- AML Procedures
- Business Continuity Planning
- Regulatory Exam Guidance
- Independent Review

## **Commodity Broker Registration & Support**

S. D. Daniels & Co, P.C. (“SDDCO-PC”) of the SDDCO Group provides professional support to the futures services industry. Seasoned accountants and consultants can lead your futures business formation and registration, compliance program development, ongoing compliance and reporting, alongside accounting assistance. We service the Futures Commission Merchant (“FCM”), (including the retail forex dealer member (“RFED”), the Introducing Broker (“IB”), the Commodity Pool Operator (“CPO”), and the Commodity Trading Adviser (“CTA”).

### **Entity Formation**

SDDCO-PC will provide full service Commodity Futures Trading Commission (“CFTC”) registration and National Futures Association (“NFA”) membership assistance, identifying the proper registration category, targeting the entity’s exemptions and obligations, E-filing necessary forms and documents, advising on financial requirements, assisting with the creation of manuals, and responding to requests by regulators.

### **Who Must Register?**

Unless exempted, all firms and persons planning a business in the futures industry must register with the CFTC under the Commodity Exchange Act. To conduct business with the public, such professionals must also gain membership with the NFA.

The NFA, a registered futures association, is the self-regulating association that performs all CFTC registrations, administers customer protection standards, monitors financial compliance of members, and provides an arbitration forum. Entrance is available to all CFTC registrants and those exempted, including FCMs, IBs, RFEDs, CPOs and CTAs.

### **Registration Steps**

SDDCO-PC will fully manage your CFTC registration and NFA membership application leading each aspect of the process and reviewing all content with your management team. As applicable to each registering person or business entity, we will:

- Guide financial requirements: and financial statement filing
- Prepare and file Form 7-R to register firm entity
- Supervise the registration of individuals as Principals and APs
- Guide all registration fees, exam fees, and membership dues
- Perform as Security Manager to file via NFA’s Online Registration System (“ORS”)
- Draft and/or review all business manuals
- Draft and/or assemble NFA analysis documents
- Draft follow-up responses to regulators

### **A Program in Compliance**

SDDCO-PC works closely with management to understand your business model in order to draft the Written Supervisory Procedures (“WSPs”), internal and external compliance documents, and a customized compliance program. Our compliance consultants can also be engaged, on a project or retainer basis, to provide continued assistance to firms, old and new, to help personnel keep compliant with changing industry obligations.

## **Commodity Broker Compliance Duties**

- Review compliance manual policies and procedures for sufficient representation of business operations and applicable industry rules and regulations
- Modify the compliance manual to mirror regulatory changes
- Update plans and policies as required, including Business Continuity Plan, Ethics Policy, Anti-Money Laundering policy
- Perform online registrations and memberships
- File regulatory reports as required
- Review website and promotional materials
- Assist with annual compliance reviews
- Assist firm self-examinations
- Assist firm to prepare for regulatory examinations

## **Commodity Broker Financial Duties**

SDDCO-PC assists commodity brokers with all applicable accounting procedures—keeping the books & records and performing the required reporting and regulatory filings. We will setup and manage a robust system of financial reporting and recordkeeping.

### **Accounting retainer functions for FCMS and IBs include:**

- Setup & upgrade of QuickBooks accounting software systems
- Oversee NFA member books and records
- Preparation and analysis of general ledger & financial statements
- Preparation of accountant compiled reports including footnote disclosures
- Preparation of 1099, 1096 and other year-end reports
- Performance of budgets and forecasting
- Computation of monthly net capital and all related items, such as Haircuts
- For FCMS: review of segregation and secured account computations
- Filing Form 1-FR-FCM monthly or 1-FR-IB semi-annually
- Interfacing with outside auditors or regulators during audit exams and as needed

### **Accounting retainer functions for CPOs and CTAs include:**

- Setup & upgrade of QuickBooks accounting software systems
- Preparation and analysis of general ledger and financial statements
- Preparation of client statement monthly and quarterly
- Computation of net asset value (“NAV”)
- Filing Form PF or PDQ quarterly
- Disclosure document review
- Disclosure document capsule preparation
- Performance table reporting

## **AML Independent Testing**

S.D. Daniels & Company LLC (“SDDCO-LLC”) provides independent testing of the Anti-Money Laundering Compliance Programs of broker-dealers to assist you to fulfill your requirement. FINRA member broker-dealers are required to comply with the USA Patriot Act and FINRA rules. FINRA Rule 3310 requires member firms to provide for annual (on a calendar-year basis) independent testing of their AML Compliance Programs.

We conduct an in-depth review to test conformity with AML requirements applicable to your firm including the requirements of the Financial Industry Regulatory Authority (“FINRA”), Bank Secrecy Act (“BSA”) and USA Patriot Act of 2001, Financial Crimes Enforcement Network (“FinCEN”), and the Office of Foreign Assets Control (“OFAC”).

SDDCO-LLC will determine if your firm maintains and implements AML policies and procedures that address applicable requirements, have been updated to incorporate new and amended rules and regulations; have been properly authorized by senior management; and have been distributed to and acknowledged by all associated persons.

### **Scope of Testing**

SDDCO-LLC will conduct an analysis of your firm’s business operations to determine the scope of the independent test to be performed. SDDCO-LLC will:

- Analyze these aspects of your business: Products & Services; Branch Office(s); Client Base, Clearing Method(s); Possession and Control of Funds & Securities; Receipt and Forwarding of Funds & Securities; Transaction Volume; Account Activity; and Ownership Structure.
- Test your firm’s AML Compliance Program per the agreed upon Scope of Testing.

### **AML Testing Report**

SDDCO-LLC will provide an AML Testing Report upon completion of the test process. The Testing Report will detail SDDCO-LLC findings and recommendations. We will:

- Detail the method and review of testing, verify your firm’s AML Supervision and Management, and review your firm’s AML Written Supervisory Procedures.
- Provide a summary of the test and the gaps discovered.
- Identify the changes your firm has made or needs to make to enhance the effectiveness of your AML Compliance Program.

### **CAMS Certified AML Professionals**

SDDCO-LLC AML professionals are certified members (“CAMS”) of ACAMS—The Association of Certified Anti-Money Laundering Specialists.

## **Tax Compliance & Advisory**

Every aspect of your business life has tax implications, and S.D. Daniels & Company, P.C. (“SDDCO-PC”) provides guidance each step of the way. From a company’s inception through its day-to-day transactions and all stages of change, our tax advice and planning adds significant value by keeping clients up to speed. Our innovative tax department offers the following services.

### **Tax Services for Businesses**

- Income tax compliance and reporting: corporate, partnership, and high net worth individuals
- State and local tax strategies and planning
- International tax strategies and planning
- Investment planning and tax considerations
- Compensation planning and analysis of equity compensation
- Trust accounting and taxation
- Structuring new business and transactions
- Business succession planning
- Retirement and benefits planning
- Representation before tax authorities
- Assistance with tax examinations and tax notices.

### **Tax Services for High Net-Worth Individuals**

- Preparation of federal income tax returns
- Preparation of state /multi-state income tax returns
- Preparation of federal and state gift tax returns
- Preparation of US tax returns for citizens abroad
- Transaction advisory
- Year-end tax planning
- Multi-year tax projecting
- Investment planning and capital gains considerations
- Charitable giving and tax considerations
- Family owned business succession planning
- Retirement planning and pension /IRA distributions
- International tax matters
- Representation before tax authorities
- Assistance with tax examinations and tax notices

## Supplemental Services

### **IRS Form 1099 Reporting Service**

SDDCO-PC can be engaged to fulfill Client obligations regarding Tax Form 1099 reporting to the IRS. Form 1099 is used to report self-employment income, awards, dividends, interest, and government payments. 1099-MISC for miscellaneous income is the most commonly filed 1099 form by SDDCO clients. SDDCO-PC will perform the Form 1099 service as follows:

- Identify Form 1099 eligible subcontractors/payees (generally an unincorporated company or individual or any legal service provider) paid in excess of \$600 during a given year
- Assist with gathering all recipient 1099 information (name, EIN or SS#, address, amount)
- Process 1099s using a dedicated 1099 software which prints recipient and IRS filings
- Review recipient information for accuracy based on the info provided by the Client
- Mail recipient copies
- Mail IRS filings (1099s accompanied by 1096 cover form)
- Create a copy set for the Client

1099 service will be invoiced upon the mailing of the copy set to the Client. Billing will be calculated per SDDCO-PC's current fee schedule in place at the time.

### **Financial Statements Preparation**

FINRA and the SEC require its broker-dealer members to issue audited financial statements, certified by an independent accounting firm, shortly after the member's fiscal year-end. Time associated with our personnel preparing the financial statements is *not* included in the Agreement discussed above. If engaged for this service, SDDCO-PC will perform the following functions to assist the Client in meeting its regulatory requirement:

- Draft financial statements with balance sheet and statement of income, changes in equity, and cash flow
- Draft associated footnotes to the financial statements
- Review final draft of the financial statements and footnotes
- Review internal control report, SIPC report, and management representation letter by independent audit firm
- Upload financial statements and associated reports to be filed electronically via FINRA's Web CRD system

Fees will be determined on the basis of time and the dedicated expertise level in accordance with our hourly rates in effect at the time of service.

## The SDDCO Group Senior Partners

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**Scott D. Daniels, CPA**

**(sdaniels@sddco.com)**

Scott D. Daniels, Managing Partner and founder of The SDDCO Group, has dedicated 30 years to leading his CPA and consulting company to expertly fulfill the accounting, supervisory, and compliance needs of financial services firms on an outsourced yet onsite basis. Accordingly, he is particularly skilled at advising clients on the formation, funding, operations and administration of their businesses. Mr. Daniels holds Financial and Operations Principal [Series 27] and a Corporate Securities Limited Representative [Series 62] FINRA licenses. He is a member of the AICPA and the Stockbrokerage Committee of the NY State Society of CPAs and has served on boards of financial services firms. He began his career with Peat Marwick, Mitchell after graduating cum laude from the University of Hartford.



**Richard B. Sobel**

**(rsobel@sddco.com)**

Richard B. Sobel, Senior Partner of The SDDCO Group, joined the company in 1986. During his twenty-five years of service, Mr. Sobel has been instrumental in the growth and development of the firm. Mr. Sobel is a registered Financial and Operations Principal [Series 27] and a member of the New York State Society of CPA's. Prior to his tenure at S. D. Daniels & Co., Mr. Sobel honed his accounting skills with CPA firms servicing a variety of industries. Mr. Sobel earned a Bachelor of Science in Accounting from C.W. Post University in New York.



**Robert A. Fortino, CPA**

**(rfortino@sddco.com)**

Robert A. Fortino, Senior Partner of The SDDCO Group, advises broker-dealers on FINRA/SEC membership and their adherence to net capital rules during daily operations, committed underwritings, and periods of re-structuring. Mr. Fortino works with investment banks, institutional trading firms, alternative investment firms, and retail brokerage. He sits on the board of a non-profit company and several client firms. He is a FINRA registered Financial and Operations Principal [Series 27], and a member of the AICPA and the Stockbrokerage Committee of the NY State Society of CPAs. He held senior positions at KPMG Peat Marwick LLP, Kidder, Peabody & Co., and Prudential Securities, Inc. Mr. Fortino earned a BBA in Public Accounting from Hofstra University and an MBA from St. John's University.



**David R. Portnoff, CPA**

**(dportnoff@sddco.com)**

David R. Portnoff, Senior Partner of The SDDCO Group, has extensive experience servicing broker-dealers, with an emphasis in the Latin American securities sector. He also directs SDDCO Fund Services LLC, which supports privately held funds. Mr. Portnoff worked previously for Moore Capital Management Inc. and McGladrey LLP performing audits and consulting engagements for FINRA member firms. He is a FINRA registered Financial and Operations Principal [Series 27] and an AICPA and NYSSCPA member. Mr. Portnoff received a Bachelor of Science in Accounting from the University of Hartford.

## SDDCO Senior Management

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**Philip Lebovits, CPA** ([plebovits@sddco.com](mailto:plebovits@sddco.com))

Philip Lebovits, Partner of S.D. Daniels & Co., PC and Tax Director, has over thirty years of experience in the public and private sectors, serving broker-dealers, private equity and hedge funds. His strong tax background in corporate, high net worth individuals, international, state, and local taxation enables him to extend an array of services to clients. Mr. Lebovits has held senior level positions with Deloitte, Eisner, BDO Seidman, and Morgan Stanley. A member of the AICPA "Financial Products Committee" and the Wall Street Tax Association, Mr. Lebovits earned a Bachelor of Science in Accounting from the

University of Buffalo.



**Hale Halasy** ([hhalasy@sddco.com](mailto:hhalasy@sddco.com))

Hale Halasy, President of SDDCO Regulatory Services LLC, is a compliance and training professional with thirty-five years of experience. He leads broker-dealers through the membership process and provides continued assistance to internal compliance programs. A Certified Anti-Money Laundering Specialist, Mr. Halasy directs the AML testing program of S.D. Daniels & Company LLC. As a NY Stock Exchange Series 7 Test Writing Committee member ('99-'06), and Founder of CCH Wall Street Financial Training, he amassed thirteen years training compliance professionals. He holds FINRA Series 7 and 24 licenses

and memberships in the National Society of Compliance Professionals and SIFMA Compliance & Legal. Mr. Halasy earned a BS from Brooklyn College in Business, Management and Finance.



**Bryon H. Lyons** ([blyons@sddco-ba.com](mailto:blyons@sddco-ba.com) / [www.sddco-ba.com](http://www.sddco-ba.com))

Bryon Lyons, Partner and CEO of SDDCO Brokerage Advisors LLC (SDDCO-BA) MEMBER FINRA/SIPC, specializes in regulatory services and consulting for broker-dealers and investment advisers. Mr. Lyons began his career at Dreyfus Service Corp. and Wit Capital Corp. where he supervised representatives, developed procedures, and instituted training programs. He later served as President of a New York brokerage firm dedicated to hedge funds and proprietary trading. Mr. Lyons is a FINRA registered Series 7, 24, 63, 55, and 27 and holds memberships in the National Society of Compliance

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**Andrew D. Miller, CPA**

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Andy Miller, Partner of S.D. Daniels & Co., P.C., joined the firm in 2006. Mr. Miller has over twenty five years of experience servicing the financial services industry. Mr. Miller's diversified experience includes financial, management and SEC. reporting along with controller responsibilities. Prior positions include Audit Manager with Citigroup, Inc., VP of Management Reporting for BNY Brokerage, and also Assistant VP with Merrill, Lynch, Pierce, Fenner & Smith in the International Private Banking Group and the Corporate Credit department. He began his career with KPMG Peat Marwick, serving as a senior accountant specializing in the banking industry. Mr. Miller is a FINRA registered Financial and Operations Principal [Series 27]. He earned a Bachelor of Science in Accounting from the University of Rhode Island.



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Michael Glynn, Principal of S.D. Daniels & Co., P.C., joined the firm in 2007 and provides accounting and FinOp services informed by more than twenty years of industry experience. Mr. Glynn commenced his career at the public accounting firm William J. O'Connor & Co (Dublin), and later served as senior analyst for Paine Webber Inc. (NY), financial controller for Tucker Anthony Inc. (NY), and financial controller for Wall Street Access (NY). Most recently, he acted as US Head of Finance for Macquarie Bank Limited. Mr. Glynn is a FINRA Registered Series 27 Financial Operations Principal, and an International Member of American Institute of Certified Public Accountants. He earned a Bachelor of Business studies from the University of Limerick.



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Janice Parise, Partner of S.D. Daniels & Co, P.C., joined the firm in 2010 and provides all aspects of FinOp and CFO services to securities industry clients. Ms. Parise has more than twenty years of experience in the financial services field. She specializes in the highly regulated broker-dealer environment, having strong knowledge of the SEC net capital and books & records rules and reporting requirements. Ms. Parise's former positions include senior roles, most recently as CFO of Kellogg Capital Markets, LLC and as Controller at Van der Moolen Specialists USA LLC. Ms. Parise is a CPA and FINRA Registered Financial and Operations Principal (Series 27) and a member of the FINRA Series 27 Exam Review Committee and the Stock Brokerage Committee of the NYSCPA. She earned a Bachelor of Science in Accounting from CUNY - Queens College.

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