



## February 2017 SEC No-Action Letter Related to Third-Party SLOAs

Pershing Advisor Solutions LLC makes the following representations related to the February 21, 2017, Securities and Exchange Commission (SEC) No-Action Letter regarding certain standing letters of authorization (SLOAs) or other similar transfer authorization arrangements for cash.

Here is what we are doing to address the no-action relief on the Custody Rule:

	<b>No Action Relief Conditions from the SEC</b>	<b>Pershing Processes</b>
1	The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.	Pershing requires that a standing letter of authorization which includes the name and account number on the receiving account and must be signed by the account owner or authorized digitally/electronically through our <a href="#">Investor Portal</a> .
2	The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.	Pershing currently requires that an SLOA be signed by the account owner.
3	The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.	Pershing will send a debit advice to the client promptly after each transfer of funds.
4	The client has the ability to terminate or change the instruction to the client's qualified custodian.	The client always has the ability to terminate (or amend) an SLOA in writing.
5	The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.	Pershing requires a new standing instruction if information concerning the third party payee is changed.
6	The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.	This is the responsibility of the adviser.
7	The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.	Pershing will send a notification in writing when a new standing instruction is set up and will also provide the annual notice reconfirming the existence of any third-party standing instructions.

**THIS SOLUTION IS NOT AVAILABLE FOR SLOAS FOR SECURITIES MOVEMENTS DELIVERED TO ACCOUNTS OFF THE PERSHING PLATFORM.**

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