



Navigating Residential Supervisory Locations and Remote Inspections: Compliance Strategies for 2025

1/29/25



RSLs, Remote Inspections, and FINRA

**Lance Huntley, Red Oak
Compliance**

**What Does This Mean and What Should
We Do?**

**Cathy Vasilev, Red Oak
Compliance**

Our RSL Strategy

Deetra Tesla, Aliso Solutions

How ROC Can Help


**Lance Huntley, Red Oak
Compliance**


Q&A


All


Questions






Audio



Video


 1
Participants



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Our Panelists



Cathy Vasilev
Founder and Chief
Customer Officer, Red
Oak Compliance



Lance Huntley
Head of Consulting,
Red Oak Compliance



Deetra Tesla
Compliance Consultant,
Aliso Solutions



RSLs, Remote Inspections, and FINRA

Poll #1: How confident are you in navigating RSLs and Remote Inspections?



Rules We Are Addressing

Residential Supervisory Locations (FINRA Rule 3110.19)

- Effective June 1, 2024
- Allows firms to designate private residences as non-branch offices
- Aims to balance workplace flexibility while not compromising supervisory requirements

Remote Inspections Pilot Program (FINRA Rule 3110.18)

- Effective July 1, 2024
- Alternative to traditional in-person inspections for branch and non-branch locations
- Three-year program

Poll #2: Have you opted into the Remote Audit Pilot Program?



What FINRA is Saying



**Modernization
of Oversight**



**Risk-Based
Approach**



**Leverage
Technology**



**Investor
Protection**



**Evaluation and
Feedback**



**Transparency and
Communication**



What Does It Mean and What Should We Do?

Opportunities and Challenges with RSLs

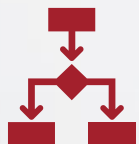
Opportunities



Cost Efficiency



Adaptability



Operational Modernization

Challenges



Supervisory Procedures



Technological Investment



Regulatory Scrutiny



MAP Filing

Consequences of a Not Having a RSL Compliance Program



**Fines
Assessed**



**RSLs
Pulled**



**Reputational
Risk**

Poll #3: Do you currently have a reasonably designed RSL Compliance Program?



A Reasonably Designed RSL Compliance Program (1/2)

Step 1: Determine Whether the Firm is Eligible to Use the RSL Designation

Step 2: Determine Whether the Firm's Associated Person is Eligible to Work from an RSL

Step 3: Determine Whether the Private Residence Satisfies the Conditions to be Classified as an RSL

Step 4: Determine Which Jurisdictions Recognizes RSLs

A Reasonably Designed RSL Compliance Program (2/2)

Step 5: Determine and Document if MAP Assessment is Needed

Step 6: Conduct and Document a Risk Assessment

Step 7: RSL Identification on U4

Step 8: Create a Robust Compliance Program

Step 9: Maintain Books and Records



Our RSL Strategy

Our Technology Infrastructure

Docupace

- Digital Workflow Management
- Client Documentation
- E-Sign Integration

Egnyte

- Secure Cloud Storage
- Encrypted Communications
- Central Repository

Red Oak Compliance

- Marketing Reviews
- Compliance Documentation
- Supervisory Tools

Remote Supervisor Oversight



Key Monitoring Areas

- Approval Timing
- Marketing Reviews
- Compliance Oversight
- Quarterly Attestations

Risk Levels



Single Item



Multiple Items



Immediate Action

Quarterly Supervisor Review Process

Comprehensive Review Areas

- Marketing Approvals
- Correspondence Review
- Direct Business
- Outside Activities
- Gift/Entertainment

Documents & Verification

Submission
2427601 - 1031 Financial - Luncheon Invitation **Completed**

Overview Details Comments (1) Documents (1)

Submission ID:	2427601 Clone Reopen
Submission Type:	Marketing Material
Last Status Date/Time:	Sep 15, 2022, 9:01:10 AM
Created:	Sep 15, 2022, 8:59:58 AM
Submitted By:	Erik [redacted] Submitters Assign Submitter Delegate
On Behalf Of:	Scott [redacted]
Need By Date:	Sep 15, 2022, 8:59:00 PM
Expiration Date:	None Edit
First Transition Date/Time:	Sep 15, 2022, 9:01:10 AM
CC Users:	None
Assigned Verifiers:	None
Assigned Checkpoints:	None
Involved Users:	Erik [redacted] - Scott [redacted]

Ongoing Review Cycle

- Daily: Docupace Workflows
- Weekly: Egnyte Correspondence
- Monthly: Direct Business
- Quarterly: Supervisor Questionnaires
- Annual: Branch Audits

Best Practices and Keys to Success for Remote Supervision

Best Practices for Remote Supervision

1. Integrated Technology
2. Clear Documentation
3. Regular Attestations
4. Systematic Assessment
5. Multiple Verifications

Keys to Success

- ✓ Technology Infrastructure
- ✓ Clear Processes
- ✓ Regular Verification
- ✓ Systematic Oversight

Questions?

Contact Deetra Tesla, Aliso Solutions



How ROC Can Help

How ROC Can Help

Software Offerings

- Branch Audit
- Registration Management
- Risk Assessments
- Gap Analysis

Consulting Support

- Policy Development
- Administering Branch Exams
- Providing Guidance on RSLs and Remote Inspections
- Regulatory Resolution
- Regulatory Filings

QUESTIONS?

Still Have Questions?

Contact Us:

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Sign Up For Our Next Webinar

**Mastering the Supervision of Your
Registered Representatives' Online
Presence**

When: March 6, 2025

Time: 12PM CST



Red Oak User Conference

Red Oak User Conference

When: April 27-30, 2025

Where: Thompson Hotel, Austin, TX



In Case You Missed It

**Navigating FINRA's New API
for Registration Management**



**AI in Compliance: Enhancing Advertising
Review with Artificial Intelligence**



THANK YOU