

Daren Domina in ThinkAdvisor on SEC's New Ad Rule

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PRACTICES Investment Management, Investment Banking and Broker Dealer, Capital Markets and Securities, Margin Lending and Structured Equity

Haynes Boone Partner [Daren Domina](#) provided comments for *ThinkAdvisor* about the SEC's new advertising rule and the compliance challenge it creates for advisors.

Below is an excerpt:

Registered investment advisors view the Securities and Exchange Commission's new marketing and advertising rule as the "hottest" compliance topic this year, with the second-hottest being cybersecurity, according to a recently released Investment Adviser Association poll. ...

...Daren Domina, a partner in the Investment Management and Private Equity Practice Groups at Haynes Boone in New York, who also heads the Broker-Dealer Regulatory Practice Group, told *ThinkAdvisor* Thursday in an email that "because of the Marketing Rule's permissibility of use, I expect to see more adviser arrangements and presentations with testimonials and endorsements, including increased use of social media."

Said Domina: "Given the SEC's reframing of advisor solicitations arrangements, and that the SEC denied suggestions to provide grandfathering relief, advisers will also have to convert their existing agreements under the now defunct 'Cash Solicitation Rule' to the new paradigm of compensated endorsements (and testimonials, as applicable), along with increased material conflicts of interest disclosures."

It's important to note, Domina warned, that an advisor "may not phase in parts of the Marketing Rule at different times; each adviser must be prepared to internally select, and to identify to the SEC, the effective date that such adviser is complying with all aspects of the Marketing Rule."

The marketing rule "not only effectively codifies certain existing interpretations and [SEC] no-action letters, but also introduces new requirements," Domina said.

To read the full article, click [here](#).