GEMMER ASSET MANAGEMENT LLC
LOCAL PARTNER | GLOBAL INVESTING

Advisor Connect
Operations Newsletter

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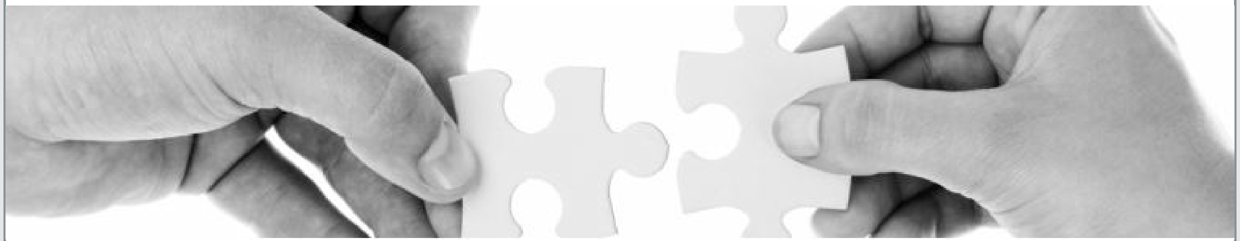

Check Fraud Prevention

The Financial Crimes Enforcement Network (FinCEN) issued a nationwide alert regarding check fraud due to a surge in mail theft. Check fraud schemes have steadily increased since the beginning of the COVID-19 pandemic. The United States Postal Inspection Service (USPIS) reported a 161% increase in mail theft complaints from March 2020 through February 2021 compared to the same time frame the previous year.

Criminals often target USPS blue collection boxes and unsecured residential mailboxes to steal personal checks, business checks, tax refund checks, and checks related to government assistance programs. After stealing the checks, they will remove the original payee and replace the name with a fraudulent name and increase the dollar amount on the check.

Below are some ways we can help clients minimize their risk when it comes to check fraud.

• Use ACH (Moneylink) or Wire verses a paper check especially if it is a large dollar amount.

• Monitor bank accounts via-online or review statements and verify check images to ensure all checks have been properly deposited.

• Take mail into the post office versus dropping it into an outdoor USPS collection box as criminals often target collection boxes.

• Sign up for the post office's free Informed Delivery service, which sends electronic previews of scheduled mail deliveries.

• Report any fraud and/or suspicious activity as soon as possible.

Please click here to read the full alert from the Financial Crimes Enforcement Network.

Compliance Corner

DocuSign Guide: The Client's Perspective

The recent changes to DocuSign's authentication process have caused clients to encounter some issues while trying to access their envelopes. We have created this guide to help you better understand what clients will see when they go through this process.

Knowledge Based Authentication: As of August 2023, clients are required to provide their address, city, state and zip code to continue the knowledge-based process. Although SSN and birthdate are optional, it is best practice to provide this information. The signer will then be prompted to answer 3-4 personal multiple-choice questions. We have seen elderly clients answer these questions incorrectly more than once. Others have been unable to access the questions because they refused to input their SSN. Answering these questions successfully is required by Schwab in order for them to accept and process a Docu-Signed envelope. There is no way to bypass these questions.

Text Message Authentication: After successfully passing the identification questions, the signer must confirm their identity using a code that will be sent to their mobile phone by clicking the “Send SMS” button. The signer will receive a text message with the access code to be entered in the authentication window.

We have seen clients have difficulty accessing the code at times because the phone number in our systems have been incorrect. We can correct the envelope to include the proper phone number even after the client has received it, but, as with the knowledge-based questions, using the authentication code cannot be bypassed.

After successfully answering the questions and inputting the code, the signer will review the user agreement and consent to the terms. Then they will be able to review the documents and sign.

After completing this process, all signers will receive an email that will allow them to review and download the forms.

For security purposes, if the signer fails authentication twice, the best option is to print the forms and obtain a handwritten signature to complete the forms in a timely manner.

Gemmer will continue to process paperwork in two separate envelopes: Schwab Applications and

A Message from Gemmer's CCO

I'd like to thank each one of you for your support over the past couple of years while I've gotten up to speed in my role as Gemmer's CCO. It's been a pleasure getting to know you better. Compliance can seem overwhelming at times – but when there's "buy-in" at all levels of an organization – it can exist seamlessly in the background and serve its ultimate purpose – to protect the interests of our clients. Your cooperation and efforts help Gemmer adhere to the rules and regulations that the SEC makes and enforces. This in turn, builds a good foundation upon which to serve our clients.

In the next couple of weeks, I'll be sending out (via DocuSign) Gemmer's Annual PFA Compliance Attestations. Please review, sign, and return to me as soon as possible. If you have any questions or concerns about any of the items you're attesting to, please don't hesitate to contact me.

During the upcoming 3Q-2023 Advisor's meeting, I plan to speak on a variety of topics – including PTE 2020-02, the New Marketing Rule and Cybersecurity. If there are topics you're interested in learning more about, please let me know. I'll be happy to incorporate them in the discussion.

Thanks again. I look forward to seeing you soon.

Best regards,

Patti Mullin

Non-Schwab Forms.

Non-Schwab Forms: In lieu of knowledge based questions, an access code was created for each advisor's office.

The access code can be used for both the advisor and their clients. It will be up to advisors to give their clients this code. The advisor/client would use this access code much like the text code when opening DocuSign envelopes.

Please feel free to reach out with any further DocuSign inquiries not covered in this section.

Please click **here** to see a visual guide on what this process will look like.

Please click **here** to see a visual guide of the Digital E-Authorization process so you can compare against the DocuSign guide. We will use both DocuSign and E-Authorization for electronic signatures.

Questions? Contact the Operations team at clientrequest@gemmerllc.com