

## Clear Internal Compliance Program Key for Fund Managers Registering with SEC

Wednesday, June 29, 2011– Establishing a clear internal compliance program is key for fund managers that now have to register with the SEC, according to a new white paper published by Backstop Solutions Group, a leading software provider for the alternative asset industry. The paper, "[Surviving an Audit – Understanding Compliance Under the Dodd-Frank Act](#)" details the audit process that many hedge fund, fund of funds, and private equity managers should expect after completing the now mandatory SEC registration going into effect in 2012.

The passage of the Dodd-Frank Act in 2010 requires all hedge fund and private equity fund managers with assets above \$150 million to register with the SEC. This registration mandates that they maintain extensive records about their investment and business practices, install a chief compliance officer to design and monitor a compliance program, and subject themselves to periodic SEC examinations and inspections. Backstop's white paper discusses the SEC audit process, preparation, and highlights key audit issues around risk assessment and monitoring conflicts of interest.

The paper also includes case studies from current Backstop clients who say that [Backstop software](#) was an integral part of successfully completing their audit process. "It helped in producing the data quickly and in creating a positive impression that we had a culture of compliance," said one of the clients. After receiving a 35-page compliance audit notice from the SEC, the firm's principal was able to give a temporary login to the company's CCO to pull up records of scanned documents, historical email records, and other information needed.

Another client has used Backstop software since it opened its doors. "I wanted to have a record that started on Day One," the fund manager said. Using the software, he has been able to reconcile the information in his control with data from his fund administrator to ensure that investor and portfolio transactions are in balance. After receiving a risk-assessment audit letter early last year, his staff used Backstop to assemble the documents that the SEC requested and ship them out the next day.

For a full copy of the report visit:

[http://www.backstopsolutions.com/downloads/press\\_releases/Backstop\\_WP\\_Surviving\\_an\\_Audit.pdf](http://www.backstopsolutions.com/downloads/press_releases/Backstop_WP_Surviving_an_Audit.pdf)

## About Backstop Solutions Group

Backstop Solutions Group, LLC is a privately held Software-as-a-Service (SaaS) platform company, providing cutting-edge software to hedge funds, funds of funds, endowments and other institutional investors. Backstop Solutions was founded in 2003 and is one of the fastest growing software providers in the financial services industry. Backstop Software is used by more than 315 firms throughout the United States, Europe and Asia and has been repeatedly recognized by industry leading managers and service providers as a top technology provider in the alternative asset management field.

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