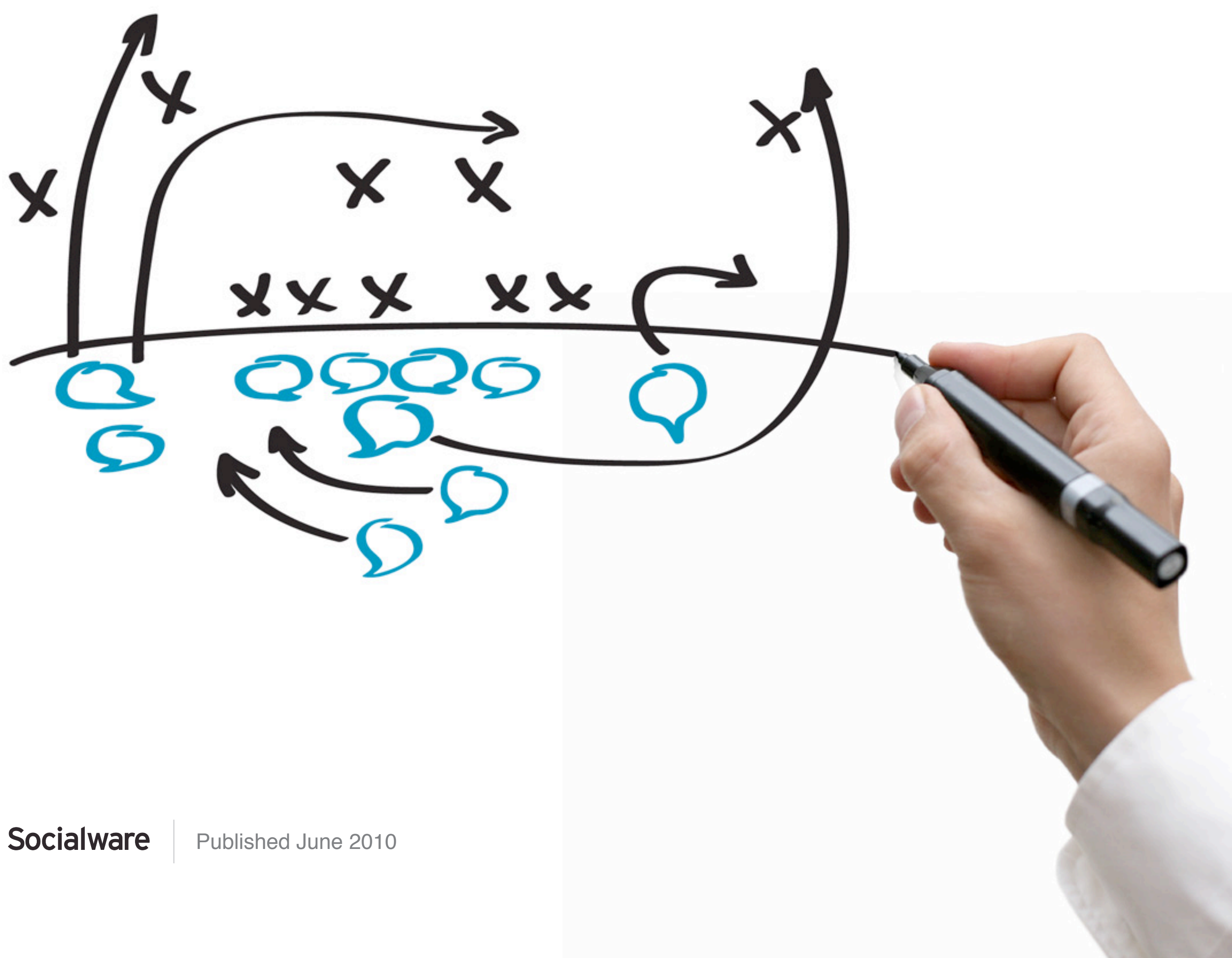
A GUIDE TO LINKEDIN

Social Networking Compliance

Part of Socialware Insights



Socialware | Published June 2010

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Executive Summary

With more than 60 million users, LinkedIn is a social network that helps users easily connect with a strong professional network. It's usually the best way to identify influential individuals at specific organizations, and it's the one social network that consistently tracks most directly with business – rather than personal – use. It offers a convenient way to keep track of your professional network, find connections to others, get information, form groups of experts to discuss topics, and recruit new talent for a business.

This paper provides clear guidance on all the opportunities and pitfalls of LinkedIn usage in the highly-regulated financial industry.

A LinkedIn Primer

LinkedIn was founded in 2002 as a business-oriented social networking site, used to maintain a list of contact details of people they know and trust in business. The people in the list are called Connections, and users can invite anyone (whether they are an active LinkedIn user or not) to become a Connection. Once connected with a user, you can see all of that user's Connections. Your contact network consists of your direct Connections, the Connections of each of your Connections (termed second-degree Connections) and also the Connections of second-degree Connections (termed third-degree Connections). All of these Connections can be used to gain introductions to someone through a mutual, trusted contact.

LinkedIn uses a "gated-access approach," where contact with any professional requires either preexisting relationships or introductions by a contact of yours, which intends to build trust among LinkedIn's users. These Connections are then used to find people, job candidates, information and business opportunities through trusted recommendations.

Users can also use LinkedIn to research opportunities with other companies by showing statistics about the company and lists of present and former employees. LinkedIn Groups allow users to set up and join like-minded businesspeople in groups that form around alumni associations and professional groups, among others. In addition, users can ask business-related questions for the entire community to answer, creating online connections with everyone on LinkedIn.

As of February 2010 LinkedIn had more than 60 million registered users, and Americans made up half of this number. There are many ways to realize value from LinkedIn. At Socialware, we use this medium to communicate news, connect with industry experts, find key individuals at target accounts, recruit new employees, and help build awareness about our brand and products. Businesses should determine for themselves how this network of business professionals can help them reach beyond their direct networks, improve processes (like recruiting), and help build credibility in your target market.

Best of all, the basic service is free, simple to start and easy to use.

Getting Started with LinkedIn

1. Go to www.LinkedIn.com and set up a free account.
2. Fill in as much of your profile as you can; LinkedIn gives you guidance here, to help you get to 100% complete on your profile.
3. Add a current, professional-looking headshot so people who may not have seen you lately

will recognize you. Studies show that adding a profile picture adds credibility and increases the chance of people accepting your invitation to connect.

4. Create a short blurb about yourself, such as “Social middleware expert” or “experienced, results-oriented financial professional.” This blurb can set the tone for the rest of your profile, so take some time to think about this.
5. In your work history, include your current job title, company, and a bit about your position, including relevant successes or high points. Also fill in information about your most recent past positions, going back as far as is relevant. This will help people you used to work with find you, and it will help LinkedIn suggest potential Connections to you.
6. For education, again, include information that is relevant, usually high school, college, post-graduate information and recent accreditations. This information is also used by LinkedIn to suggest potential Connections.
7. LinkedIn lets you easily add links to your current websites and blogs, including a brief description of each. These links are important as they help build your page rank in the eyes of search engines.
8. If you have a Twitter handle, include it in your profile. This will help you get more reach from your Twitter posts and status updates as they will automatically flow through to each social network (Twitter to LinkedIn and LinkedIn to Twitter).
9. LinkedIn will create a hotlink directly to your profile, which you should add to your email signature, your business cards, and any other correspondence, so people you communicate with can easily learn more about you. While LinkedIn will give you a URL with various numbers and characters, you can easily customize this to create something memorable, such as http://www.linkedin.com/in/bobsmith. This is an important step as it helps build your brand on search engines.
10. To add color and completeness to your profile, include groups you are or have been affiliated with, and any awards you may have received. Work to make your profile as descriptive and complete as possible – it’s basically a snapshot for yourself and your company, so put some thought into giving this information some personality.
11. You’ll read more below about recommendations. Clients and friends can recommend you, with their comments appearing on your page and theirs, and you can recommend their work. It’s important to remain mindful of the financial regulations that will limit your ability to fully utilize this capability.
12. Update your status by commenting on what you’re working on, what you need from the community, or any other business-related issue. Do this on a regular basis, as you should be checking into LinkedIn regularly. Remember, you can also integrate your Twitter account with your LinkedIn account, which will post the same information in both places at once.
13. Add Connections by searching for people you know. You can ask LinkedIn to glean your email account to find Connections. Making a connection requires that you ask for permission to connect, and you must have some form of pre-existing connection with the other user. For example, if you worked at the same company as someone in the past, your profile will have to denote that company, and the other user’s company will have to denote that company. You’ll see a variety of ways to connect and if you have another user’s email address you can reach out and connect directly to them.
14. Once connected, you can ask your Connections to introduce you to other people in their networks. To do this, simply send a message to your connection with the specific reason you think it would be beneficial for you and the third party to connect. Your Connection can decide to introduce you via LinkedIn, and the third party can accept or

reject the invitation, so make it compelling – not a heavy-handed sales pitch, for example.

15. Other users will also ask to connect to you as well; take care in accepting invitations from people you know or know someone you trust.
16. Once you've built up your Connections and found others like you on LinkedIn, use the Q&A feature to ask a question of your network and other users. Read other questions to see how it's done, then ask a specific, detailed question to get answers from others in your field. Keep in mind that this is a social network – not an advertising platform – so keep your questions authentic, not sales-pitchy. You can ask up to ten questions per month using the free account.
17. Also look out for questions from the community that you can answer. Again, keep it professional and not focused on trying to make a sale. LinkedIn and other social networks focus on users helping one another; sales pitches feel inauthentic here. Answers can help build your profile, and you can rate other peoples' answers to easily participate in the community.

Once you have started working with LinkedIn, you may consider upgrading to a paid account, which will give you up to 15 introductions per month (without needing an intermediary connection), and will allow you to send InMails, which are like a priority email that is more likely to get opened, among other features.

Key LinkedIn Terms

- **Connection:** Someone you know directly and is connected to you via LinkedIn. You can see one another's profiles and other Connections.
- **Profile:** Your page that gives information about your work history, education, awards and specialties.
- **Contacts:** Consists of all your Connections and imported contacts and is a space that allows you to tag and organize all your Connections.
- **Groups:** Groups of like-minded people that you can create or join. Examples include members of a company, an alumni group, or members of an industry.
- **InMails:** Private emails that are sent as priorities to Connections or used as introductions. These are part of the extended, paid memberships.
- **Introductions:** The act of introducing a Connection to another Connection, helping each of them expand their networks.
- **Invitations:** An invitation to connect via LinkedIn; this is a LinkedIn email sent from you to a potential Connection you already know.
- **Status:** Your personal update that can indicate what you're working on or what you are looking for.
- **Answers:** Responses to questions posted by others in LinkedIn.
- **Companies:** An automatically-generated list of all companies affiliated with all your Connections.
- **Applications:** Add-ons that can enhance your use of LinkedIn, such as polls, integration with a blog or Amazon reading list.
- **Public Profile:** The portion(s) of your profile anyone can see. Your Connections would be able to see your full profile. You can specify what is viewable by the public.
- **Full Profile:** Your complete information, viewable only by your Connections.
- **Recommendations:** An endorsement of a Connection's work based on your experience with them. These can also be written for you by your Connections.
- **Tags:** Short identifying phrases or words that help you privately organize your Connections.

LinkedIn, Financial Services, and FINRA/SEC Guidance

On January 25, 2010, FINRA released Regulatory Notice 10-06, making it clear that online communication, including social networks, are the same as in-person or written communications.

As a result, this content needs to be archived, supervised and made discoverable.

Before we dive into the specific compliance issues around LinkedIn, here is a summary of the notice.

- Publicly available web sites (ex: LinkedIn or Twitter) are considered advertisements
- A communication is considered sales literature if it is sent to 25 or more prospective customers
- A communication is considered correspondence if it is sent to a single customer, an unlimited number of existing retail customers, and/or less than 25 prospective retail customers (firm-wide) within a 30-day period
- Password-protected web sites (ex: Facebook or LinkedIn) are considered sales literature
- Chat room discussions (ex: Facebook discussions, LinkedIn Q&A) are considered public appearances

For additional information on the compliance concerns surrounding social networks, download "The Companion Guide to FINRA/SEC Social Networking Compliance" here.

As part of Notice 10-06, FINRA offered an additional level of classification to help assess how to treat social networking content.

- Static: Content that remains posted until it is changed by the firm or individual who created it originally. Generally, static content is accessible to all visitors. Examples include profile, professional, or educational information.
- Interactive: Content that is used for real-time communications. Interactive content can be accessible by all site visitors or a subset depending on where the content is posted. Examples include status updates, questions, or comments.
- Action: FINRA does not specify a site action as another type of content, but we are adding it to help clarify the compliance issues associated with these sites. An action is anything an account owner can do that does not necessarily create new content but could lead to a compliance concern. Examples include updating your profile, answering a question or writing or receiving a recommendation from another user.

In addition to the definitions above, the following will help you understand our recommendations below.

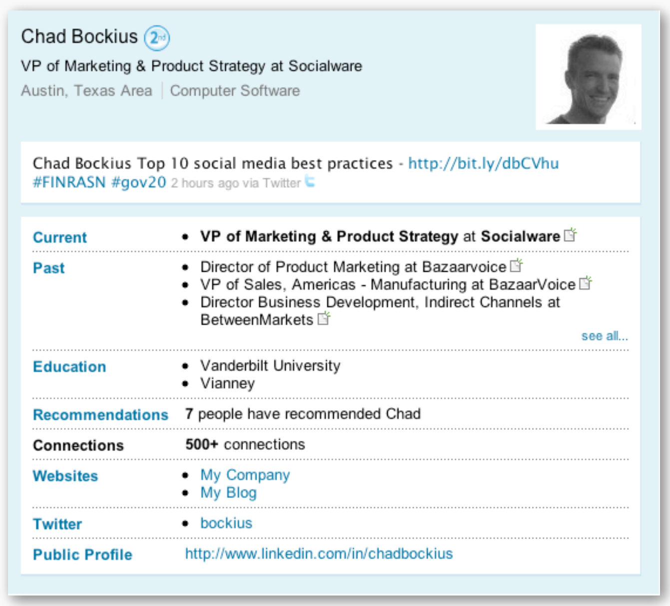
- Block access: disable the ability to access a feature of a social networking site
- Archive: capture and retain posted content in an easily discoverable format
- Pre-review: analyze and moderate content before it is posted to a social network
- Post-review: analyze and audit content after it is posted to a social network
- Real-time scan: scan posts in real time to detect exceptions and then route for review

LinkedIn Compliance

To help explain the compliance considerations, we've analyzed every LinkedIn feature, explaining each in detail, associated it with a content type, classified it according to the FINRA/SEC guidelines, offered a set of compliance considerations, and provided a specific recommendation to help jumpstart the creation of your social networking policy and plan.

SUMMARY PROFILE

The summary profile gives an overview of your current and recent past professional affiliations, including current and past job titles, education, number of people who have recommended you and the total number of Connections you have. It also includes links to your website, your Twitter handle, a profile picture and your most current Tweets (if connected to your Twitter account).



Content Type: Static
Classification: Advertisement
Compliance Consideration: Because this is static information, you must pre-review this content before it is published. In addition, as an advertisement, all of this content needs to be archived so it can be produced upon request.
Recommended Action: Pre-review and archive

SUMMARY

The summary lets you give a quick overview of your experience and specialties. This is helpful as it helps set you apart from others in your field. Think of this as your personal elevator pitch.

Summary

Chad is responsible for Socialware's marketing, PR and product strategy. Chad brings 10+ years of enterprise software experience from companies such as Bazaarvoice, BetweenMarkets and Trilogy. Chad most recently led the creation and communication of Bazaaroice's go-to-market strategies across a global line of Social Commerce applications. Before making the move to marketing he successfully built the Manufacturing vertical at Bazaarvoice and was responsible for bringing the BrandVoice product to market. Chad earned a Bachelors of Engineering degree from Vanderbilt University. He lives in Bee Cave, TX with his wife and daughter, serves as City Councilman, founded and is building the Bee Cave Arts Foundation and enjoys playing golf any chance he gets.

Content Type: Static
Classification: Advertisement
Compliance Consideration: Because this is static information, you must pre-review this content before it is published. In addition, as an advertisement, all of this content needs to be archived so it can be produced upon request.
Recommended Action: Pre-review and archive

SPECIALITIES

You can also give a brief overview of your specialties, which gives you the chance to list your skills using key words that prospects are using, which will help you appear in LinkedIn searches and shows that you are relevant. List your most marketable assets first, and include specific certifications here.

> **Specialties**
> Sales, Marketing,Sales Process, Product Management, Web 2.0, User Generated Content, Social Media, Social Networking, Blogging

Content Type: Static
Classification: Advertisement
Compliance Consideration: Because this is static information, you must pre-review this content before it is published. In addition, as an advertisement, all of this content needs to be archived so it can be produced upon request.
Recommended Action: Pre-review and archive

JOB HISTORY

Your job history can be as perfunctory as just including job titles; however, most LinkedIn users include a summary of the organization they worked for and the position they held. This area reads much like a resume, showing professional strengths and career highlights.
Content Type: Static
Classification: Advertisement
Compliance Consideration: Because this is static information, you must pre-review this content before it is published. In addition, as an advertisement, all of this content needs to be archived so it can be produced upon request.
Recommended Action: Pre-review and archive

> Experience
>
> **VP of Marketing & Product Strategy**
> **Socialware**
> Privately Held; Computer Software industry
> October 2009 – Present (7 months)
>
> **Director of Product Marketing**
> **Bazaarvoice**
> Privately Held; Internet industry
> May 2009 – October 2009 (6 months)
>
> **VP of Sales, Americas - Manufacturing**
> **BazaarVoice**
> Privately Held; Internet industry
> July 2006 – April 2009 (2 years 10 months)
> Chad has 3 recommendations (1 report, 1 co-worker, 1 partner) including:
> 3rd Jerry Phillips, *Managing Partner, PSD3 Strategic Sales Consultants*
> 3rd Shelby Stengle, *Sales Director, Bazaarvoice*

EDUCATION

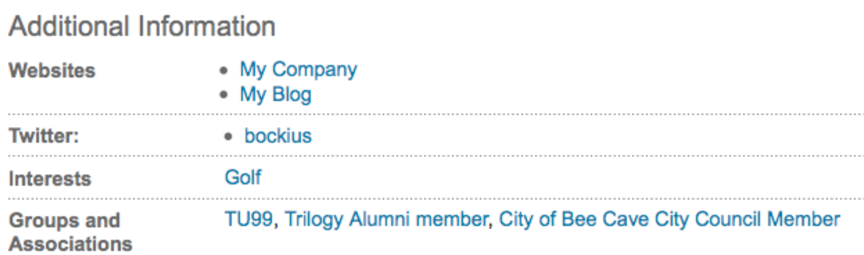
Educational history generally includes collegiate and post-graduate work, plus relevant business training and certification. Many users will include high schools as well to help find possible Connections.

> Education
>
> **Vanderbilt University**
> BS Mechanical Engineering
> 1995 – 1999
>
> **Vianney**
> 1991 – 1995

Content Type: Static
Classification: Advertisement
Compliance Consideration: Because this is static information, you must pre-review this content before it is published. In addition, as an advertisement, all of this content needs to be archived so it can be produced upon request. There is less risk associated with Education as you can only specify the school, years attended and degree earned if applicable.
Recommended Action: Pre-review and archive

INTERESTS

This section can be as brief or as comprehensive as you choose; it gives you a place to include any interests that may not have fit into your professional history, giving Connections a broader view into your background.


Additional Information

Websites	• My Company • My Blog
Twitter:	• bockius
Interests	Golf
Groups and Associations	TU99, Trilogy Alumni member, City of Bee Cave City Council Member

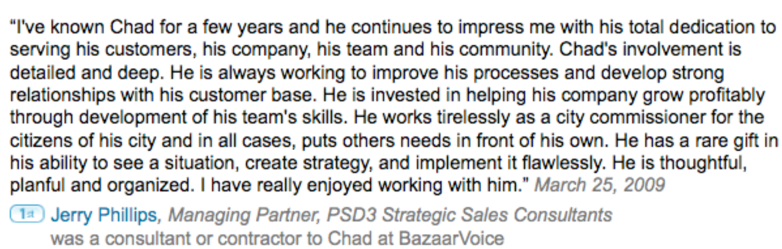
Content Type: Static
Classification: Advertisement
Compliance Consideration: Because this is static information, you must pre-review this content before it is published. In addition, as an advertisement, all of this content needs to be archived so it can be produced upon request.
Recommended Action: Pre-review and archive

HONORS AND AWARDS

This section should include any professional awards or kudos you have received.
Content Type: Static
Classification: Advertisement
Compliance Consideration: Because this is static information, you must pre-review this content before it is published. In addition, as an advertisement, all of this content needs to be archived so it can be produced upon request.
Recommended Action: Pre-review and archive

RECOMMENDATIONS:

Recommendations are written by other people who had direct experience with you in your professional or academic career. Recommendations you write for other people will appear on the other person's LinkedIn profile and on your own profile. Before a recommendation will be displayed on your profile, you must formally accept what the user has written.


"I've known Chad for a few years and he continues to impress me with his total dedication to serving his customers, his company, his team and his community. Chad's involvement is detailed and deep. He is always working to improve his processes and develop strong relationships with his customer base. He is invested in helping his company grow profitably through development of his team's skills. He works tirelessly as a city commissioner for the citizens of his city and in all cases, puts others needs in front of his own. He has a rare gift in his ability to see a situation, create strategy, and implement it flawlessly. He is thoughtful, planful and organized. I have really enjoyed working with him." *March 25, 2009*

1st Jerry Phillips, *Managing Partner, PSD3 Strategic Sales Consultants*
was a consultant or contractor to Chad at BazaarVoice

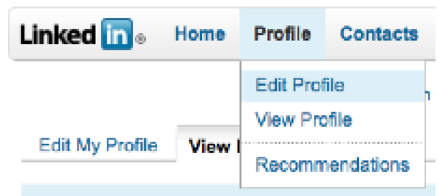
Content Type: Static
Classification: Advertisement
Compliance Consideration: Because this is static information and also considered an advertisement, it triggers Rule 206(4)-1 of the Investment Advisers Act of 1940. This Act states that you are prohibited from including testimonials in advertisements and as a result we recommend companies block access to accepting recommendations on LinkedIn.
Recommended Action: Block

EDIT PROFILE

LinkedIn makes it easy for you to modify your profile details. The "Edit Profile" tab will take you to a page where you can update any of your profile details.

Content Type: Action

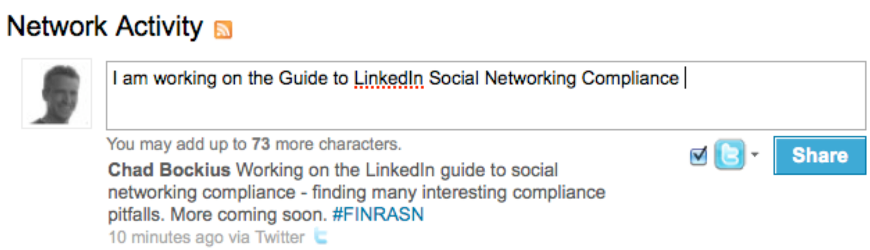
Classification: N/A



Compliance Consideration: Because profile data needs to be pre-reviewed and approved, some firms may decide to prohibit access to this area of the site once the profile is initially created. This ensures that an individual does not go in and modify his or her profile after the official approval is granted on the content.

Recommended Action: Block access (after the profile is initially created)

CREATE NETWORK UPDATE



A network update gives your network insight into what you are working on, news, or interesting notes you want to share. It is viewable by any of your Connections on LinkedIn. This data is not available to the public unless it is linked to your Twitter account and published there. Once a status update is published, your Connections are also able to comment on what you had to say.

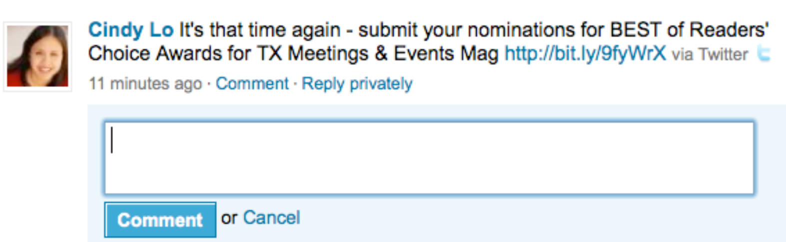
Content Type: Interactive

Classification: Public Appearance

Compliance Consideration: Because these interactions are usually time-sensitive, pre-review all posts would be time-consuming and costly. Companies should consider scanning the content in real time to detect possible issues, archive everything, and complete spot-audit post-reviews to ensure compliance.

Recommended Action: Scan, archive and post-review

CREATE NETWORK UPDATE COMMENT



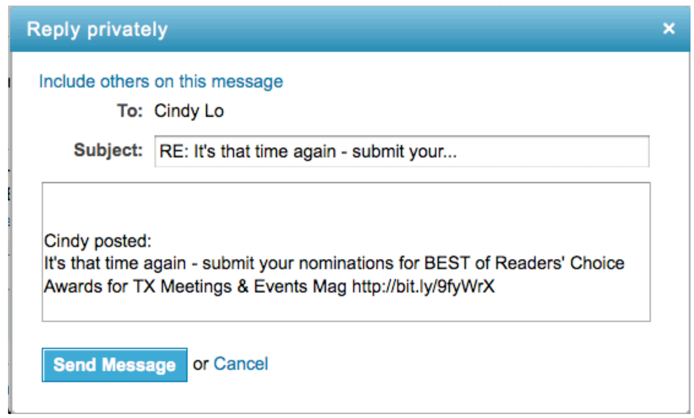
You can create a public comment on your Connections' status updates that will appear in that user's profile updates.

Content Type: Interactive

Classification: Public Appearance

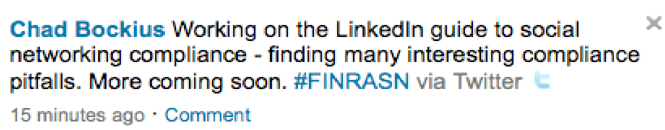
Compliance Consideration: A comment is usually not an issue unless you are creating a message that would violate FINRA/SEC guidelines such as making a recommendations that would trigger NASD Rule 2310 regarding suitability, for example. The other issue with status comments is that either the creator or the person who created the original status updates can delete them. Just as with status updates, companies should consider scanning the content in real time to detect possible issues, archive everything, and complete spot-audit post-reviews to ensure compliance.
Recommended Action: Scan, archive and post-review

CREATE NETWORK UPDATE REPLY



This involves creating a list of preferred or favorite posts that is viewable by Twitter users.
Content Type: Interactive
Classification: Correspondence
Compliance Consideration: A status reply is a communication sent between two users and cannot be seen by the other members of LinkedIn or the public. Just as with status comments, status replies can be deleted by either the creator or the person who created the original status updates. Companies should consider scanning the content in real time to detect possible issues, archive everything, and complete spot-audit post-reviews to ensure compliance.
Recommended Action: Archive and post-review

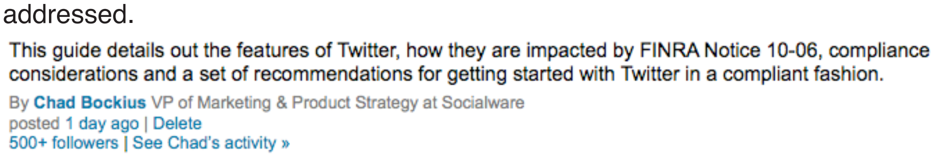
DELETE NETWORK UPDATE



Deleting a status update will eliminate it from LinkedIn. Once deleted, the update will not be viewable by other LinkedIn users or found to those searching for the topic addressed.
Content Type: Action
Classification: N/A
Compliance Consideration: Once a network update has been deleted, it no longer appears online; however, it still must be archived. Ensure you are archiving these updates in real-time so there are no compliance gaps.
Recommended Action: Archive and post-review

DELETE NETWORK UPDATE COMMENT

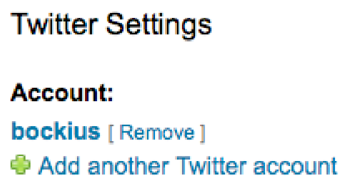
Deleting a network update comment is the act of eliminating an update that has already been posted. Once deleted, the update will not be viewable by other LinkedIn users or found to those searching for the topic addressed.



Content Type: Action
Classification: N/A
Compliance Consideration: Once a network update comment has been deleted, it no longer appears online; however, it still must be archived. Ensure you are archiving these updates in real time so there are no compliance gaps.
Recommended Action: Archive and post-review

TWITTER INTEGRATION (FOR NETWORK UPDATES)

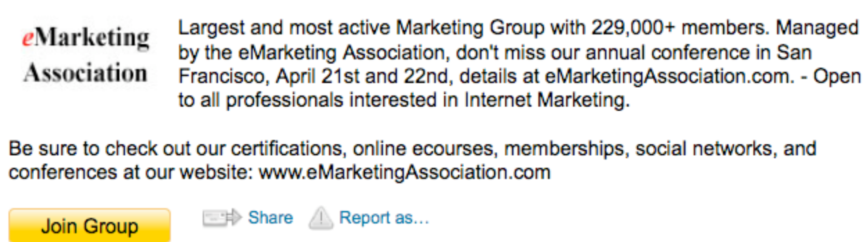
You can integrate your LinkedIn account with your Twitter account so that your Tweets automatically show up as status updates in LinkedIn (and are notated as coming from Twitter).
Content Type: Action
Classification: N/A
Compliance Consideration: This integration creates a direct pipe to and from Twitter. Anything you post from Twitter will show up in LinkedIn and you have the option of posting updates from LinkedIn to your Twitter account. Use of this capability should be dictated by the firm's stance on Twitter use.
Recommended Action: Allow or block access, based on your organization's Twitter policy



For additional information on Twitter use and the associated compliance issues download the Guide to Twitter Social Networking Compliance.

JOIN A GROUP

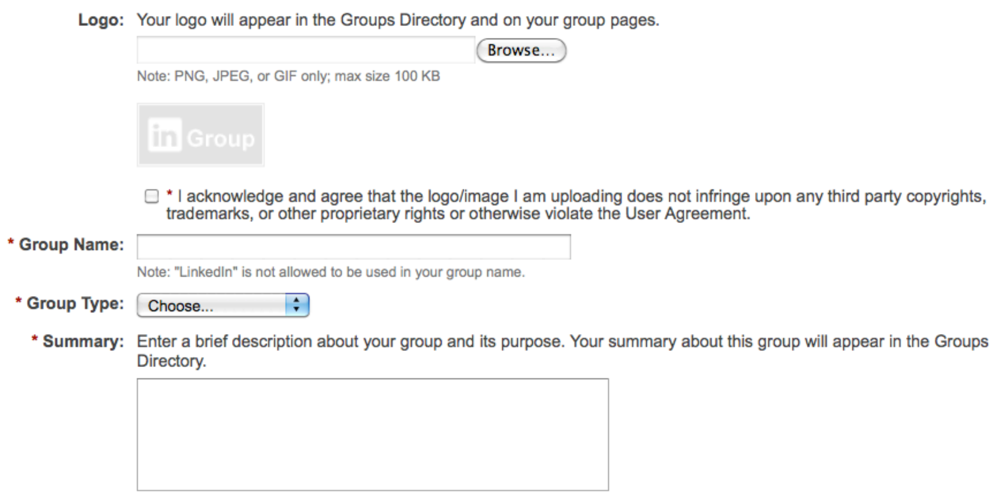
When you join a group in LinkedIn, you will automatically see the group's updates, news and any comments on the topics being discussed.



Content Type: Action
Classification: N/A
Compliance Consideration: The act of following a group does not pose any direct compliance concerns according to the guidelines published by FINRA and the SEC. However, users that follow groups typically contribute to them as well, so consider your policy to following on Twitter in parallel to your policy on participating in groups in LinkedIn.
Recommended Action: Allow

CREATE A GROUP

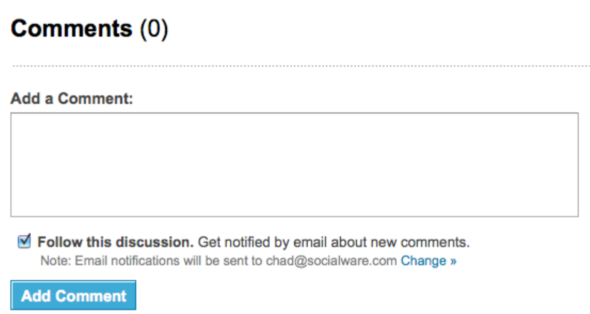
You can create a group of business professionals around a common interest an industry, or even a group of former employees from a specific organization.



Content Type: Action
Classification: N/A
Compliance Consideration: The act of creating a group does not directly cause a compliance concern. The issues will be created as part of posting to a group. Your policy to creating a group should be considered in parallel to your policy on participating in groups.
Recommended Action: Allow

POST TO A GROUP

As a creator or member of a group, you can post messages that the will be visible to the entire group. These messages are visible on LinkedIn.com and will also be emailed out in a digest to the members that choose to receive them.



Content Type: Interactive
Classification: Public Appearance
Compliance Consideration: Posting a message to a group is usually not an issue unless you are creating a message that would violate FINRA/ SEC guidelines around suitability, for example. Just as with network updates, companies should archive everything and complete spot-audit post-reviews to ensure compliance.
Recommended Action: Archive and post-review

CREATE A GROUP DISCUSSION

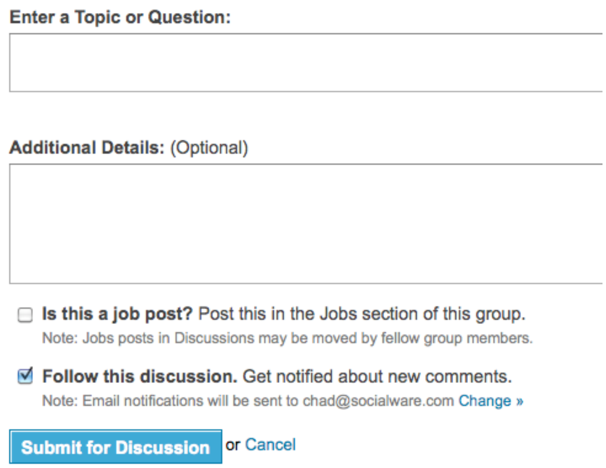
In addition to posting a message to the group, you can also start a discussion thread, which requests responses from other group members.

Content Type: Interactive

Classification: Public Appearance

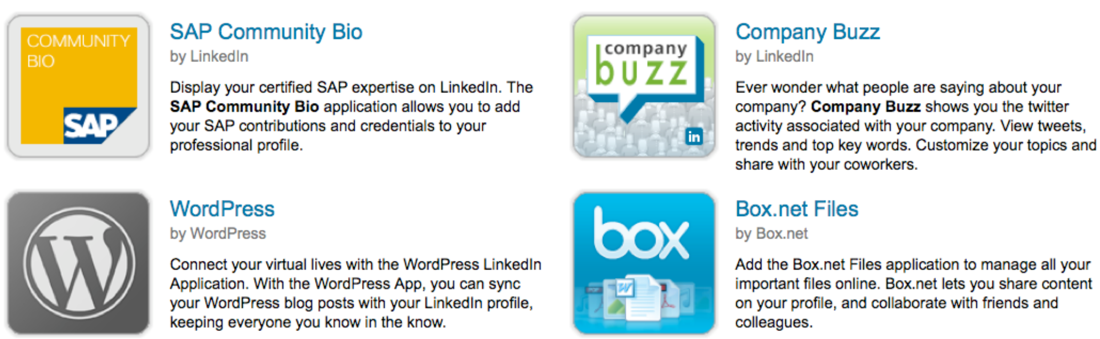
Compliance Consideration: Starting a group discussion does not usually pose a compliance risk. Keep in mind that other group members can comment on a discussion and the discussion creator needs to be careful to not respond in a way that endorses a comment that would violate FINRA and SEC rules. Just as with regular group posts, companies should archive everything and complete spot-audit post-reviews to ensure compliance.

Recommended Action: Archive and post-review



INSTALLING APPLICATIONS

There are a variety of LinkedIn applications that can enhance the information your share with your Connections, including presentation sharing, links to your blog, recommended reading lists and group polls.



Content Type: Action

Classification: N/A

Compliance Consideration: These third party applications create a back door into LinkedIn to post presentations, run polls, share files and more. Given all the issues posed by applications, it is best to block access to adding new applications and automatically monitor reps accounts to verify that none have been added previous to introducing this policy or added against the policy itself.

Recommended Action: Block, archive and post-review

INVITE CONNECTIONS

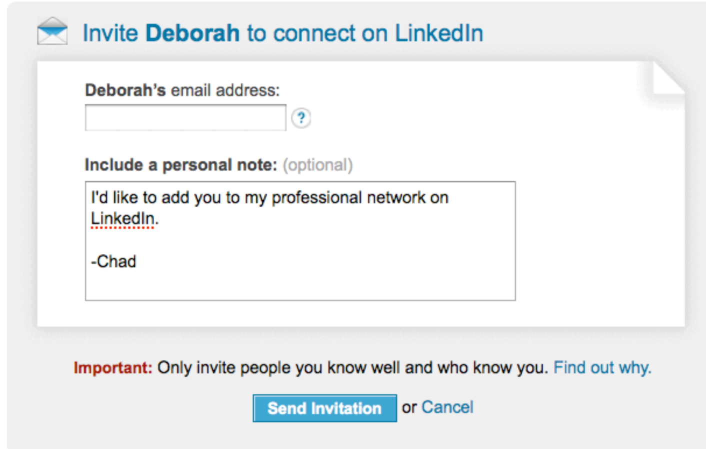
Once you find people you know, ask them to connect with you on LinkedIn.

Content Type: Action

Classification: N/A

Compliance Consideration: The act of inviting a Connection does not pose any direct compliance concerns according to the guidelines published by FINRA and the SEC. Since adding Connections is critical to helping grow your LinkedIn network, our recommendation is to allow complete access to this functionality.

Recommended Action: Allow



ACCEPT CONNECTION INVITATIONS

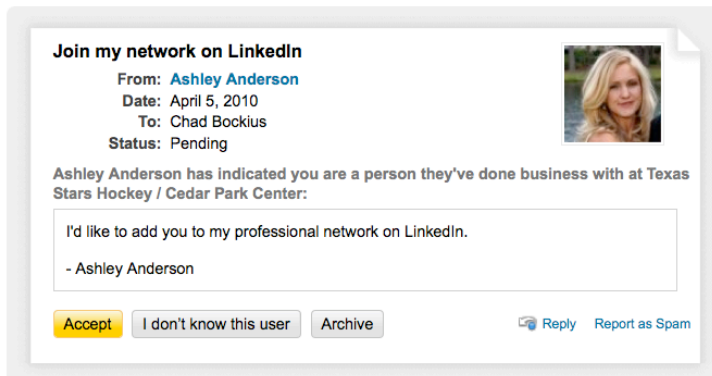
People who know you will ask to become your connection on LinkedIn. If you know and trust them, accept the invitations – then you'll have potential access to their Connections as well.

Content Type: Action

Classification: N/A

Compliance Consideration: The act of accepting an invitation to connect does not pose any direct compliance concerns according to the guidelines published by FINRA and the SEC. Since adding Connections is critical to helping grow your LinkedIn network, our recommendation is to allow complete access to this functionality.

Recommended Action: Allow



REMOVE CONNECTIONS

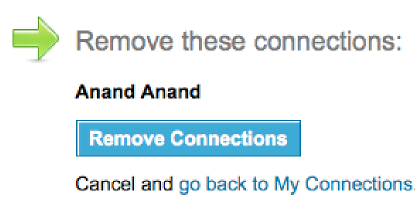
Removing a Connection means that you will no longer see that person's activities or have access to his or her network.

Content Type: Action

Classification: N/A

Compliance Consideration: The act of removing a Connection does not pose any direct compliance concerns according to the guidelines published by FINRA and the SEC. Our recommendation is to allow complete access to this functionality.

Recommended Action: Allow



CONNECTIONS TAGS

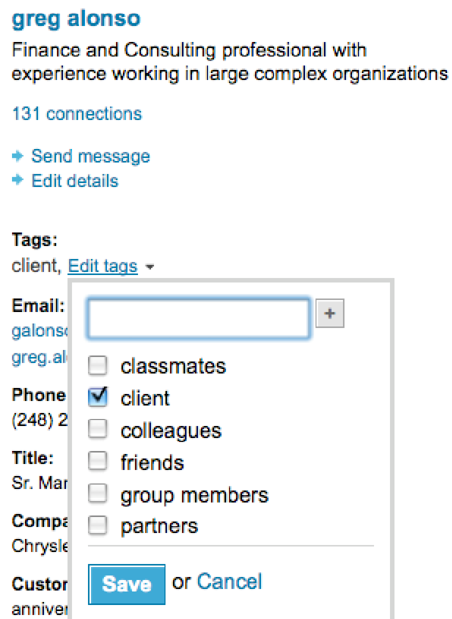
Tags are simple keywords that you can create to organize your Connections for quick filtering on LinkedIn.

Content Type: Static

Classification: N/A

Compliance Consideration: LinkedIn Tags are completely private and only visible to the individual creating them. They are useful to organize contacts but because they are private do not pose any compliance concern.

Recommended Action: Allow



MAIL A CONNECTION

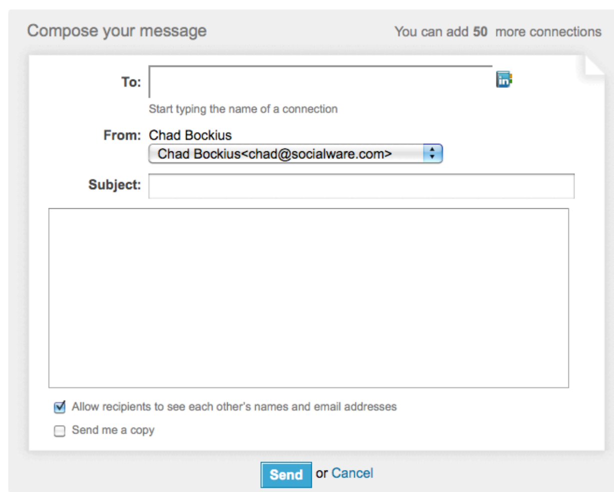
LinkedIn Mail is the central place to contact your Connections privately, request introductions to a Connection, request a recommendation, and share a job posting or an event.

Content Type: Interactive

Classification: Correspondence or Sales Literature

Compliance Consideration: A mail message is generally not seen by all LinkedIn users. They are often private messages between two Connections. It is possible to select and mail up to 50 Connections via LinkedIn Mail; in these cases the messages becomes sales literature and need to be pre-approved. Our recommendation is that your policy prohibits using LinkedIn for sending messages to more than 25 prospects or customers in addition to archiving and conducting a post-review.

Recommended Action: Archive and post-review



ASK A QUESTION

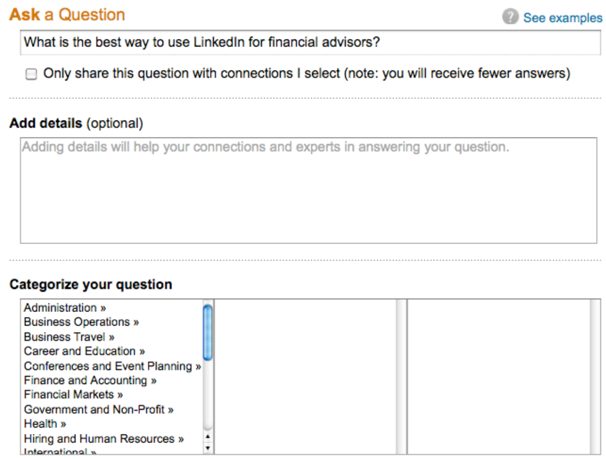
You can ask a question of the entire LinkedIn community, not just your Connections, giving you a much wider reach into all of LinkedIn.

Content Type: Interactive

Classification: Public Appearance

Compliance Consideration: Just as with LinkedIn Groups, asking a question does not usually pose a compliance risk. However, by design you are prompting the LinkedIn community to post answers and share their points of view. Just as with regular group posts, companies should archive everything and complete spot-audit post-reviews to ensure compliance.

Recommended Action: Archive and post-review



ANSWER A QUESTION

As a LinkedIn user you have the option of answering questions from your Connections as well as the broader LinkedIn community.

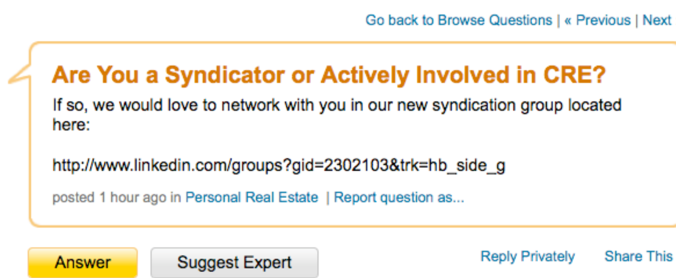
Content Type: Interactive

Classification: Public Appearance

Compliance Consideration:

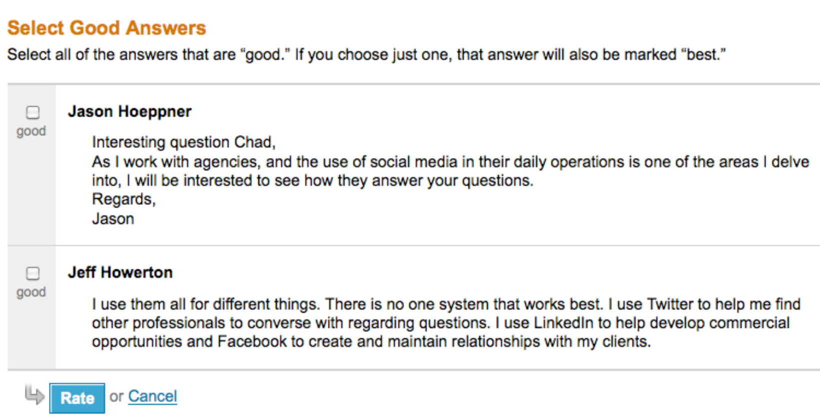
Posting an answer is usually not an issue unless you are posting a message that would violate FINRA/SEC guidelines such as making a recommendations that would trigger NASD Rule 2310 regarding suitability, for example. Companies should archive answers and complete spot-audit post-reviews to ensure compliance.

Recommended Action: Archive and post-review



RATE AN ANSWER

If you post a question to the LinkedIn Community, you have the ability to rate answers as either "good" or "best."



Content Type: Action
Classification: N/A
Compliance Consideration: Rating an answer is a direct endorsement of that answer. Typically this is not an issue unless you are rating a message that would violate suitability guidelines. To ensure the highest level of protection, we recommend companies block access to using this part of Twitter.
Recommended Action: Block

SEARCH

You can use the search function to find companies, people, groups, answers, mail and jobs on LinkedIn.

Content Type: Action
Classification: N/A
Compliance Consideration: Searching for content on LinkedIn does not create any compliance concerns. It is the equivalent of searching for content on Google or Yahoo!, except that it is limited to the content found on LinkedIn that its users create.
Recommended Action: Allow

QUICK REFERENCE GUIDE

LinkedIn Capability	FINRA Content Type	FINRA/SEC Classification	Recommendation
PROFILE			
Summary	Static	Advertisement	Pre-Review, Archive
Summary Description	Static	Advertisement	Pre-Review, Archive
Specialties	Static	Advertisement	Pre-Review, Archive
Job History	Static	Advertisement	Pre-Review, Archive
Education	Static	Advertisement	Pre-Review, Archive
Interests	Static	Advertisement	Pre-Review, Archive
Honors & Awards	Static	Advertisement	Pre-Review, Archive
Recommendations	Static	Advertisement	Block
Edit Profile	Action	N/A	Block (after initial profile is created)
POSTS			
Create Network Update	Interactive	Public Appearance	Scan, Archive, Post-Review
Create Network Update Comment	Interactive	Public Appearance	Scan, Archive, Post-Review
Create Network Update Reply	Interactive	Correspondence	Scan, Archive, Post-Review
Delete Network Update	Action	N/A	Archive, Post-Review
Delete Network Update Comment	Action	N/A	Archive, Post-Review
Twitter Integration (for Network Updates)	Action	N/A	Allow or block access based on your organization's Twitter Policy.

QUICK REFERENCE GUIDE CONTINUED

LinkedIn Capability	FINRA Content Type	FINRA/SEC Classification	Recommendation
GROUPS			
Join a Group	Action	N/A	Allow
Create a Group	Action	N/A	Allow
Post to a Group	Interactive	Public Appearance	Archive, Post-Review
Create Group Discussion	Interactive	Public Appearance	Archive, Post-Review
APPLICATIONS			
Application Installation	Action	N/A	Block, Archive and Post-Review
CONNECTIONS			
Invite Connections	Action	N/A	Allow
Accept Connection Invitations	Action	N/A	Allow
Remove Connections	Action	N/A	Allow
Connection Tags	Static	N/A	Allow
MAIL			
Mail a Connection	Interactive	Correspondence or Sales Literature	Archive, Post-Review
QUESTIONS/ANSWERS			
Ask a Question	Interactive	Public Appearance	Archive, Post-Review
Answer a Question	Interactive	Public Appearance	Archive, Post-Review
Rate an Answer	Action	N/A	Block
SEARCH			
Search	Action	N/A	Allow

Choosing a Social Networking Compliance Vendor

As you progress in your adoption of social networks, you will want to choose a single vendor that can address all of your compliance requirements. As is evident from the analysis above, turning on LinkedIn and being compliant is not as easy as just archiving status updates. To make sure your firm is protected, ask your social networking compliance vendor if they can support the following:

- ❒ Automatic discovery of social network accounts across any regulated representative. This guarantees that, regardless of the number of social networking accounts that a user has, the system will detect them and enforce the compliance rules defined by your firm.
- ❒ Automatic capture of social networking data impacted by FINRA/SEC policies. Depending on the type of data flowing across the social networks, your compliance solution needs to be flexible enough to automatically capture the data and classify it accordingly. For example, a profile update should be flagged and treated differently than a status update.
- ❒ Automated routing of social networking messages that require pre-approval. For situations where prior approval is required, your compliance solution needs to capture the content before it posts, route it to a defined moderator and, once moderated, capture the associated details for downstream audits.
- ❒ Automatic posting of moderated social networking messages once approved. Once a message has been moderated and approved, your compliance solution should enable one-click publishing of the content on behalf of the user.
- ❒ Ability to capture metadata associated with a social network post or activity. Understanding the surrounding context of a post is as important as the post itself. At a minimum, the system must capture additional detail such as the enterprise user credentials, URL of the page and the reference post when making a comment.
- ❒ Native support for discovery of all captured social networking content. As you aggregate massive amounts of social network content, your ability to discover it will be critical. Your compliance solution should allow you to filter searches by keyword, date, user, network or content type.
- ❒ Ability to restrict access to social networking features on a user-by-user basis. The ability to block accepting recommendations on sites, like LinkedIn, helps ensure users don't inadvertently violate compliance policies. The solution you choose should provide

In addition to meeting the strict compliance requirements above, the solution you choose should also provide the following:

- ❒ Integration support for enterprise archival and data leakage prevention tools. Many organizations will want a single archival solution or a single data leakage prevention system. As a result, your social network compliance solution should provide an extensive API to access the data needed and offer the ability to route requests to existing enterprise systems.
- ❒ Ability to export all captured data in a structured XML format. In addition to API support, you should also have the ability to export your data at any time into a flexible XML structure filtered by network, user, date range or content type.
- ❒ Ability to scan for a custom list of keywords and phrases to ensure brand protection. Content posted to social networks is created quickly and spreads even faster. Scanning and capturing content that doesn't pass your filters for appropriateness is an invaluable part of any social network compliance solution.

Socialware

- ❐ Built-in reporting capabilities on usage, captured content and moderation activity. What is measured gets proved and improved. Your social networking investment is no different. Your compliance solution should give you real-time insights to individual and group usage, rule violations and moderation queues.

This paper is meant to act as a launching pad for a financial firm's creation of social media strategy. While potentially initially daunting, LinkedIn can be used to greatly improve prospecting, recruiting and customer relationships as long as a few guidelines are put in place. For more information, contact Socialware about how to set your social media plan into action.

About Socialware

Based in Austin, Texas, Socialware bridges the gap between the enterprise and social networks to transform the way that companies and their employees engage and communicate with clients, partners and one another. Leveraging the industry's first Social Middleware platform, Socialware's technology allows companies to transform public social networking sites like Facebook, Twitter and LinkedIn into enterprise-grade channels within the framework of their existing business processes. You can find out more about Socialware at www.socialware.com, as well as on Twitter: @Socialware. You can also read our blog at http://blog.socialware.com.

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