



## Customer Profile

Ohio National's full-service broker-dealer subsidiary, the O.N. Equity Sales Company (ONESCO), has provided financial professionals with quality investment products and services since 1968. Headquartered in Cincinnati, ONESCO supports more than 700 financial representatives, giving them a full-service brokerage platform to better serve their clients.

## Regulatory Landscape

When ONESCO first partnered with Smarsh, the Financial Industry Regulatory Authority (FINRA) had yet to issue guidance on blogs and social networking platforms. While many broker-dealers prohibited the use of social media, ONESCO was an early adopter, pioneering its use.

**ONESCO**  
THE O.N. EQUITY SALES COMPANY

## Ohio National Broker-Dealer Leads the Way on Social Media, Strengthens Compliance Initiatives

### The Challenge

"ONESCO management was quick to understand the potential power of social media," said compliance consultant Lonny Elfenbein. "We wanted to make adoption a priority."

ONESCO always strives to ensure that progressive marketing activities work alongside effective compliance practices. They didn't want compliance ramifications to become an obstacle to its advisors' use of social media. The company needed to resolve its compliance challenges with the help of a retention and oversight solution.

"Fortunately, we didn't have to look far to find one," said Elfenbein.

## ONESCO Blazes Trails With Social Media

As part of Ohio National and ONESCO's initiative to help its advisors embrace and use social media, Elfenbein has given numerous presentations on the compliant use of social media. He has discussed the firm's desire to use social media and how Smarsh helped them confidently implement a social media policy despite regulatory challenges.

While many firms were in the early stages of adopting social media policies, Elfenbein had the opportunity to speak directly with regulators regarding ONESCO's social media policy. "After a discussion and demonstration of ONESCO's social media policy and Smarsh's tools, a regulator thanked me for helping him understand the complexities of compliance and archiving of social media," said Elfenbein. This interaction is an illustration of how regulators, member firms and technology providers are all working together to leverage social media responsibility.

## The Solution

In 2008, ONESCO began using Smarsh to archive and monitor emails. With more than 700 independent advisors working under the ONESCO banner, the Smarsh Professional Archive became critical for the effective review of hundreds of the company's advertisements and thousands of emails each month. So it made sense for the company to extend its use of the Smarsh Professional Archive to include social media.

"In 2011, most of our advisors were on Facebook for personal use, and some used LinkedIn," said Elfenbein. "All of them wanted to use social media to promote their business."

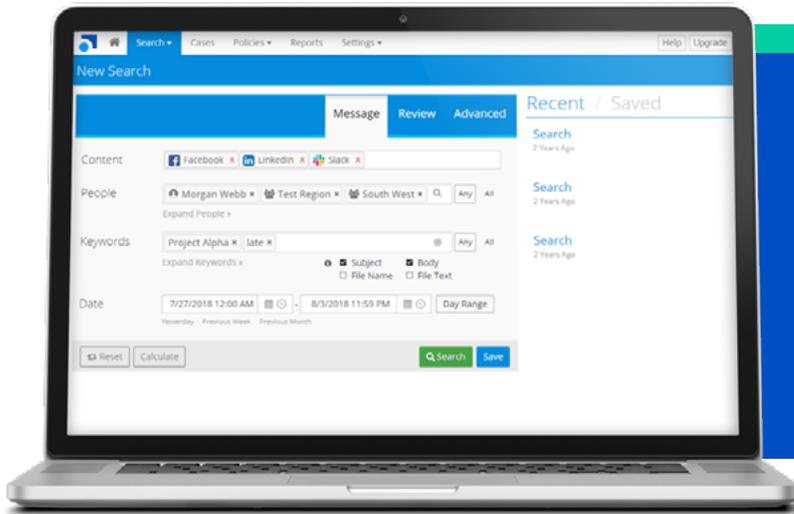
A social media pilot program was created, designed to help advisors use social media in line with FINRA Regulatory Notices 10-06 and 11-39, which outline guidance governing firm communications to the public on blogs and social media sites.

As the pilot program caught on, more advisors inquired about social networking, and adoption grew quickly.



“When we first chose Smarsh for email archiving, it came down to two players. Smarsh had the better solution, and it has the better solution now.”

Lonny Elfenbein  
Compliance Consultant



*“ We are only as successfully as our advisors. If we can help them grow their businesses, we’re more competitive with talent acquisition and retention. ”*

Lonny Elfenbein  
Compliance Consultant

## Outcome

“Our advisors are now comfortable using social media,” said Elfenbein. “They know the compliance team is on their side and supports them.”

Elfenbein has ongoing responsibility for maintaining and monitoring social media compliance firm-wide including the review of thousands of social media activities each month using the Smarsh Professional Archive. “Worrying about complying with regulatory requirements for social media capture used to keep me up in the middle of the night. Thanks to Smarsh I can sleep much better,” said Elfenbein.

The company also counts on Smarsh to help it stay current with technology and archiving new social media platforms. In addition, if FINRA asks ONESCO for records of an advisor’s communications, the compliance team can produce them quickly and efficiently.

In fact, FINRA auditors examined ONESCO compliance and supervision processes only a year after the company’s social media adoption. The auditors expressed comfort with ONESCO’s social media and email compliance policies and procedures.

“It takes a lot of effort to keep our fingers on the pulse of daily operations,” said Elfenbein. “Smarsh helps us do that, which makes our compliance job easier.”



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Lonny Elfenbein  
Compliance Consultant



Smarsh® is the recognized global leader in electronic communications archiving solutions for regulated organizations. The Smarsh Connected Suite provides innovative capture, archiving, e-discovery, and supervision solutions across the industry's widest breadth of communication channels.

Scalable for organizations of all sizes, the Smarsh platform provides customers with compliance built on confidence. It enables them to strategically future-proof as new communication channels are adopted, and to realize more insight and value from the data in their archive. Customers strengthen their compliance and e-discovery initiatives, and benefit from the productive use of email, social media, mobile/text messaging, instant messaging and collaboration, web, and voice channels.

Smarsh serves a global client base that spans the top banks in North America and Europe, along with leading brokerage firms, insurers, and registered investment advisors. Smarsh also enables federal and state government agencies to meet their public records and e-discovery requirements. For more information, visit [www.smarsh.com](http://www.smarsh.com).