

## SEC Request For Information From Investment Advisors About Social Media Use Could Lead To New Regulations

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The Securities and Exchange Commission recently sent letters to investment advisory firms seeking information about investment advisors' use of social media. Specifically, the agency is looking for a broker's business and personal use of sites such as Facebook, Twitter, LinkedIn, MySpace, YouTube and Flickr as well as posting on blogs or microblogs. The requested information includes any communications made or received by an investment advisor on any social media site. The SEC has also asked to see any policies or procedures concerning brokers' use of social media.

The ACA Compliance Group has characterized the SEC's requests as a "sweep" and believes that the agency is looking to evaluate the industry's use of social media in order to determine whether regulation of such use is necessary. A finding by the SEC that investment advisory firms are generally lacking appropriate policies and procedures addressing social media use would likely result in new regulations. Advisory firms that have not yet addressed its brokers' use of social media may wish to take some steps to do so, such as implementing policies directing "do's and don'ts" for social media use and blogging.

For more information about legislation or litigation involving technology, intellectual property protection of information technology assets or any other Information Technology law issue, contact your Miller Canfield attorney.