

Stadion Money Management's Quest for the Best Personal Trading Solution

An interview with Michael Isaac, Chief Compliance Officer



Enabling Strategic Compliance Through Technology

STADION MONEY MANAGEMENT is a privately owned money management firm based near Athens, Georgia. The firm was founded in 1993 with a simple strategy: protect and grow its investors' "serious money," the money its clients depend upon to meet vital long-term goals such as retirement, education and inheritance. Protecting client assets is also what led the firm to hire Michael Isaac as Chief Compliance Officer in 2010. While not tasked with managing money, Michael's role at Stadion is perhaps the most important – ensuring that every employee, from CEO to Junior Analyst, upholds the culture of compliance and values that Stadion was founded upon.

One of Michael's most important functions is to monitor employee personal trading activity for insider trading – a threat that could destroy Stadion's reputation, business and good standing with the SEC.

"When I first joined we had a manual review process. We began to grow substantially, doubling headcount over a period of three years from when I started," Michael explained. "Most of our new staff were external wholesalers who had multiple brokerage accounts, so the combination of those factors made it nearly impossible to effectively manage their trading activity to our standards."

Michael knew that he needed to find a compliance platform that had the most comprehensive set of

electronic brokerage feeds as possible. After a review, he narrowed down to a few and ultimately chose ComplySci.

"We found that many vendors had a similar setup with electronic brokerage feeds offering it a la carte or as a bundled service. We were trying to solve for one thing and one thing only - ensure that we have a top of the line solution to review employee trading activity. We found that ComplySci had the best price for the tool they provided. There were cheaper versions, but we were not interested after seeing the demos," continued Michael.

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Stay ahead of risk

HOW COMPLYSCI HELPED:

As of 2016, Stadion’s employee base had grown to more than 80, all of whom had to report to a compliance department staffed by Michael’s team. The ComplySci platform provided instantaneous benefits.

“As soon as we were set up with brokerage feeds the amount of human resource time that we had to dedicate to quarterly statement reviews was greatly reduced. In addition, our reviews were no longer quarterly, but essentially on a T+1 basis. The ComplySci platform freed up our team to work on other compliance items. We were able to spend more time on “ahead of the curve” work, allowing us to be proactive in identifying upcoming issues instead of being reactive,” Michael explained.

In addition to freeing up valuable human capital, deploying the ComplySci platform helped Stadion prepare for and complete its next SEC examination. In April 2016 the SEC performed a random, routine examination and Michael was able to easily provide records of attestations and reviews.

“This was our first examination where we relied on the ComplySci platform for our Code of Ethics compliance, so we were not sure what to expect. At the end of the exam, what we provided satisfied their inquiry. We were extremely pleased that ComplySci’s capabilities contributed to what we would describe as a successful examination by the SEC,” said Michael.

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BENEFITS:

With ComplySci’s platform in place, Michael now focuses on strategizing how to best prepare for new rules and regulations to position the firm for success.

“Compliance is a very easy profession to find yourself in a situation where you are just treading water on a daily basis. This is obviously not good. You want to be forward looking and out ahead of events. That is really what we gained with implementing ComplySci. Take a step back and spend time on strategy, test efficiencies on the overall system, and focus on building the culture of compliance internally,” Michael stated.

When Michael joined the firm in 2010 it already had a reputation as a great culture of compliance and doing right. ComplySci’s platform was able to strengthen that culture as more and more employees used the system and Michael built upon its capabilities.

“We started to push everything into the ComplySci platform and we have never had any negative feedback. Prior to this system it was paper scans and email record keeping which was not efficient. The people outside the office preferred the web-based app, and this has made everyone’s life much easier,” Michael said.

Adding onto employee culture, Michael stated, “We depend on the platform for training and certification now too, and probably use this more than anything else now. We have created more certifications and the employees are engaged and educated on what it means to be code of ethics compliant.”

Michael concluded, “It is easy to see that ComplySci has an appetite for growing their knowledge in their industry and improving upon their product, and I am happy and proud to be a partner.”

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