**Lesson 1: Standard I: Professionalism**

IMPORTANT: Distinguish between conduct that conforms to the Code and Standards and conduct that violates the Code and Standards.

**Standard I(A): Knowledge of the Law (applicable law)**

**Dissociation**:

Step 1: contact the person doing wrong

Step 2: report to supervisors

Step 3: resign

**The Most Strict Applies**: (law or standards)

Members are required to know the ***applicable law*** (domestic, foreign, code and standards) in the jurisdiction where they do business.

**Ignorance (negligence) is not Bliss**

Maintain knowledge of the law

**Create a Restricted List**

Intent – avoid conflicts of interests or the appearance of the same

**Standard I(B) Independence and Objectivity**

**A higher standard applies**

Don’t accept lavish gifts!

Buzz words on exam: Worldcup, Monaco, F1, Olympics, and use of condo or limousine, Wimbeldon

Target of research, brokers/dealers – would try to influence

Limit the acceptance of gratuities and/or gifts to token items (up to $100).

**Disclose to employer**

Members and candidates have to disclose to their employers such benefits offered by clients (proper client)

Disclose and from proper client then can accept.

**Pay your own way**

Buzz words: motel vs hotel, taxi vs limousine, charted flights (that is ok, not lavish)

**Standard I(C) Misrepresentation**

**Don’t knowingly (knows, should have known) misrepresent your skills or credentials** including:

Advertising

Oral

Written materials

- does not have to be directly responsible

**Don’t make guarantees for risky investments**

buzz word – guaranteed and derivatives (inherently risky)

**Cite your sources**

Specific and original source and original author – unless it is from the same firm

**Standard I(D) Misconduct (all conduct (at work and at play))**

**Don’t compromise your credibility**

Creditability – being trusted, trustworthy

Negatively affects a member credibility

**Don’t lie, cheat, or steal**

Insignificant such as expense reimbursement, to significant Ponzi scheme

**Save the Whales**

This standard is not intended to restrict your rights to act acts of civil protest.

Even if the numbers of the arrests are numerous for misdemeanours (< 1year in jail) – not considered misconduct as long as they are not regular

Felonies – 1 time you are out ( insider dealing, Ponzi)