



**ACA**  
COMPLIANCE GROUP  
BEACON VERIFICATION SERVICES

APRIL 2009 UPDATE

# ATTEST **BVS**

After sending the letter below, more articles about GIPS and verification have been published. As a result, we thought it was important to include this letter as the core piece of our newsletter to reiterate our commitment to thorough verification practices. The news that has surfaced most likely will lead to more requirements placed on verifiers. We welcome these developments as they align with our existing framework for rigorous testing and analysis. Our verification processes include a thorough set of qualitative and quantitative reviews that are ever-evolving to adapt to the changing environment, and we feel at ease that any new higher standards for verifiers will fit in seamlessly with our existing structure.

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## Beacon Response to GIPS in the News

March 10, 2009

Dear Clients and Friends,

There have been some recent articles in the press regarding an alleged ponzi scheme run by an investment manager that was claiming compliance with the GIPS and had been verified (the firm was not a Beacon Verification Services client). I thought that this would be a great opportunity to remind you about the high standards we have set for Beacon Verification Services.

We thoroughly vet prospective clients for their dedication to compliance, and we refuse to compete on price for a service that is not a commodity. If it is clear that a prospective client is in search of a letter with a rubber stamp, we politely decline the prospective engagement and do not issue a proposal (CONTINUED)



to the firm. If a current client takes an action that we perceive as reckless in relation to their claim of compliance with the GIPS, we cease the engagement. Fortunately this type of situation does not occur often, and I attribute this fact to our controlled growth and client vetting process.

Beacon currently serves 185 clients. Had we chosen to adopt a business model based on high volume and low cost, we most likely would have over 300 clients today. However, we would have been faced with taking on potentially riskier clients, and we decided from day one that taking on riskier clients is not consistent with our business model.

In today's environment, it is more important than ever to have a verification provider that will rigorously test your claim of GIPS compliance. Our processes and procedures have been evolving and progressing for eight years, and they will continue ad infinitum. If you ever have any questions about our rigorous process I would be pleased to talk with you at any time.

We have been growing at a pace that never interferes with our level of service and allows us to focus on: innovation, constant process refinement, continuing education, asking the right (and sometimes tough) questions and standing our ground. As empirical evidence and perhaps the best summation of our quality, we have lost only one client to a competitor in the entire history of Beacon Verification Services, and the client returned to us the following year after understanding what it lost in terms of quality. I assure you that our model of product differentiation will remain the same and our commitment to the highest quality, value-added service will always be the highest of priorities.

Sincerely,

Jeff Tarumianz, CFA, CIPM  
Managing Director  
ACA Compliance Group  
Beacon Verification Services Division  
866.279.0750.

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## Congratulations and Welcome!

We would like to welcome a new addition to the Beacon team!

Isabella Joyce (Ella) Tarumianz was born to proud parents Jeff and Liz (and brother, Edwards) on January 20, 2009, checking in at 5 lbs 11oz and 17 inches long. Congrats to the Tarumianz family!



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## Beacon Comes to NY Metro!

As Beacon continues to grow, we are very excited to announce the upcoming opening of Beacon's first satellite office in NY Metro! (current ACA office)

This expansion will allow us to better serve our increasingly large client base in the Northeast. Stay tuned for more details.

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## Upcoming events

Beacon will be speaking at the upcoming Symposium on Measuring Performance & Risk scheduled for April 23rd and 24th in Cambridge, MA. We hope to see you there!

For more information visit [www.frallc.com](http://www.frallc.com)

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## ACA Spring 2009 Compliance Conference

ACA Compliance Group and *ACA Insight* announce the Spring 2009 Compliance Conference at the Bellagio in Las Vegas!  
**April 22-24, 2009**



Industry experts will lead interactive and well-paced discussions on the crucial issues faced in today's uncertain times.

**Topics Include:**

- New Form ADV Part II
- Trading and Privacy
- Advertising
- SEC Updates and Examinations
- GIPS Compliance, and many more!