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NEWS & ANALYSIS

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Securities Subsidiary Ready to Invest in Social Media

INTERNET: Wedbush unit hopes to boost business via Twitter and Facebook.

THE financial services industry has been somewhat reluctant to embrace social media, but one local investment firm is hoping to change that.

Wedbush Securities, a subsidiary of downtown L.A. financial services firm **Wedbush Inc.**, last week launched a companywide initiative encouraging employees to use sites such as Twitter and Facebook to engage clients and expand the firm's business.

Natalie Taylor, the firm's vice president of marketing, said the initiative was prompted by the realization that social media is more than a fad and the firm has to keep up to date.

"It is a new form of communication and engagement that is here to stay, similar to e-mail," she said in a statement to the Business Journal. "If you aren't on board, you will get left behind."

Under the initiative, the firm's advisers, traders and investment bankers will be encouraged to share market data through social media and engage clients on financial topics.

While some financial firms, such as **Morgan Stanley Smith Barney**, have adopted social media policies, many companies in the industry have discouraged employees from using social media due to the uncertainty surrounding regulations over disclosure and communication with clients.

The Securities and Exchange Commission does not have rules regarding social media. But the agency recently released a so-called national examination alert encouraging firms to establish specific social media policies that conform to existing securities laws.

Taylor said Wedbush employees will receive training on how to use social media.

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