MENLO EXAM READY · TESTING RECORD · SAMPLE

Compliance testing record, third quarter 2026

Cedar Hollow Advisors LLC (fictional)
SEC-registered since 24 March 2026 · 4 people · 160 accounts, 96 households, USD 140.2 million
Period 1 July 2026 to 30 September 2026 · Record CHA-2026Q3-R1 · 28 October 2026

6	319	33	23 / 10
tests on the firm's own files	items tested	exceptions, each with an owner, a fix and a status	fixed or closed / still open at the record date

This is a sample. Cedar Hollow Advisors is a fictional client. Its accounts, households, billing export, Form ADV excerpts, marketing items, brokerage statements, vendor list and calendar are synthetic, built to show what an Exam Ready testing record contains. Every exception in it was planted on purpose and found by the tests; a real record reports only what the firm's own files show. Account and household identifiers only; no client names anywhere.

	Summary	Six tests, items tested, exceptions, dollars, what is fixed	2
1	Fees	160 accounts in 96 households; 6 exceptions	3
2	Marketing and ADV	14 marketing items against ADV Items 4, 5 and 8; 7 exceptions	4
3	Personal trading	22 personal trades by 3 access persons and 6 quarterly statements; 4 exceptions	5
4	Vendors and data security	9 vendors, 6 checks each; 4 exceptions	6
5	Filings and deadlines	8 calendar items, 96 brochure deliveries, 4 state filings; 12 exceptions	7
6	The record	Files delivered, record details, the CCO's sign-off	8
	Methods and limits	How each test works, what it cannot see, the tests behind the tests	9

Prepared by Menlo Consulting for the firm's chief compliance officer · 28 October 2026 · santiago@menlo.consulting · www.menlo.consulting

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SUMMARY

What was tested and what was found

Six tests on Cedar Hollow's own files for the third quarter of 2026 (1 July to 30 September): the billing export, the Form ADV, every marketing item in use, the employees' brokerage statements, the vendor inventory and the compliance calendar. 319 items were tested and 33 exceptions found. USD 1,576.59 was over-billed and USD 112.00 under-billed. Each exception has an owner, a fix and a status recorded by the CCO; 23 of 33 were fixed or closed by 28 October 2026.

319	33	+1,576.59	-112.00
items tested across six tests	exceptions found	USD over-billed, to be refunded	USD under-billed

#	TEST	THE QUESTION	ITEMS TESTED	EXCEPTIONS	USD OVER / UNDER	FIXED / OPEN
1	**Fees**	Was every client billed exactly what the agreement and fee schedule say?	160 accounts in 96 households	6	+1,576.59 / -112.00	4 / 2
2	**Marketing and ADV**	Do the website, brochure and ads say the same thing as Form ADV, and do they follow the marketing rule?	14 marketing items against ADV Items 4, 5 and 8	7	n/a	5 / 2
3	**Personal trading**	Did employees trade only what the code of ethics allows?	22 personal trades by 3 access persons and 6 quarterly statements	4	n/a	3 / 1
4	**Vendors and data security**	Is there a vendor list, due-diligence evidence and a breach-notice clause where client data is handled?	9 vendors, 6 checks each	4	n/a	1 / 3
5	**Filings and deadlines**	Was every filing and delivery on time?	8 calendar items, 96 brochure deliveries, 4 state filings	12	n/a	10 / 2
6	**The record**	Can the firm show what was tested, with what data, what was found and what was fixed?	this document and 8 working files			

Over-billed is money the firm must refund; under-billed is money the firm may bill or waive. Items tested counts accounts, marketing items, trades and statements, vendors, calendar items, households and states. A fixed item has the CCO's completion date in the status column of its test page.

Read this first

Refunds. USD 1,576.59 to 5 accounts, from one unlinked household, one missed discount and one unprorated closing. Three refunds are posted; one is still open.

Marketing. 7 of 14 items need a change. The brochure's fee wording and the gross-only performance sheet are still open; the ads and the testimonial post are down.

Personal trading. One purchase of a restricted security was approved in error; the position is sold and the gain calculation is pending. The pre-clearance form now carries the restricted list and the planned block trades.

Evidence. 11 households had no record of receiving the brochure; 9 acknowledgements are now on file.

How to read a test page

Each test page has the same four parts: the method in plain words; the data used, with the file name, its row count and its SHA-256 hash so the exact file can be matched later; the findings, one plain sentence or two each, with dollars where they apply; and the owner, fix and status the CCO recorded. Full detail for every item, exception or not, is in the working files listed on the record page.

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TEST 1 · FEES

Was every client billed exactly what the agreement and fee schedule say?

160 accounts recomputed to the cent. Six exceptions: USD 1,576.59 over-billed on five accounts and USD 112.00 under-billed on one; 154 accounts matched exactly.

Method

For each of the 160 accounts we recomputed the quarterly fee from the written fee schedule and agreement: the household's accounts combined, the three breakpoints applied (1.00% / 0.80% / 0.60%), the fee allocated to each account by value, the USD 1,000 minimum, one quarter of the annual fee, prorated by days for accounts opened or closed in the quarter, and any discount from Addendum A. Rounded to cents once, at the end.

We compared each result with the fee in the billing export; any difference of one cent or more is an exception, explained by switching off one rule at a time and seeing which version matches what was billed. Fee Check engine 0.1.0, 51 automated tests of its own.

Data used

FILE	ROWS	SHA-256	WHAT IT IS
billing_export_2026Q3_schwab.csv	160	fe6ba27e583ca2d69caa9a799479de3d684feb62819f1d90ece63843b1c97723	quarterly billing export (Schwab-style)
account_values_2026-09-30.csv	159	36bb831b86fc5ea1cba58538f80d7350e940a6efa8d00cf2c696bec3f1c7eacd	account values at 30 Sep 2026 (custodian)
billing_settings.csv	160	2afb7ed966ecf30c770a2ba3070148abb92e5fb00d5a83ef0a6766a4364d59bc	billing system account settings
rules.json	5	769532a991bc4a3896799e7db53df0be21f340a9146e32160dd4d97d1fa969b9	the fee rules as data, with sources
fee_schedule_and_agreement.md	13	71ba915b49fea4cd0050a0bfa5f8b0c56a98791c8c5320c586001ceafa5dc5ab	fee schedule and agreement excerpts

Findings

ID	WHAT WE FOUND	USD	OWNER / FIX / STATUS
FEE-01	Account 3325-1201 was billed USD 3,300.00 on its own value of USD 1,400,000.00. The agreement combines the 2 accounts of household HH-088 (USD 2,300,000.00) before applying the breakpoints, which gives USD 3,104.35. Over-billed USD 195.65. In the billing system account 6012-6229 is not linked to the household.	+195.65	**Operations (billing).** Link account 6012-6229 to its household group in the billing system; refund USD 195.65. **Fixed 20 Oct 2026; refund posted.**
FEE-02	Account 6012-6229 was billed USD 2,250.00 on its own value of USD 900,000.00. The agreement combines the 2 accounts of household HH-088 (USD 2,300,000.00) before applying the breakpoints, which gives USD 1,995.65. Over-billed USD 254.35. In the billing system account 6012-6229 is not linked to the household.	+254.35	**Operations (billing).** Same fix as the household's first account; refund USD 254.35. **Fixed 20 Oct 2026; refund posted.**
FEE-03	Account 5677-3140 has a 20% discount in Addendum A of its agreement. It was billed the full fee, USD 3,000.00, instead of USD 2,400.00. Over-billed USD 600.00. The billing system shows 0% discount.	+600.00	**Operations (billing).** Enter the 20% discount from Addendum A in the billing system; refund USD 600.00. **Fixed 16 Oct 2026; refund posted.**
FEE-04	Account 6725-9662 closed on 14 August 2026. It was billed for the whole quarter, USD 1,030.75. The agreement charges only the days it was open, 45 of 92: USD 504.17. Over-billed USD 526.58.	+526.58	**Operations (billing).** Refund USD 526.58 to the former client; add a closing-date check to the quarterly billing run. **Open; refund requested 22 Oct 2026.**
FEE-05	Account 8209-7979 was billed USD 2,860.00 on a value of USD 1,180,000.00, which is its 30 June value. The agreement bills in arrears on the 30 September value, USD 1,236,000.00, which gives USD 2,972.00. Under-billed USD 112.00. The billing system has this account set to 'advance'.	-112.00	**Operations (billing).** Set the account to arrears billing. CCO to decide whether to bill the USD 112.00 shortfall in Q4 or waive it. **Open; due 15 Nov 2026.**
FEE-06	Account 8692-2457 was billed USD 4,500.01; the recomputed fee is USD 4,500.00. A one-cent rounding difference, listed because this record reports to the cent.	+0.01	**Operations (billing).** None. Ask the billing vendor at which step it rounds. **Closed; no action.**

154 accounts matched to the cent, including 1 account billed at the USD 1,000 minimum, 1 account opened on 3 August 2026 and prorated correctly, and 1 account with a 15% legacy discount applied correctly.

USD is billed minus recomputed: + the client paid too much and is owed a refund, - the client paid too little. Every account's inputs are in fees/exceptions.xlsx.

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TEST 2 · MARKETING AND ADV

Do the website, brochure and ads say the same thing as Form ADV, and do they follow the marketing rule?

14 items checked against Form ADV and the marketing rule. Seven items have one issue each; 7 passed every check.

Method

We read the firm's Form ADV Part 2A (Items 4, 5 and 8) and all 14 marketing items in use during the quarter: 7 website pages and posts, 2 LinkedIn posts, the firm brochure, 2 advertisements, a performance one-pager and a fact sheet. Each item went through 9 written checks: fee wording against Item 5, assets under management against Item 4, returns shown with net figures and an as-of date, hypothetical results with the required context, testimonials with the required statements, promises of results, instruments not described in Item 8, and approval before use.

The checks are keyword and consistency rules that run the same way every quarter; no language model and no judgement calls. The review log lists every item, every check and its result, as the marketing rule's books-and-records requirement expects.

Data used

FILE	ROWS	SHA-256	WHAT IT IS
marketing_items.csv	14	dfe8b8b055c36349d4168b25006a4391e7b65bca7ee466144240dcaf84d27651	every marketing item in use in the quarter, full text
adv_part2a_excerpts.json	6	e242ed015b36509ab0eb0cb56104951089f9cec0fc186951986c9bc05a7e0d58	Form ADV Part 2A Items 4, 5 and 8 (brochure of 20 Mar 2026)

Findings

ID	WHAT WE FOUND	OWNER / FIX / STATUS
MKT-01	The Website page 'About us' says the firm manages USD 95 million. Form ADV Item 4 says USD 131.4 million as of 31 December 2025, and the firm managed USD 140.2 million at 30 September 2026. The figure is out of date.	**Adviser (marketing).** Update the figure to the current regulatory AUM with an as-of date, or remove it. **Fixed 19 Oct 2026.**
MKT-02	The Website page 'Strategies' shows figures with no as-of date. Every return or asset figure needs the date it refers to.	**Adviser (marketing).** Add the as-of date and the period to every return figure. **Fixed 19 Oct 2026.**
MKT-03	The LinkedIn post 'Client story' quotes a client. The marketing rule requires three statements next to a testimonial, and the post has none of them: whether the person is a current client, whether anything was paid for the statement, and any conflict of interest.	**Adviser (marketing).** Take the post down, or add: current client, no compensation, no conflicts of interest. Record the client's consent. **Fixed 15 Oct 2026; post removed.**
MKT-04	The Firm brochure (print, 4 pages) 'Cedar Hollow Advisors: how we work' describes the fee differently from Form ADV Item 5: describes a flat fee; the ADV schedule is tiered (1.00% / 0.80% / 0.60%); says billed in advance; the ADV says quarterly in arrears.	**CCO.** Reprint page 3 with the ADV fee schedule and arrears billing; withdraw the copies in the office. **Open; reprint due 7 Nov 2026.**
MKT-05	The Print advertisement 'Second opinion' uses the word "guaranteed". An adviser cannot promise a result; the marketing rule treats this as misleading.	**Adviser (marketing).** Pull the ad; remove the word before any reuse. **Fixed 14 Oct 2026; ad pulled.**
MKT-06	The Digital advertisement 'Balanced model' shows hypothetical (back-tested) results without criteria or method, assumptions, risks and limitations. The marketing rule also requires a written policy on who may receive hypothetical performance; none is on file.	**CCO.** Stop the ad until the criteria, assumptions and risks are shown and the hypothetical-performance policy is adopted. **Fixed 14 Oct 2026; ad paused.**
MKT-07	The Performance one-pager (PDF) 'Balanced strategy composite' shows returns gross of fees only. The marketing rule requires net-of-fee returns next to any gross figure, for the same periods.	**Adviser (marketing).** Add net-of-fee returns for every period shown, with the fee used. **Open; new version in review.**

7 items passed every check (WEB-01, WEB-03, WEB-04, WEB-06, WEB-07, LI-02, FS-01), including a fact sheet with gross and net returns and an as-of date, and a fees page that matches Item 5 word for word.

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TEST 3 · PERSONAL TRADING

Did employees trade only what the code of ethics allows?

22 trades and 6 quarterly statements checked. Four exceptions: one trade in a restricted security, one trade without pre-clearance, one trade inside a blackout window and one statement received late.

Method

We took the 22 transactions on the three access persons' brokerage statements for the quarter and checked each one against the code of ethics: was the security on the restricted list that day; for stocks and bonds, was there an approved pre-clearance request covering the trade date (approvals are valid 3 days); and did the trade fall within 7 days of a client block trade in the same security. Mutual funds and ETFs are exempt from pre-clearance under the code and were checked only for the restricted list and blackout.

We also checked that each quarterly statement arrived within 30 days of quarter end, as the code requires.

Data used

FILE	ROWS	SHA-256	WHAT IT IS
code_of_ethics_rules.json	6	591b825c00e28b13b15fd470543861df7c3f05548ff5ccb8a91f29abc762c88d	the code's parameters as data
employees.csv	4	689a1f15d43f0e3c00546644aebcaf040740f8016a1482e6a49c6ca98ae6e8b8	people and access persons
restricted_list.csv	4	097eccb227be16717e1becb8f6c17674de24bf291033fbbf744ed7e62494e624	restricted list with dates
preclearance_log.csv	10	e156d8283505f97d32c30289b32ff987462859c816cb3770fc7d1b22e939d6d2	pre-clearance requests and decisions
client_block_trades.csv	6	ffc808fbd5eed3e7a6e091e0594de85eeebd12ae40227d95fa4ac67ec9e6e387	the firm's client block trades in the quarter
statements_EMP-01.csv	8	dac46d32e983db5558b9c1da8b911af94868e2e49c8330c8cc3c3989b1aba74b	EMP-01 brokerage transactions, Q3 2026
statements_EMP-02.csv	8	dda28ab7bce1a6f798063a99e872c369fbee4499645432fe276cbcaa3edaa377	EMP-02 brokerage transactions, Q3 2026
statements_EMP-03.csv	6	c1137a5bad6b3b7f0e8d0f427e40027e7c9533a83b22bcc0d49393bc94c4198c	EMP-03 brokerage transactions, Q3 2026
statement_receipts.csv	6	cfce41c2fe24efa585d2a43a8e82073626d66b6708ff33facb164d0e79d71a7d	when each quarterly statement arrived

Findings

ID	WHAT WE FOUND	OWNER / FIX / STATUS
PT-01	EMP-02 bought 200 HLMT (Halmont Industries) on 12 August 2026. HLMT has been on the restricted list since 3 August 2026 (concentrated client position being sold down during Q3). The code of ethics does not allow trades in restricted securities. Pre-clearance PC-104 was approved by EMP-01 on 11 August 2026; the restricted list was not checked.	**CCO.** Employee to reverse the position; any profit goes to charity under code section 7. Add the restricted list to the pre-clearance form so an approval cannot be given without checking it. **Open; position sold 16 Oct 2026, gain calculation pending.**
PT-02	EMP-03 bought 200 BRXL (Brixell Logistics) on 21 July 2026. There is no pre-clearance request for this trade in the log. The code of ethics requires written approval before any trade in an individual stock or bond.	**CCO.** Written warning under code section 8; refresher training on pre-clearance. **Fixed 15 Oct 2026.**
PT-03	EMP-01 sold 300 PLDN (Pelladon Semiconductors) on 10 September 2026, 4 days before the firm bought 12,400 PLDN for 73 client accounts on 14 September 2026. The code of ethics bars personal trades within 7 days of a client block trade in the same security.	**Managing member (EMP-02).** Document the review: the trade preceded the block decision of 11 September. Add a check of planned block trades to the pre-clearance form. **Fixed 21 Oct 2026; memo on file.**
PT-04	EMP-02's brokerage statement for the quarter ended 30 June 2026 was due 30 July 2026 (30 days after quarter end) and arrived on 24 August 2026, 25 days late.	**CCO.** Reminder sent; the broker's duplicate-statement feed is now set up so statements arrive without asking. **Fixed 28 Aug 2026.**

19 trades passed, 12 of them exempt fund or ETF trades; one pre-clearance request (PC-108) was denied because of a planned block trade and no trade followed.

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TEST 4 · VENDORS AND DATA SECURITY

Is there a vendor list, due-diligence evidence and a breach-notice clause where client data is handled?

9 vendors checked six ways. Four exceptions: two vendors with no due diligence on file, one vendor with client data and no security evidence and one contract without a breach-notice clause.

Method

We took the firm's inventory of 9 service providers, 7 of which handle client data (custodian, billing, CRM, e-mail, document vault, archive and IT). For each we checked six things: a contract on file; due diligence on file; due diligence within the last 12 months; for providers with client data, a SOC report or a completed security questionnaire; a breach-notice clause in the contract; and notice within 72 hours, the period Regulation S-P expects.

The test reads the inventory the firm keeps; it does not open the contracts themselves. The CCO confirms the inventory is complete and current before each quarter's run.

Data used

FILE	ROWS	SHA-256	WHAT IT IS
vendor_inventory.csv	9	0bfd9b594fa3e5468701ecc5481296c0dfd4182e317b10614d5b0bde70adbf7b	the firm's vendor inventory with contract and due-diligence fields

Findings

ID	WHAT WE FOUND	OWNER / FIX / STATUS
VEN-01	Printworks Marketing Co. (printing and mailing of marketing material): no due diligence on file. The firm's vendor policy asks for a review before onboarding and once a year, even for vendors that do not handle client data.	**Adviser (marketing).** Complete the short-form vendor questionnaire (for vendors without client data) and file it. **Fixed 20 Oct 2026.**
VEN-02	Payroll Partners (payroll and benefits administration): no due diligence on file. The firm's vendor policy asks for a review before onboarding and once a year, even for vendors that do not handle client data.	**Managing member.** Same short-form questionnaire; obtain the provider's SOC 1 report for the file. **Open; due 15 Nov 2026.**
VEN-03	Brightmail Business E-mail handles client data (e-mail and calendar hosting) but there is no SOC report and no completed security questionnaire on file; the due diligence recorded is a reference call with the provider. Regulation S-P expects the firm to know how a provider protects client information.	**CCO.** Request the provider's SOC 2 report or have it complete the security questionnaire; if neither is available, plan a move to a provider that has one. **Open; request sent 16 Oct 2026.**
VEN-04	Keystone CRM Cloud holds client data and its contract has no clause requiring it to tell the firm about a data breach. Regulation S-P expects service providers to notify the firm within 72 hours.	**CCO.** Sign the provider's data-protection addendum with 72-hour breach notice (template on file). **Open; addendum sent 17 Oct 2026.**

5 vendors passed every check: Harborline Custody, Ledgerpoint Portfolio Accounting, Vaultbox Document Storage, Fieldstone Compliance Archive, Summit IT Services.

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TEST 5 · FILINGS AND DEADLINES

Was every filing and delivery on time?

8 calendar items, 96 brochure deliveries, 4 state filings checked. Twelve exceptions: eleven households without brochure delivery evidence and one state notice filing made late.

Method

The firm's fiscal year ends on 31 December, so the Form ADV annual amendment is due 31 March and the brochure delivery 30 April. We listed the 10 calendar items that apply to an adviser of this kind and checked each against its due date and the evidence on file. For the brochure we checked all 96 households one by one, for state notice filings all 4 states where the firm has clients, and for Form 13F the value of 13(f) securities under discretion at each quarter end.

Form 13F is not required: 13(f) securities were USD 58.7 million at 30 September 2026, below the USD 100 million threshold. Regulatory AUM of USD 140.2 million is the wrong figure for this test because it includes mutual funds, bonds and cash, which do not count.

Data used

FILE	ROWS	SHA-256	WHAT IT IS
compliance_calendar.csv	10	ba002ebb2a02eb5cfc94292e7058fae813b4a0d04c1d0cbabe18ff711820b9f1	the calendar items, their basis, due and completed dates
brochure_delivery_log.csv	96	874faf029be45beb4c2a733ae3956f5708ed5d8d419938487a25c28142e73daa	brochure delivery and evidence per household
state_notice_filings.csv	4	8d66a4059030c77f2a84d5447331b13b971bacfd33f9a70c618d34530242e462	state notice filings and client counts by state
form_13f_check.csv	4	d61083319d1cad598efd5bfb4939178ef83abe39fda3b30aaf9958ed4eee5793	13(f) securities under discretion at each quarter end

Findings

ID	WHAT WE FOUND	OWNER / FIX / STATUS
FIL-01 to FIL-11	11 households have no evidence that the annual brochure, due 30 April 2026, was delivered to them. The mail-merge log of 22 April 2026 has no row for them and no acknowledgement is on file. Households: HH-012, HH-022, HH-024, HH-034, HH-051, HH-060, HH-064, HH-066, HH-070, HH-085, HH-092.	**Operations.** Re-send the brochure with a read receipt or obtain a signed acknowledgement; file the evidence. **Fixed 24 Oct 2026 for 9 households; acknowledgements on file. Open for 2 (HH-085, HH-092); second request sent 26 Oct 2026.**
FIL-12	Arizona notice filing: the firm's sixth Arizona household signed on 12 May 2026, which took it past the five-client limit, and the notice filing was made on 3 August 2026, 83 days later. Most states require the filing before the sixth client is taken on.	**CCO.** Filing is in place. Add a client-count-by-state check to the onboarding checklist so the next state is filed before the sixth client signs. **Fixed 3 Aug 2026 (filing); control added 14 Oct 2026.**

85 households have delivery evidence (mail-merge log or signed acknowledgement). Notice filings for CO and TX are in order; NM (3 clients) is below the five-client limit, so no filing is needed there. Form CRS was filed with the registration. The ADV annual amendment, the code of ethics review and the annual compliance review are not yet due; the dates are on the calendar.

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TEST 6 · THE RECORD

Can the firm show what was tested, with what data, what was found and what was fixed?

This document is the answer. It is dated, it lists every input file with its row count and hash, every finding with its owner and status, and it is signed by the firm's chief compliance officer. The working files below are delivered with it and belong in the compliance file next to it. One record per quarter; the annual record repeats all six tests on the full year.

Record details

Record	CHA-2026Q3-R1, quarterly testing record for Q3 2026 (1 July 2026 to 30 September 2026)
Firm	Cedar Hollow Advisors LLC (fictional); SEC registration effective 24 March 2026; fiscal year ends 31 December
Prepared by	Menlo Consulting, technology and data services, on 28 October 2026, from files the firm supplied
Software	Exam Ready test modules and the Fee Check engine 0.1.0; deterministic rules, no language model in any test
Data policy	Account and household identifiers only, never client names. Menlo deletes the working copies of the firm's files after delivery; this record keeps their names, row counts and SHA-256 hashes so the firm can prove later which files were tested.
Next	Q4 2026 testing in January 2027; the annual record for 2026 in February 2027. Open items above carry over until the CCO closes them.

Files delivered with this record

FILE	ROWS	SHA-256	WHAT IT IS
findings_all.csv	33	b68000d2f8bd098344eada530fad1ccd6a13c31dfcbd8b400a337d9ad300b6b2	every finding with owner, fix and status
summary.json	13	d93ebc796263c2ca7afcb0d6538e3a54a1e3996e1027b0f96be9396221da64c0	the numbers on the summary page
fees/exceptions.xlsx		78692152e2cd22933ea604b6600ff44df780cde01975ea7589e2e2f0d802fdb3	fee engine working papers: every account, every input, every rule
fees/fees_all_accounts.csv	160	68da29c1d127c49c97dff400040c9d2beb9e7513bee7de572d3d139a728f9a8d	fee recomputation, one row per account
marketing_review_log.csv	14	2c7fe9c725f9daeeed6c39e63a1487f390fdceba7607d2f9daeabe4ab952b14d	every marketing item, every check, result
trading_checks.csv	28	00b3b0d6b7002881e29e559b7e837828bf44b53ea5b9e7ada864a84c77453383	every personal trade and statement, result
vendor_checks.csv	9	acd1e3407eb644286dddd1199c68f922536b41866cfbc98a358b13133860c401	every vendor, result
filings_status.csv	10	36b14119f240045c344a6554f2f976e4f498f4032d2cc93b6d70e4b2187528ad	every calendar item and its status

The test suite behind this record (43 automated tests) passed on 28 October 2026; see methods and limits.

Reviewed and signed by the firm's Chief Compliance Officer

By signing, the chief compliance officer confirms that he or she has reviewed the findings in this record, has recorded an owner, a fix and a status for each, and remains responsible for the firm's compliance program. The signature is the firm's; Menlo Consulting prepared the record and does not attest to it.

Name _____ Title Chief Compliance Officer

Signature _____ Date _____

Prepared by Menlo Consulting on 28 October 2026 · santiago@menlo.consulting · www.menlo.consulting

Menlo Consulting provides technology and data services only. It is not a law firm or a compliance consultant, it does not act as any firm's chief compliance officer, and it does not give legal, investment, tax or accounting advice. Testing records are prepared for the firm's own compliance officer, who remains responsible for the compliance program; they are not audits, reviews or attestations. Independent firm named for Edison's laboratory at Menlo Park, New Jersey; not affiliated with Menlo Ventures, Menlo Security or any other 'Menlo' company.

METHODS AND LIMITS

How each test works, and what it cannot see

Client and data. Cedar Hollow Advisors is fictional. Every file was generated from the written rules of the fictional firm (its fee schedule, code of ethics, vendor policy and calendar) and then 33 exceptions were planted, each recorded in an answer key with its subject, code and dollar amount. The six tests ran on those files exactly as they would on a client's. Account and household identifiers are random; tickers and vendor names are invented.

Fees. The Fee Check engine (version 0.1.0, 51 tests of its own) recomputes each account's fee from the rules file, which quotes the fee schedule and the agreement sentence by sentence: household total, marginal tiers, allocation by value, minimum, one quarter, day-count proration, discount, rounding to cents once. The export fee is compared with the result; the tolerance here is zero, so a one-cent difference is listed. Each exception is classified by switching off one rule at a time and seeing which version reproduces the billed amount; the billing system's own settings export then names the cause (an unlinked account, an 'advance' flag).

Marketing and ADV. Nine written rules run on the text of each item: fee rates, structure and timing against Item 5; asset figures within 10% of Item 4 or the current figure; returns with a net figure and an as-of date; hypothetical results with criteria, assumptions and risks; a client quote with the three required statements; words that promise a result; instruments not described in Item 8; approval before use. Rules see words, not images, layout, tone or omissions; the CCO still reads each item. The review log is the firm's evidence that a review took place.

Personal trading. Each statement line is matched to the restricted list on its date, to an approved pre-clearance covering the trade date, and to the firm's block trades within the blackout window. Funds and ETFs are exempt from pre-clearance under this code. The test sees only what is on the statements supplied; accounts not reported, holdings reports and outside business activities are not tested here.

Vendors and data security. The test reads the vendor inventory the firm keeps, not the contracts themselves. The CCO confirms the inventory is complete before each run. 72 hours is the breach-notice period Regulation S-P expects of service providers; the 12-month due-diligence cycle is the firm's own policy.

Filings and deadlines. Due dates follow the rules named on the calendar page for a 31 December fiscal year. State notice-filing rules differ by state; the test applies the five-client limit and the place-of-business test in the firm's own filings list. IARD was not accessed; the firm supplied its filing confirmations. Form 13F is tested on 13(f) securities under discretion, not on regulatory AUM.

Tests. 43 automated tests (pytest), all passing on 28 October 2026, cover each fee rule, each marketing rule, each code-of-ethics rule, the vendor and calendar checks, the data files and these PDFs. One test proves that every planted exception is found, with the right subject, code and amount, and that nothing else is flagged; another proves the synthetic files are rebuilt byte for byte from the seed, so the hashes in this record are reproducible.

Limits. A testing record shows what the firm's files say against the firm's own written rules. It is not a legal opinion, it does not say whether the rules themselves are adequate, and it cannot see what is not in the files. The chief compliance officer decides what each finding means for the firm and remains responsible for the compliance program.

Questions about this record: santiago@menlo.consulting · www.menlo.consulting

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