



#### Broker-dealers

- ✓ **Definition:** person engaged in the business of effecting transactions in securities for the account of others or for his own account
- ✓ **Registration form:** Form BD
- ✓ **Exclusions from registration:**
  - Agents, issuers, and banks
  - Canadian (limited registration)
  - Vacation rule
  - Institution rule



#### Agents

- ✓ **Definition:** individual representing a broker-dealer or issuer in effecting securities transactions
- ✓ **Registration form:** Form U4 (agent & BD file)
- ✓ **Reg. withdrawal form:** Form U5 (agent & BD file)
- ✓ **Exclusions from registration:**
  - Vacation rule
  - Institution rule
  - Clerical role
  - Representing an issuer while offering exempt securities or performing exempt transactions



#### Investment advisers

- ✓ **Definition:** person offering securities Advice as a regular Business for Compensation
- ✓ **Registration form:** Form ADV (Parts 1, 2A, 2B)
- ✓ **Reg. withdrawal form:** Form ADV-W
- ✓ **Exemptions from registration:**
  - Vacation rule
  - Institution rule
  - De minimis rule
  - Private fund advisers
- ✓ **Exclusions from registration:**
  - Investment adviser representatives (IARs)
  - LATE professions (incidental)
  - BDs and agents (no advisory fees)
  - Media programs if general advice
  - Fed covered advisers (excluded from state)
  - Banks and savings institutions



#### Investment adviser representatives (IARs)

- ✓ **Definition:** any partner, officer, director of, or securities advice-providing employee of an IA
- ✓ **Registration form:** Form U4
  - If representing state IA = filed by IA
  - If representing fed covered IA = filed by IAR
- ✓ **Reg. withdrawal form:** Form U5
  - If representing state IA = filed by IA
  - If representing fed covered IA = filed by IAR
- ✓ **Exclusions from registration:**
  - Vacation rule
  - Institution rule
  - De minimis rule



#### State administrator

- ✓ **Responsibilities:**
  - Registration & regulation of persons
  - Registration & regulation of securities
  - Enforcement of general securities law
  - Enforcement of anti-fraud provisions
- ✓ **Jurisdiction exists if:**
  - Client or professional in state during....
  - A securities offer or transaction
- ✓ **Punitive action:**
  - May deny, suspend, or revoke registration
  - Must be in public interest & break law
- ✓ **Record retention enforcement:**
  - Investment advisers = 5 years
  - Broker-dealers = 3 years
  - Records from past 2 years must be readily available



#### Rule (no office in state)

- ✓ **Vacation rule**
  - No registration if engaging current clients visiting a state
- ✓ **Institution rule**
  - No registration if only engaging institutions
- ✓ **De minimis rule**
  - No registration if 5 or fewer retail clients in a state



#### Person

- ✓ **Any natural person (individual) or organization able to enter into binding contracts**
- ✓ **Non-persons:** minors, incapacitated, deceased



#### Investors

- ✓ **Institutional:** organization investing a pool of capital (money) on behalf of others
- ✓ **Retail:** individual investing for their own goals or on behalf of family