

CHAPTER 47A

BUREAU OF SECURITIES

Authority

N.J.S.A. 49:3-47 et seq., specifically 49:3-67(a).

Source and Effective Date

R.1997 d.451, effective September 26, 1997.
See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).

Executive Order No. 66(1978) Expiration Date

Chapter 47A, Bureau of Securities, expires on September 26, 2002.

Chapter Historical Note

Rules of the Bureau of Securities were originally filed and became effective as N.J.A.C. 13:13 on July 29, 1969. N.J.A.C. 13:13 was recodified as 13:47A when the Bureau of Securities became part of the Division of Consumer Affairs. Subchapter 25, Corporation Takeover Bid Disclosure Law, was adopted as R.1978 d.279, effective August 14, 1978. See: 10 N.J.R. 119(b), 10 N.J.R. 405(a). Pursuant to Executive Order No. 66(1978), Subchapter 25 expired on August 14, 1983. Pursuant to Executive Order No. 66(1978), Chapter 47A expired on September 6, 1987.

Chapter 47A, Bureau of Securities, was adopted as R.1987 d.390, effective October 5, 1987. See: 19 N.J.R. 1417(a), 19 N.J.R. 1824(a). Subchapter 9, Intrastate Offerings, and Subchapters 15 through 20, concerning real estate syndications, were allowed to lapse and were not adopted as a part of R.1987 d.390. Subchapter 10, Registration of Securities, was adopted as R.1990 d.241, effective May 21, 1990. See: 21 N.J.R. 2903(a), 22 N.J.R. 1617(a).

Pursuant to Executive Order No. 66(1978), Chapter 47A was re-adopted as R.1992 d.435, effective October 2, 1992. See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a). Subchapter 12, Exemptions for Securities Transactions and Securities Offerings; Employee Benefit Plans; Accredited Investors, was adopted as R.1995 d.270, effective June 5, 1995. See: 27 N.J.R. 303(a), 27 N.J.R. 2241(a). Subchapter 13, General Rules of Practice; and Subchapter 14, Rules of Practice Relating to Investigations, were adopted as R.1995 d.540, effective October 16, 1995. See: 26 N.J.R. 3814(a), 26 N.J.R. 4337(a), 27 N.J.R. 3964(b).

Pursuant to Executive Order No. 66(1978), Chapter 47A was re-adopted as R.1997 d.451, effective September 26, 1997. See: Source and Effective Date. As part of R.1997 d.451, effective October 20, 1997, Subchapter 6, Issuers, was repealed. See, also, section annotations.

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SUBCHAPTER 1. BROKER-DEALERS

13:47A-1.1 Application for registration for NASD members

(a) Any person who is a member of the National Association of Securities Dealers, Incorporated (NASD), desiring to transact business in the State of New Jersey as a broker-dealer shall file an application with the Bureau of Securities by filing the application with the NASAA/NASD Central Registration Depository (CRD) on the form designated as Form BD, Uniform Application for Broker-Dealer Registration, or any successor form to the Form BD prescribed by the CRD for filing a broker-dealer application. The requisite registration fee shall be submitted with the application filed with the CRD in the amount of \$250.00 for a one year registration term. Failure to pay the registration fee as above, within the billing time limits established by the Bureau or by the CRD, shall be a ground for immediate revocation of the registration. The applicant shall supplement the application filed with the CRD by directly filing with the Bureau of Securities any additional information which the Bureau Chief requires. The 30-day time period for review of an application will not commence until the applicant files all documents or material facts specified and required. The following additional information shall be required to be filed with the Bureau of Securities for all broker-dealer applications and no application shall be deemed complete until all of the following are properly submitted, unless the requirements are waived by the Bureau Chief:

1. A consent to service of process executed by the applicant as set forth in N.J.A.C. 13:47A-7.1. A fully completed and executed page 1 (Execution Page of the Form BD Uniform Application for Broker-Dealer Registration or a successor form as prescribed by the CRD shall satisfy this requirement;

2. A consent to service of process executed by each officer, director, general partner or limited partner of the applicant who is to act as an agent in the State of New Jersey, as set forth in N.J.A.C. 13:47A-7.1. A fully completed and executed Form U-2 Uniform Consent to Service of Process for each person shall satisfy this requirement;

3. Certified financial statements as set forth in N.J.A.C. 13:47A-1.3 and 1.5;

4. A statement of minimum net capital as set forth in N.J.A.C. 13:47A-1.6;

5. A statement of the nature and location of each business in which the applicant has engaged during the preceding five years; and

6. Any additional information requested by the Bureau Chief.

(b) The bond may provide for termination provided, however, that 90 days' notice thereof is served in writing upon the Bureau Chief; and provided further, that the right to

bring an action for losses sustained while it was in force shall continue for two years from the date of the sale upon which the action is based.

Amended by R.1992 d.435, effective November 2, 1992.

See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).

Recodified from 13:47A-1.6 with stylistic revisions. Old 13:47A-1.7
Cash or securities in lieu of bond recodified to 13:47A-1.8.

Amended by R.1997 d.451, effective October 20, 1997.

See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).

In (a), made the section subject to the limitations of § 15 of the Securities Exchange Act of 1934 (15 U.S.C. § 78), and amended N.J.A.C. references.

13:47A-1.8 Cash or securities in lieu of bond

In lieu of the bonds required by N.J.A.C. 13:47A-1.6 (Minimum net capital), the applicant may deposit cash or securities with the Bureau Chief, and the amount thereof shall be determined by the Bureau Chief having due regard for the amount of the bond required and the nature of the securities furnished. No securities other than those listed on the New York Stock Exchange or the American Stock Exchange or designated or approved for designation upon notice of issuance as a National Market System security on the National Association of Securities Dealers' Automated Quotation System will be accepted, except that mutual funds may be accepted in certain cases, in the discretion of the Bureau Chief.

Amended by R.1992 d.435, effective November 2, 1992.

See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).

Recodified from 13:47A-1.7; revised text. Old 13:47A-1.8 Change of status; submission of form recodified to 13:47A-1.9.

13:47A-1.9 Change of status; submission of form

(a) A registered broker-dealer who is registered with New Jersey via the NASAA/NASD CRD shall file an amendment with the CRD on the amendment form prescribed by the NASAA/NASD CRD whenever any of the following events occur:

1. Its firm name is changed;
2. Its principal office address is changed;
3. The address of a branch office within the State of New Jersey is changed;
4. A new officer, director or partner is elected or admitted to the firm. The amendment filing shall include the home address and 10 year business history of the officer, director or partner;
5. It commences the employment of an agent currently effectively registered in the State of New Jersey. This amendment shall be filed no later than five days after the commencement of such employment;
6. A partner, officer or director of the registered broker-dealer resigns, retires or otherwise terminates his or her affiliation with the broker-dealer. No filing fee is required for this type of amendment, unless the NASAA/NASD CRD prescribes otherwise;
7. The registered broker-dealer terminates the employment of an agent. This amendment shall be filed within five days of the termination. No filing fee is

required for this type of amendment, unless the NASAA/NASD CRD prescribes otherwise;

8. Subsections (d) and (e) below require an amendment to be filed; or

9. Any other event has occurred that would require an amendment to the Form BD Uniform Application for Broker-Dealer Registration or its successor form.

(b) On or after January 1, 1998, a registered broker-dealer that is registered pursuant to N.J.A.C. 13:47A-1.2 (registrants not eligible for registration via the CRD and therefore registered directly with the Bureau of Securities) shall file directly with the Bureau at its current office address, a complete and updated Form BD or the amended pages, if a complete Form BD is already on file at the Bureau, whenever it changes any of the information set forth in (a) above.

(c) Any amendment shall be filed no later than 20 days after the occurrence named therein, unless otherwise specified in (a) above. The amendment filed with the CRD shall be accompanied by the fee, if any, prescribed by the NASAA/NASD CRD for amendments. There shall be no fee for those amendments required to be filed directly with the Bureau of Securities.

(d) For a registered broker-dealer that has had any changes occur regarding the answers in its original or amended Form BD application as to arrests, convictions of any crime, disciplinary actions by any administrative body, restraints, injunctions, suspension, revocations, denials, judgments based on fraud, as to the registrant or any partner, officer or director shall file an amendment with the CRD; or if not a member of the NASD, shall file the amendment directly with the Bureau of Securities fully disclosing the details of the changes within 20 days of the occurrence named in the amendment. Such amendment shall be accompanied by the fee, if any, prescribed by the NASAA/NASD CRD or the Bureau of Securities for amendments. In the event that the CRD amendment form does not allow for full detailed disclosure of the details of the changes, as required by the Uniform Securities Law (1967), N.J.S.A. 49:3-47 et seq. and these rules, the registrant shall make full detailed disclosure of the changes by a supplemental filing directly to the Bureau of Securities at its current office address.

(e) A registered broker-dealer, if a corporation or partnership, shall file with the Bureau of Securities or the CRD, whichever is applicable, two applicant (non-criminal) fingerprint cards (one State Police card and one Federal Bureau of Investigation card) with all of the impressions taken by a recognized law enforcement agency, for each officer, director, controlling person or partner who commences any employment or affiliation with said registered broker-dealer no later than five days after the commencement of such employment or affiliation. Those persons exempt from filing fingerprint cards with the Securities and Exchange

Commission pursuant to Rule 17f-2 promulgated under the Securities Exchange Act of 1934 or its successor rule shall be exempt from filing fingerprint cards with the Bureau pursuant to this subsection.

Amended by R.1970 d.60, effective May 29, 1970.

See: 2 N.J.R. 34(f), 2 N.J.R. 55(d).

Amended by R.1987 d.390, effective October 5, 1987.

See: 19 N.J.R. 1417(a), 19 N.J.R. 1824(a).

Business history raised from five to 10 years.

Amended by R.1992 d.435, effective November 2, 1992.

See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).

Recodified from 13:47-1.8. Revised text. Old 13:47A-1.9 Maintenance of books and records recodified to 13:47-1.10.

Amended by R.1997 d.451, effective October 20, 1997.

See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).

Substantially amended (a) and (b); in (c), eliminated the filing fee; deleted (d); and recodified existing (e) and (f) as (d) and (e).

13:47A-1.10 Maintenance of books and records

All broker-dealers shall keep at their principal place of business, open to inspection of the Bureau of Securities of the State of New Jersey, all books and records required to be kept by the Securities and Exchange Commission or by the Bureau of Securities.

Amended by R.1992 d.435, effective November 2, 1992.

See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).

Added the Bureau of Securities. Recodified from 13:47A-1.9. Old 13:47A-1.10 Withdrawal of broker-dealer registration recodified to 13:47A-1.11.

13:47A-1.10A Maintenance of sales and advertising material (broker-dealers)

Subject to the limitations of § 15 of the Securities Exchange Act of 1934 (15 U.S.C. § 78), all broker-dealers shall keep on file, in each branch and sales office, for a period of three years, copies of any prospectus, circular, form letter, advertisement, sales script, or prepared text used in that branch or sales office in the course of soliciting prospective investors, and any other sales or advertising material intended for distribution or communication to prospective investors by mail, telephone, or any other medium, or for the use or training of persons making such communications. Any material required to be maintained pursuant to this section may be maintained in electronic form, either at the branch or sales office or at a central location, provided that such electronically stored material can, upon demand, be retrieved and provided to the Bureau within two working days.

New Rule, R.1995 d.540, effective October 16, 1995.

See: 26 N.J.R. 3814(a), 26 N.J.R. 4337(a), 27 N.J.R. 3964(b).

Amended by R.1997 d.451, effective October 20, 1997.

See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).

Made the section subject to the limitations of § 15 of the Securities Exchange Act of 1934 (15 U.S.C. § 78).

13:47A-1.11 Withdrawal of broker-dealer registration

(a) A broker-dealer registered in New Jersey via the CRD shall file a Form BDW or any successor form to the Form BDW prescribed by the CRD when it desires to withdraw its registration as a broker-dealer in the State of New Jersey. Such request for withdrawal will become effective 30 days after filing with the CRD.

(b) A broker-dealer registered in New Jersey by direct filing with the Bureau of Securities because it is not eligible for registration via the CRD shall file directly with the Bureau a Form BDW, if its initial application was filed on a Form BD, when it desires to withdraw its registration as a broker-dealer in the State of New Jersey. Such request will become effective 30 days after filing with the Bureau.

Amended by R.1992 d.435, effective November 2, 1992.

See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).

Recodified from 13:47A-1.10. Revised text; added (b). Old 13:47A-1.11 Display of name recodified to 13:47A-1.12.

Amended by R.1997 d.451, effective October 20, 1997.

See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).

13:47A-1.12 Display of name

The name of the registered broker-dealer shall appear on the door or window of any branch or sales office being operated within the State of New Jersey.

Recodified from 13:47A-1.11 by R.1992 d.435, effective November 2, 1992.

See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).

Old 13:47A-1.12 Application for successor recodified to 13:47A-1.13.

13:47A-1.13 Application for successor

(a) A broker-dealer registered in New Jersey via the CRD shall file the forms or amendments as required by the CRD to effectuate registration in New Jersey of a successor to the registered broker-dealer. The filing shall be accompanied by the fee, if any, prescribed by the CRD for such filings.

(b) A broker-dealer registered in New Jersey by direct filing with the Bureau of Securities because it is not eligible for registration via the CRD may file directly with the Bureau an application on a Form BD, Uniform Application for Broker-Dealer Registration, accompanied by all of the information required by N.J.A.C. 13:47A-1.1 and in the same form as required by that section to effectuate the registration of a successor. Such application shall be marked "SUCCESSOR APPLICATION" in the upper right-hand corner by the registrant, and shall be accompanied by a consent to service of process executed by the applicant. There shall be no filing fee for the successor application.

Amended by R.1992 d.435, effective November 2, 1992.

See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).

Revised text and added (a). Recodified from 13:47A-1.12.

SUBCHAPTER 2. INVESTMENT ADVISORS

13:47A-2.1 Application for registration

(a) Any person desiring to act as an investment advisor within or from the State of New Jersey shall file an application with the Bureau of Securities on the Form ADV Uniform Application for Investment Adviser Registration.

(b) Such form shall be accompanied by:

1. A consent to service of process executed by the applicant. A fully completed and executed Part I, page 1 (Execution Page) of the Form ADV shall satisfy this requirement; and

2. A consent to service of process executed by each officer, director, general or limited partner of the applicant who is to conduct business in the State of New Jersey. A fully completed and executed Form U-2 Uniform Consent to Service of Process shall satisfy this requirement.

(c) The application shall also be accompanied by a check or money order payable to the State of New Jersey, Bureau of Securities, in the amount of \$100.00.

Amended by R.1987 d.390, effective October 5, 1987.

See: 19 N.J.R. 1417(a), 19 N.J.R. 1824(a).

Check raised to \$100.00 from \$50.00.

Amended by R.1992 d.435, effective November 2, 1992.

See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).

Revised (a).

Amended by R.1997 d.451, effective October 20, 1997.

See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).

In (b)1 and (b)2, added the second sentences.

13:47A-2.2 Capital requirements

Subject to the limitations of § 222 of the Investment Advisors Act of 1940 (15 U.S.C. § 80b-18a), no registration as an investment advisor shall be granted to a person who has custody of clients' funds or securities unless the applicant has a minimum capital of \$25,000 or has posted a surety bond in the amount of \$25,000.

Amended by R.1997 d.451, effective October 20, 1997.

See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).

13:47A-2.3 Bonds

(a) Subject to the limitations of § 222 of the Investment Advisors Act of 1940 (15 U.S.C. § 80b-18a), the bond required to be filed under N.J.A.C. 13:47A-2.2 (Capital requirements) shall provide for suit thereon by third parties for damage sustained as a result of misuse or misapplication of clients' funds or securities and shall be in the form designated U-SB as set forth in N.J.A.C. 13:47A-11.5. The bond shall be for a term of two years, but the right to file claims thereunder for losses sustained while it was in force shall continue for two years from the time the aggrieved party knew or should have known of the existence of his or her cause of action.

(b) Such bond shall provide for termination; provided, however, that 90 days notice thereof is served in writing upon the Chief of the Bureau of Securities and; provided further, that the right to bring an action for losses sustained while it was in force shall continue for two years from the time the aggrieved party knew or should have known of the existence of his cause of action.

(c) Such bond may be written by any surety company licensed to do business in the State of New Jersey.

Amended by R.1997 d.451, effective October 20, 1997.

See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).

13:47A-2.4 Cash or securities in lieu of bond

(a) Subject to the limitations of § 222 of the Investment Advisors Act of 1940 (15 U.S.C. § 80b-18a), in lieu of the bond required by N.J.A.C. 13:47A-2.2 (Capital requirements), the applicant may deposit cash or securities with the Chief of the Bureau of Securities, and the amount thereof shall be determined by the Bureau Chief having due regard for the amount of the bond required and the nature of the securities furnished.

(b) No securities other than those listed on the New York Stock Exchange or the American Stock Exchange or designated or approved for designation upon notice of issuance as a NASDAQ National Market security will be accepted, except that mutual funds may be accepted in certain cases, in the discretion of the Bureau Chief.

Amended by R.1992 d.435, effective November 2, 1992.

See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).

Revised text.

Amended by R.1997 d.451, effective October 20, 1997.

See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).

13:47A-2.5 Change of status; submission of form

(a) A registered investment advisor shall file with the Bureau of Securities a revised and updated Form ADV, so as to have a complete and current Form ADV on file with the Bureau of Securities, whenever it changes:

1. Its firm name;
2. Its principal office address;
3. The address of a branch office within the State of New Jersey.

(b) Such form shall be filed no later than 20 days after the occurrence named therein.

(c) A registered investment advisor shall file with the Bureau of Securities amended pages of the Form ADV together with an amended Schedule D to Form ADV on such person to update its Form ADV on file with the Bureau of Securities whenever there is a change to the information reported on Schedule A, B, or C to Form ADV, as applicable. The form shall be filed no later than 20 days after the occurrence named therein.

(d) A registered investment advisor shall file with the Bureau of Securities amended pages of the Form ADV together with an amended Schedule D or E, as applicable to update its Form ADV on file with the Bureau of Securities whenever any changes occur regarding the answers on its investment advisor application to the Disciplinary questions in Item 11 of Form ADV or its successor, within 20 days of the occurrence named therein.

(e) A registered investment advisor shall file with the Bureau of Securities amended pages of the Form ADV to update its Form ADV on file with the Bureau of Securities, whenever any changes occur as to the resignation, retirement or termination of the affiliation of any partner, officer or director, within 20 days of the occurrence named therein. No filing fee is required.

(f) Effective January 1, 1998, all investment advisors registered in this State shall have a complete updated Form ADV Uniform Application for Investment Adviser Registration on file with the Bureau. If a Form ADV is already on file with the Bureau, the applicant shall only be required to file a copy of any amendments to Form ADV that have not been previously filed with the Bureau together with the investment adviser's Form ADV-T or Schedule I, as applicable.

Amended by R.1992 d.435, effective November 2, 1992.
See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).

Added (f).

Amended by R.1997 d.451, effective October 20, 1997.
See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).

13:47A-2.6 Maintenance of books and records

All investment advisors shall keep at their principal place of business, open to inspection for the Bureau of Securities of the State of New Jersey, all books and records required to be kept by the Securities and Exchange Commission.

13:47A-2.6A Maintenance of sales and advertising material (investment advisors)

Subject to the limitations of § 222 of the Investment Advisors Act of 1940 (15 U.S.C. § 80b-18a), all investment advisors shall keep on file, in each branch and sales office, for a period of three years, copies of any prospectus, circular, form letter, advertisement, sales script, or prepared text used in the course of soliciting prospective investors, and any other sales or advertising material intended for distribution or communication to prospective investors by mail, telephone or any other medium, or for the use or training of persons making such communications. Any material required to be maintained pursuant to this section may be maintained in electronic form, either at the branch or sales office or at a central location, provided that such electronically stored material can, upon demand, be retrieved and provided to the Bureau within two working days.

New Rule, R.1995 d.540, effective October 16, 1995.
See: 26 N.J.R. 3814(a), 26 N.J.R. 4337(a), 27 N.J.R. 3964(b).
Amended by R.1997 d.451, effective October 20, 1997.
See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).

13:47A-2.7 Withdrawal of investment advisor registration

A registered investment advisor shall file with the Bureau of Securities a Form ADV-W Notice of Withdrawal from Registration as Investment Advisor, as set forth in N.J.A.C. 13:47A-11.9, when it desires to withdraw its registration as an investment advisor in the State of New Jersey. Such request for withdrawal will become effective 30 days after filing with the Bureau of Securities.

Amended by R.1992 d.435, effective November 2, 1992.
See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).

Added text.

Amended by R.1997 d.451, effective October 20, 1997.
See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).

Deleted the last sentence.

13:47A-2.8 Application for successor

A registered investment advisor may file an application with the Bureau of Securities on a Form ADV, as set forth in N.J.A.C. 13:47A-11.2, for the registration of a successor. Such application shall be marked "SUCCESSOR APPLICATION" in the upper right-hand corner by the registrant. There is no filing fee for the successor application.

Amended by R.1992 d.435, effective November 2, 1992.
See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).

Added text.

Amended by R.1997 d.451, effective October 20, 1997.
See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).

Deleted the last sentence.

13:47A-2.9 "Investment supervisory services" defined

"Investment supervisory services" is defined as the giving of continuous advice to clients as to the investment of funds on the basis of individual needs of each client, as distinguished from continuous advice of any nature which is not based on consideration of all relevant factors; for example, the nature and amount of other assets, investment and insurance, and the nature and extent of the personal and family obligations of each client. For interpretive purposes, the Bureau of Securities follows SEC Release No. IA-770 and SEC Release No. IA-1092.

Amended by R.1997 d.451, effective October 20, 1997.
See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).

Added the second sentence.

13:47A-2.10 Performance fee compensation

(a) The provisions of N.J.S.A. 49:3-53(b)(1) shall not prohibit any investment advisor registered as an investment advisor pursuant to N.J.S.A. 49:3-56(a) from entering into, performing, renewing or extending an investment advisory contract which provides for compensation to the investment advisor on the basis of a share of the capital gains upon, or the capital appreciation of, the funds or any portion of the funds of a client, provided that the conditions of this section are met and all conditions of Rule 205-3 (17 CFR 275.205-3) under the Investment Advisors Act of 1940, 15 U.S.C. 80b-1 et seq., which are not in conflict with the conditions set forth in this section are satisfied.

(b) The client entering into the contract subject to this regulation must be a natural person or a company as defined in Rule 205-3, who the registered investment advisor (and any person acting on the investment advisor's behalf) entering into the contract reasonably believes, immediately prior to entering into the contract, is a natural person or a company as defined in Rule 205-3, whose net worth at the time the contract is entered into exceeds \$1,000,000. The net worth of a natural person shall be as defined by Rule 205-3 of the Investment Advisors Act of 1940.

(c) Nothing in this section shall prevent the renegotiation, for the purposes of changing the method of compensation in compliance with this section, of an investment advisory contract between a registered investment advisor and the client of such investment advisor provided both parties agree to the new or additional terms.

(d) Nothing in this section relieves a client's representative from any of the obligations under N.J.S.A. 49:3-47 et seq. including, but not limited to, the obligation to register with the Bureau pursuant to N.J.S.A. 49:3-56(a) and the obligation to comply with N.J.S.A. 49:3-52 and 49:3-53.

(e) For purposes of this section, a business development company, as defined by section 2(a)(48) of the Investment Company Act of 1940, 15 U.S.C. § 80a shall not be prohibited by N.J.S.A. 49:3-53(b)(1) or by this section from paying or receiving performance based fee compensation, provided the business development company is allowed to pay or receive performance based fee compensation pursuant to Federal law and SEC regulations.

New Rule, R.1989 d.319, effective June 19, 1989.
See: 21 N.J.R. 12(a), 21 N.J.R. 1741(a).
Amended by R.1997 d.451, effective October 20, 1997.
See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).
Added (e).

SUBCHAPTER 3. AGENTS

13:47A-3.1 Agents of broker-dealers

(a) Any person desiring to act in the State of New Jersey as an agent of a non-NASD member broker-dealer registered in New Jersey directly with the Bureau of Securities or as an agent of an issuer shall file an application with the Bureau of Securities on a form designated U-4, as set forth in N.J.A.C. 13:47A-11.3. Such application shall be accompanied by:

1. A consent to service of process executed by the applicant;
2. Two applicant non-criminal fingerprint cards (one State Police card and one FBI card) with impressions taken by a recognized law enforcement agency; and
3. A check or money order made payable to the State of New Jersey, Bureau of Securities, in the amount of \$30.00. Issuers of securities under N.J.S.A. 49:3-60(b), need not register as agents or qualify as issuers. However, a pattern of N.J.S.A. 49:3-60(b)-offerings by the same person or group of persons may raise a presumption that the person or persons are acting as an unregistered broker-dealer requiring broker-dealer registration of the issuer and its agents.

(b) Any person desiring to act in the State of New Jersey as an agent of a broker-dealer registered in New Jersey via

the NASAA/NASD CRD shall file an application for registration as an agent with the CRD on the Form U-4 Uniform Application for Securities Industry Registration or Transfer or its successor agent application form prescribed by the NASAA/NASD CRD. The agent application shall be accompanied by a consent to service of process executed by the applicant; fingerprint cards as required by the NASAA/NASD CRD; and payment in the form prescribed by the CRD of \$30.00 for each year of the registration period.

Amended by R.1974 d.333, effective December 3, 1974.
See: 7 N.J.R. 12(b).

Amended by R.1982 d.304, effective September 7, 1982.
See: 14 N.J.R. 550(a), 14 N.J.R. 981(c).

Added (b)3.

Amended by R.1987 d.390, effective October 5, 1987.

See: 19 N.J.R. 1417(a), 19 N.J.R. 1824(a).

Amount raised from \$30.00 to \$60.00.

Amended by R.1992 d.435, effective November 2, 1992.

See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).

Revised section.

Amended by R.1995 d.270, effective June 5, 1995.

See: 27 N.J.R. 303(a), 27 N.J.R. 2241(a).

Inserted "non-NASD member broker-dealer registered in New Jersey directly with the Bureau of Securities or as an agent of a".

Amended by R.1997 d.451, effective October 20, 1997.

See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).

In (a)3, added the last two sentences.

Case Notes

Agent registration would be revoked and civil monetary penalty imposed. In the Matter of Elliot Lloyd Bellen, 92 N.J.A.R.2d (BOS) 1.

13:47A-3.2 Change of status; agents; submission of form

(a) A registered agent shall file an amendment with the CRD, by filing or updating a Form U-4 Uniform Application for Securities Industry Registration or Transfer, or its successor form, along with the fee, if any, prescribed by the CRD, whenever the agent changes his or her name or home address, and whenever a change in the answers on his or her original application for registration occurs, as to arrests, convictions of any crime, disciplinary actions by any administrative body, restraints, injunctions, suspensions, revocations, denials, or judgments based on fraud or to any other information contained in answers to Item 22 and the Disclosure Reporting Page of the Form U-4. The amendment(s) must be filed within 20 days of the occurrence named therein. Whenever an agent terminates or commences employment with a broker-dealer or issuer, the agent must file the amendment within five days of the termination or commencement. For agents of non-NASD member broker-dealers, the amendments shall be filed directly with the Bureau of Securities.

(b) Whenever an agent terminates employment with a broker-dealer registered in New Jersey via the CRD, the broker-dealer must file with the CRD or Bureau, as appropriate, the Form U-5 Uniform Termination Notice for Securities Industries Registration within five days of the termination.

Amended by R.1992 d.435, effective November 2, 1992.

See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).

Revised section.

Amended by R.1997 d.451, effective October 20, 1997.

See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).

13:47A-3.3 Issuer-agent registration

(a) All issuers which are effecting or attempting to effect purchases or sales of securities other than through a registered broker-dealer shall register someone as an "agent," unless an exemption or exclusion from agent registration is available under the Act. Only a natural person can be registered as an agent.

(b) Agent registration is not required for an individual who represents an issuer in effecting transactions exempted by N.J.S.A. 49:3-50(a)(1) (securities issued or guaranteed by the United States, a State, or political subdivision thereof); N.J.S.A. 49:3-50(a)(2) (Canadian and other foreign government securities); N.J.S.A. 49:3-50(a)(3) (bank securities); N.J.S.A. 49:3-50(a)(11) (employee benefit plans); and all of the transactional exemptions under N.J.S.A. 49:3-50(b).

(c) For the purposes of the exclusion from the definition of "agent" in N.J.S.A. 49:3-49(b)3, the phrase "existing employees, partners or directors of the issuer," shall include persons occupying those positions with subsidiaries of which the parent issuer owns at least 80 percent of the stock of the subsidiary.

New Rule, R.1995 d.270, effective June 5, 1995.

See: 27 N.J.R. 303(a), 27 N.J.R. 2241(a).

13:47A-3.4 General partners

A natural person acting on behalf of the general partner of a partnership in connection with the offer or sale of the partnership's securities, which general partner is a corporation, partnership or other entity, shall be deemed to be an individual representing the issuer within the meaning of N.J.S.A. 49:3-49(b).

New Rule, R.1995 d.270, effective June 5, 1995.

See: 27 N.J.R. 303(a), 27 N.J.R. 2241(a).

SUBCHAPTER 4. EXAMINATIONS

13:47A-4.1 Examinations for broker-dealers and investment advisors

No officer, director, partner or individual affiliated with a broker-dealer or investment advisor applying for registration in this State who will participate in management either as investment advisor or in the offering or selling of securities either within or from this State, shall be so registered unless he or she has taken and successfully passed a securities examination approved by the Chief of the Bureau of Securities and offered by an independent self-regulatory organization of the securities industry registered with the Securities and Exchange Commission, or taken and successfully passed a securities examination given by a state whose examination is recognized by the Bureau of Securities of the State of New Jersey.

Amended by R.1992 d.435, effective November 2, 1992.

See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).

Deleted text in last sentence.

Amended by R.1997 d.451, effective October 20, 1997.

See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).

13:47A-4.2 Examination for agents

No person may apply for registration as an agent in the offering or selling of securities, either within or from this State, unless he or she shall have taken and successfully passed a securities examination approved by the Chief of the Bureau of Securities and offered by an independent self-regulatory organization of the securities industry registered with the Securities and Exchange Commission, or taken and successfully passed a securities examination given by a state whose examination is recognized by the Bureau of Securities of the State of New Jersey.

Amended by R.1992 d.435, effective November 2, 1992.

See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).

Deleted text in last sentence.

Amended by R.1997 d.451, effective October 20, 1997.

See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).

13:47A-4.3 Requests for waiver

(a) Requests for waiver of examination requirements will be considered only on the basis of knowledge, training and experience in the securities field. Any person requesting waiver must have been continuously active in the securities field for a period of at least two full years prior to the filing of the application.

(b) Requests for waiver must be submitted in writing directly to the Bureau Chief and requested simultaneously with the application for registration filed with the CRD or the Bureau, as appropriate.

(c) In connection with an exempt transaction or a securities offering under N.J.S.A. 49:3-50 and 49:3-60(b), the Bureau generally will consider favorably an application for waiver of the agent examination requirement and the agent fingerprinting requirement for applicants meeting the requirements of (a) above who represent the issuer. An application for waiver shall be made at least five business days prior to the commencement of the offering by the agent. The waiver application shall include an application for agent registration and certification that no executive officer of the issuer would disqualify the issuer from selling stock pursuant to Regulation A as provided for in Rule 262 promulgated by the U.S. Securities and Exchange Commission and that the agent, assuming the individual was an underwriter within the meaning of that Rule, would not be disqualified from selling securities pursuant to Regulation A.

Amended by R.1992 d.435, effective November 2, 1992.

See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).

Recodified from 13:47A-4.4 with revisions to (b). Repealed old section 13:47A-4.3, Application for examination.

Amended by R.1995 d.270, effective June 5, 1995.

See: 27 N.J.R. 303(a), 27 N.J.R. 2241(a).

Added (c).
Amended by R.1997 d.451, effective October 20, 1997.
See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).

13:47A-4.4 (Reserved)

Recodified to 13:47A-4.3 by R.1992 d.435, effective November 2, 1992.
See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).
13:47A-4.4 was Requests for waiver.

SUBCHAPTER 5. RENEWAL

13:47A-5.1 Expiration date

Registration of a broker-dealer, investment advisor or agent shall expire on December 31 of each calendar year, unless revoked.

Amended by R.1992 d.435, effective November 2, 1992.
See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).
Revised text.
Amended by R.1997 d.451, effective October 20, 1997.
See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).

Case Notes

Gross negligence. *Mayflower Securities v. Bureau of Securities*, 64 N.J. 85, 312 A.2d 497 (1973).

13:47A-5.2 Application for renewal

(a) A broker-dealer registered in New Jersey via the CRD that desires to apply for the renewal of its registration shall file the forms prescribed by the CRD to effectuate a renewal. Such application shall be accompanied by payment in the form prescribed by the CRD of \$250.00 per calendar year. Failure to pay the entire fee within the billing time limits established by the Bureau or by the CRD, shall be a ground for immediate revocation of the registration.

(b) A broker-dealer registered in New Jersey via direct registration with the Bureau of Securities that desires to apply for the renewal of its registration shall file on the form designated N.J. Form BDR issued to the registrant by the Bureau of Securities. Such application shall be accompanied by a check or money order made payable to the State of New Jersey, Bureau of Securities, in the amount of \$250.00. By January 1, 1998, all broker-dealers registered in New Jersey shall have filed a Form BD with CRD or with the Bureau, as appropriate.

(c) A registered investment advisor desiring to apply for the renewal of its registration shall file on the form designated N.J. Form IAR-(year), as set forth in N.J.A.C. 13:47A-11.8, issued to the registrant by the Bureau of Securities. Such application shall be accompanied by a check or money order made payable to the State of New Jersey, Bureau of Securities, in the amount of \$100.00. By January 1, 1998, all investment advisors registered in New

Jersey shall have filed a Form ADV with the Bureau to replace the previously filed Form SB-2.

(d) An agent registered in New Jersey via the CRD that desires to apply for the renewal of his registration shall file the forms prescribed by the CRD to effectuate a renewal. Such application shall be accompanied by payment in the amount of \$30.00 in the form prescribed by the CRD.

(e) A broker-dealer may apply to have the registration of its agents who are registered in New Jersey via direct registration with the Bureau of Securities renewed by filing with the Bureau of Securities a list containing the name and social security number of each such agent together with a check or money order payable to the State of New Jersey, Bureau of Securities, in the amount of \$30.00 per agent per year.

Amended by R.1970 d.60, effective May 29, 1970.
See: 2 N.J.R. 34(f), 2 N.J.R. 55(d).
Amended by R.1974 d.333, effective December 3, 1974.
See: 7 N.J.R. 12(b).
Amended by R.1982 d.265, effective August 16, 1982.
See: 14 N.J.R. 551(a), 14 N.J.R. 919(b).

Deleted (d) and (e).
Amended by R.1987 d.390, effective October 5, 1987.
See: 19 N.J.R. 1417(a), 19 N.J.R. 1824(a).
Amounts payable raised from \$125.00 to \$500.00; all others doubled.
Amended by R.1992 d.435, effective November 2, 1992.
See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).
Added new (a); redesignated old (a)-(b) to (b)-(c); added new (d); redesignated old (c) to (e).
Amended by R.1997 d.451, effective October 20, 1997.
See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).
In (a) and (b), changed the application fee from \$500 to \$250; in (b) and (c), added the last sentences; and in (d) and (e), changed the application fee from \$60 to \$30.

13:47A-5.3 Filing for renewal

(a) Applications for renewal will be issued by the Bureau of Securities during the month of October for investment advisors and for non-NASD member broker-dealers and their agents registered directly with the Bureau of Securities and must be filed by the registrant directly with the Bureau of Securities, not less than 30, nor more than 90, days before the December 31 expiration date of current registration.

(b) Broker-dealers and agents currently registered in New Jersey via the CRD shall renew their applications in accordance with the requirements prescribed by the CRD and shall accompany the application with the fee prescribed by these regulations in the form prescribed by the CRD.

(c) Any person who fails to apply for the renewal of its registration during the period specified in (a) above or by the CRD in connection with renewal under (b) above must make a new application for registration as set forth in these rules and may not submit the renewal application forms issued by the Bureau of Securities.

Amended by R.1992 d.435, effective November 2, 1992.
See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).

Revised (a); added new (b) and redesignated old (b) to (c) with revisions.

Amended by R.1997 d.451, effective October 20, 1997.

See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).

In (a), deleted the exception.

SUBCHAPTER 6. (RESERVED)

SUBCHAPTER 7. MISCELLANEOUS

13:47A-7.1 Consent to service of process

(a) The irrevocable consent appointing the Bureau Chief or his or her successor in office as attorney to receive service of any lawful process in any noncriminal suit, action or proceeding against him or her shall be filed concurrently with the application directly with the Bureau Chief, except as provided by (a)1ii below.

1. The Bureau of Securities accepts the following forms:

i. For agent applications for registration in New Jersey, a fully executed Form U-2 Uniform Consent to Service of Process;

ii. For broker-dealer applications for registration in New Jersey filed via the CRD a fully executed page 1 (Execution Page) of the Form BD Uniform Application for Broker-Dealer Applications or a successor form as prescribed by the CRD may be filed with the CRD to fulfill the requirement of (a) above for the broker-dealer;

iii. For investment advisor applications for registration in New Jersey, a fully executed page 1 (Execution Page) of the Form ADV Uniform Application for Investment Adviser Registration or a successor form as prescribed by the Bureau of Securities may be filed with the Bureau to fulfill the requirement of subsection (a) of this section for the investment advisor.

Amended by R.1992 d.435, effective November 2, 1992.

See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).

Revised (a); added new (b)-(c).

Amended by R.1997 d.451, effective October 20, 1997.

See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).

Inserted (a)1; recodified existing (b) as (a)1ii; added (a)1iii; and deleted existing (c).

13:47A-7.2 Custody of clients' funds or securities

The term "custody of clients' funds or securities" as used in Section 49:3-57(e) of the Uniform Securities Law (1967) shall mean the carrying of money or securities for the account of customers or the owing of money or securities to customers except as an incident to transactions with or for customers which are promptly consummated by payment or delivery.

Amended by R.1997 d.451, effective October 20, 1997.

See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).

13:47A-7.3 Broker-dealer

The term "broker-dealer" as used in the Uniform Securities Law (1967) shall include underwriters, wholesalers or distributors whether acting for their own account or the account of others.

13:47A-7.4 Prospectus defined

(a) The term "prospectus" as used in the administration of the Uniform Securities Law (1967) shall mean a selling circular distributed to prospective investors which in general shall contain:

1. A description of the issuer's property and business;
2. A description of the significant provisions of the security to be offered and its relationship to the issuer's other capital securities;
3. Information concerning the management of the issuer; and
4. Certified financial statements.

Case Notes

"Prospectus" defined. *Maplewood Vil. Ten. Ass'n v. Maplewood Vil.*, 116 N.J. Super. 372, 282 A.2d 428 (Chanc. Div.1971).

13:47A-7.5 Expediting applications

Pursuant to Section 49:3-57(a) of the Uniform Securities Law (1967), applications become effective on noon on the 30th day after filing with the Bureau of Securities. Applications filed with the CRD to effectuate registration in New Jersey will become effective on noon on the 30th day after notice to the Bureau of Securities by the CRD that the application has been filed with the CRD. Any applicant desiring an earlier effective date must submit a written request to expedite to the Bureau Chief, such request to be made a part of the application and the applicant's permanent file. Acceleration is not automatic, and in no case shall an application become effective in less than five full business days after having been filed with the Bureau of Securities.

Amended by R.1992 d.435, effective November 2, 1992.

See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).

Revised text.

13:47A-7.6 Effectiveness of registrations filed with the CRD

Filing an application for registration with the CRD does not in any way impair the authority of the Bureau of Securities to require that additional information be filed with the Bureau or the CRD, nor does it in any way impair the Bureau's authority to deny, suspend, postpone or revoke any registration in accordance with the provisions of the Uniform Securities Law (1967) and the regulations promulgated under that Law. Allowing registrants to file their applications with the CRD, if they are eligible to do so, is for the convenience of the registrant and the Bureau, but is not intended to impair or substitute any other person's discretion or decision making authority for that of the Bureau of Securities in reviewing and acting upon applications.

New Rule, R.1992 d.435, effective November 2, 1992.
See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).

13:47A-7.7 Transition rule for registrants currently registered with the Bureau of Securities and new registrants

(a) Broker-dealer registrants registered with the CRD in other states who wish to include a registration in New Jersey may do so by filing an amendment with the CRD to the Form BD Uniform Application for Broker-Dealer Registration to include New Jersey as one of the states in which it is registered. These registrants must also include in the amendment filing any other information required by N.J.A.C. 13:47A-1.1 or 1.9. The information required by N.J.A.C. 13:47A-1.1 and 1.9 may be filed as a supplement to the amendment filed with the CRD or by a separate supplemental filing made directly to the Bureau of Securities at the same time the amendment is filed with the CRD.

(b) New applicants who are not registered either directly with the Bureau of Securities or via the CRD must file their application for registration with the CRD in accordance with N.J.A.C. 13:47A-1.1, if they eligible to do so. Only those new applicants who are not eligible for filing with the CRD may file their applications directly with the Bureau of Securities in accordance with N.J.A.C. 13:47A-1.2.

New Rule, R.1992 d.435, effective November 2, 1992.
See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).
Amended by R.1997 d.451, effective October 20, 1997.
See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).
Recodified (d) as (b); and deleted (b), (c), (e) and (f).

13:47A-7.8 Filing of information with the CRD

Any information filed by an applicant as part of a registration application that is filed with the NASAA/NASD CRD shall be considered to have been filed with the Bureau of Securities in accordance with N.J.A.C. 13:47-7.6, unless the information is required by these rules to be filed directly with the Bureau of Securities at its current office address. If the information is required to be filed directly with the Bureau of Securities, then filing the information with the CRD will have no effect and the information will be considered as "not filed."

New Rule, R.1992 d.435, effective November 2, 1992.
See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).
Amended by R.1997 d.451, effective October 20, 1997.
See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).

SUBCHAPTER 8. PENALTY

13:47A-8.1 Assessment

A registrant who fails to file with the Bureau of Securities or the CRD (as limited by N.J.A.C. 13:47A-7.8) any information required by N.J.A.C. 13:47A-1.9 (change of status), or any fee, annual report, financial report or statement as

required by the Uniform Securities Law (1967) or the rules promulgated thereunder, within the time prescribed by the Law and the rules, may be subject to civil or administrative action, including monetary penalties or other available remedies at law.

Amended by R.1992 d.435, effective November 2, 1992.
See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).
Revised text.
Amended by R.1997 d.451, effective October 20, 1997.
See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a).

Case Notes

Gross negligence. *Mayflower Securities v. Bureau of Securities*, 64 N.J. 85, 312 A.2d 497 (1973).

SUBCHAPTER 9. (RESERVED)

SUBCHAPTER 10. REGISTRATION OF SECURITIES

13:47A-10.1 (Reserved)

Repealed by R.1973 d.230, effective August 24, 1973.
See: 5 N.J.R. 356(b).
Section was "Notification of interstate securities offerings".

Case Notes

Data Access Systems, Inc. v. State, 117 N.J. Super. 95, 283 A.2d 750, reversed 63 N.J. 158, 305 A.2d 427 (1973).

13:47A-10.2 Registration by coordination

(a) A person who seeks to register by coordination a security for which a registration statement has been filed under the Securities Act of 1933 shall file with the Bureau the following documents and information.

1. A completed application Form U-1, Uniform Application to Register Securities, which shall be accompanied by the following:
 - i. The New Jersey Addendum, incorporated herein by reference as Appendix A;
 - ii. One copy of the Registration Statement filed with the Securities and Exchange Commission and each amendment to such registration statement together with all exhibits;
 - iii. Three copies of the prospectus in the latest form on file with the Securities and Exchange Commission whether or not such prospectus was printed as a separate document;
 - iv. One copy of the Underwriting agreement, agreement among underwriters and selected dealers agree-

ment or similar agreements between the broker-dealer and the person owning the securities to be sold;

- v. One copy of the indenture, if applicable;
- vi. One copy of the issuer's charter or articles of incorporation, or if the issuer is not a corporation the similar relevant document, as amended to date;
- vii. One copy of the issuer's by-laws as amended to date;
- viii. One copy of the signed, unqualified, and unconditional opinion of counsel as to the legality of the security being registered, with a certified English translation if it is in a foreign language, which states that the security, when issued will be legally issued, fully paid, and nonassessable, and, if a debt security, is a binding obligation of the issuer; and if the issuer is a partnership, association or trust, whether the purchasers will be liable for the obligations of the partnership;
- ix. One copy of a specimen of the security or, if not applicable, a copy of the document that represents the interest to be sold and the rights of the parties involved;
- x. An irrevocable consent appointing the Chief of the Bureau agent for service of process, executed by the issuer on Form U-2, Uniform Consent to Service of Process, and, if the issuer is a corporation, a corporate resolution executed by the secretary of that corporation, on Form U-2A, Uniform Corporate Resolution;
- xi. One copy of each pamphlet, circular, form letter, advertisement, or other sales literature intended as of the effective date to be used in connection with the offering;
- xii. An undertaking executed by the applicant to forward to the Bureau within one business day after filing with the Securities and Exchange Commission a marked copy of any amendments to the federal registration statement, designating the changed, revised or added material or information by underlining and otherwise marking the same;
- xiii. Any other document or information requested by the Bureau;
- xiv. A check or money order payable to the New Jersey Bureau of Securities, in the amount of \$1,000, for each registration statement filed with the Bureau. The Bureau may require the applicant to submit a money order or certified check in appropriate instances;
- xv. If the securities are being offered and sold by or through a broker-dealer, the identity of the broker-dealer who will offer and/or sell the securities in or from the State of New Jersey and a statement that such broker-dealer is registered with the Bureau pursuant to N.J.S.A. 49:3-56(a); and

xvi. If the securities are being offered and sold directly by the issuer in or from the State of New Jersey through any bona fide officer, director or employee, the name of such officer, director or employee and a statement that the issuer is relying on an exemption from agent registration for such officer, director or employee or that such officer, director or employee is registered with the Bureau as an agent.

2. Any document filed with the Bureau pursuant to N.J.S.A. 49:3-61, 49:3-61.1 and 49:3-61.2 within three years preceding the filing of a registration statement may be incorporated by reference pursuant to N.J.S.A. 49:3-62(d) provided that the applicant shall clearly identify in the reference the name of the document, the name of the applicant, the Bureau file number, the date of filing and state that no changes have been made in such documents since the last amendment filed with the Bureau.

3. All documents filed pursuant to this section must be legible, securely bound and on paper no larger than 8½ inches by 11 inches.

(b) An application for registration by coordination shall become effective with the Bureau simultaneously with the registration statement filed with the Securities and Exchange Commission provided the following conditions have been met:

- 1. All documents and information required by (a) above have been filed with the Bureau; and
- 2. The application to register securities by coordination:
 - i. Was filed with the Bureau within 10 calendar days after the initial filing of the registration statement was made with the Securities and Exchange Commission and such application has been on file with the Bureau for at least 10 calendar days; or
 - ii. Has been on file with the Bureau for at least 30 calendar days; and
- 3. A statement that the maximum and minimum proposed offering prices and the maximum underwriting discounts and commissions have been on file for at least two business days; and
- 4. No order has been issued pursuant to N.J.S.A. 49:3-64.

(c) The following post effective requirements shall be complied with by an applicant whose securities have been registered with the Bureau by coordination:

- 1. Three copies of the final prospectus filed with the Securities and Exchange Commission shall be filed with the Bureau no later than two business days after such prospectus was filed with or forwarded to the Securities and Exchange Commission.