

CHAPTER 47A

BUREAU OF SECURITIES

Authority

N.J.S.A. 49:3-67(a).

Source and Effective Date

R.1992 d.435, effective October 2, 1992.
 Sec: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a).

Executive Order No. 66(1978) Expiration Date

Chapter 47A, Bureau of Securities, expires on October 2, 1997.

Chapter Historical Note

Rules of the Bureau of Securities were originally filed and became effective as Chapter 13 on July 29, 1969, but were later recodified to Chapter 47A after the bureau became a part of the Division of Consumer Affairs. Pursuant to N.J.S.A. 49:5-11(a), 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 and was adopted as new rules by R.1987 d.390, effective October 5, 1987. Subchapter 9, Intrastate Offerings, and Subchapters 15, 16, 17, 18, 19, and 20, concerning real estate syndications, were allowed to lapse and were not adopted as a part of the new Chapter 47A. See: 19 N.J.R. 1417(a), 19 N.J.R. 1824(a). A new 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 readopted as R.1992 d.435. See: Source and Effective Date.

See section annotations for specific rulemaking activity.

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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 each year of the two year registration term for the broker-dealer (for a total of \$500.00), plus \$10.00 for each officer, director or partner doing business in the State of New Jersey. Failure to pay the entire \$500.00 fee plus additional required fees, 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 application filed with the CRD shall be supplemented by direct filing with the Bureau of Securities of any additional information required by the Bureau Chief. 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;
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;
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 applicant shall submit to the Bureau of Securities as part of the application an identification photograph of each partner, officer or director, unless the applicant is a member of the NASD or is a member of and has current photographs on file with the New York Stock Exchange, American Stock Exchange, or another major stock exchange, and has granted written permission to the Bureau Chief, or his or her duly designated representative, to examine without notice any filings made by the applicant with such exchange or association.

(c) The applicant, if a natural person, shall submit to the Bureau of Securities as part of the application, two (non-criminal) fingerprint cards (one State Police card and one Federal Bureau of Investigation card) with impressions taken by a recognized law enforcement agency.

(d) The applicant, if a corporation or partnership, shall submit to the Bureau of Securities as part of the application, two applicant (non-criminal) fingerprint cards (one State Police card and one Federal Bureau of Investigation card) for each officer, director, controlling person or partner with all of the impressions taken by a recognized law enforcement agency.

(e) Subsections (c) and (d) above shall not apply to an applicant who is a member of the New York Stock Exchange, the American Stock Exchange or the NASD.

(f) If, during the pendency of the application, it appears to the Bureau Chief that the application may contain a misrepresentation, may omit a document or material fact, or contains any statement which may be, at the time and in the light of the circumstances under which it is made, false or misleading in any material respect, the Bureau Chief, in his or her discretion, may notify the applicant of the deficiency by letter. A deficiency letter shall require the applicant to perfect the application by amending or supplementing the information previously submitted within 21 days after the issuance of the deficiency letter; withdraw the application; or subject itself to further action of the Bureau Chief by Order or otherwise. If the applicant elects to perfect the application within 21 days, the amendment or supplement by the applicant shall postpone the effectiveness of the application for 30 days after the applicant perfects the application. The Bureau Chief may elect, in his or her discretion, to act without issuing a deficiency letter.

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.1987 d.390, effective October 5, 1987.

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

Cost raised from \$125.00 plus \$5.00 to \$500.00 plus \$10.00.

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)-(e); added new (f).

Case Notes

Powers of Bureau Chief. In re Information Resources, 126 N.J.Super. 42, 50, 312 A.2d 671 (1973).

Regulatory powers of Bureau. Mayflower Securities v. Bureau of Securities, 64 N.J. 85, 312 A.2d 497 (1973).

13:47A-1.2 Application for registration for persons not eligible for registration via CRD

Any person desiring to transact business in the State of New Jersey who is not a member of the NASD or who is not otherwise eligible to register via the CRD pursuant to N.J.A.C. 13:47A-1.1, shall file all of the information required by N.J.A.C. 13:47A-1.1 and in the same form required by that section directly with the Bureau of Securities at its current office address. The application shall be accompanied by a check or money order payable to the State of New Jersey, Bureau of Securities, in the amount of \$500.00, plus \$10.00 for each officer, director or partner doing business in the State of New Jersey.

New Rule, R.1992 d.435, effective November 2, 1992.

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

Old 13:47A-1.2 Financial reports to accompany application recodified to 13:47A-1.3.

13:47A-1.3 Financial reports to supplement application

(a) An application for registration as a broker-dealer must be supplemented by a concurrent filing directly with the Bureau of Securities of a certified statement of the applicant's financial condition as of a date within 60 days of the application; provided, however, if the applicant has been engaged in business for one year or more preceding the date of the application, a certified financial statement as of the end of its last fiscal period, along with an unaudited balance sheet as of a date within 60 days of the application may be submitted directly to the Bureau concurrently with the filing of the application for registration. The concurrent filing will be considered to be a necessary part of the registration application, whether the application is filed via the CRD for NASD members, or directly with the Bureau for non-NASD members.

(b) The balance sheet must be signed by a principal or officer of the applicant and must be notarized.

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-1.2, stylistic revisions. Old 13:47A-1.3 Annual financial report recodified to 13:47A-1.4.

13:47A-1.4 Annual financial report

Every registered broker-dealer must file with the Bureau Chief an annual certified report of financial condition during each calendar year. Said report will be due not later than 60 days after the termination date of each report; provided that reports for any two consecutive years shall not be as of termination dates within four months of each other. Requests for extensions of time for the filing of the report

must be made in writing to the Bureau Chief in advance of the due date.

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-1.3; revised (a). Old 13:47A-1.4 Preparation and contents of financial statement recodified to 13:47A-1.5.

13:47A-1.5 Preparation and contents of financial statements

(a) Financial statements and reports required of registered broker-dealers under N.J.S.A. 49:3-47 et seq., including the financial statement filed with the application for initial registration, shall consist of a balance sheet supported by an analysis of the trading and investment inventories and shall be prepared by a certified public accountant or a public accountant who shall be in fact independent.

(b) Complete copies of Form X-17A-5, as filed with the Securities and Exchange Commission, or copies of the New York Stock Exchange Financial Questionnaire may be filed to comply with the requirements of this section.

(c) The analysis of the trading and investment inventories required by (a) above shall have attached thereto, and made a part thereof, a statement under oath by the broker-dealer which shall set forth those securities within said trading and investment inventories which have not been registered under the Securities Act of 1933 (1933 Act), or which are not subject to, or are exempted from the registration requirements of the 1933 Act and the rules and regulations promulgated thereunder other than by reason of section 3(a) of the 1933 Act and the rules and regulations promulgated under section 3(a) of the 1933 Act.

Amended by R.1970 d.85, effective July 13, 1970.

See: 2 N.J.R. 50(c), 2 N.J.R. 67(b).

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-1.4 with stylistic revisions. Old 13:47A-1.5 Minimum capital recodified to 13:47A-1.6.

13:47A-1.6 Minimum net capital

(a) No registration as a broker-dealer shall be issued unless the applicant therefor has a minimum net capital of \$10,000 or has posted with the Bureau of Securities a surety bond in the amount of \$10,000, except as set forth in (b) and (c) below. Under all subsections of this section, if the applicant has been in business for less than one year, the statement of minimum net capital submitted as part of the broker-dealer application must include a written statement of the applicant's source of capital.

(b) No registration as a broker-dealer shall be issued to an applicant engaged exclusively in the sale of investment company shares unless the applicant therefor has a minimum net capital of \$5,000, or has posted with the Bureau of Securities a surety bond in the amount of \$5,000. The statement of minimum net capital submitted as part of the broker-dealer application must include a written statement that the applicant purchases or sells solely investment company shares in order to qualify under this subsection.

(c) No registration as a broker-dealer shall be issued to an applicant having custody of clients' funds or securities unless such applicant has a minimum net capital of \$25,000 or has posted with the Bureau of Securities a surety bond in the amount of \$25,000. The statement of minimum net capital submitted as part of the broker-dealer application must include a written statement that the applicant has custody of clients' funds or securities, if such is the case.

(d) Computation of net capital shall be in accordance with rules promulgated by the Securities and Exchange Commission, unless the Bureau Chief prescribes otherwise by rule or order.

(e) Reporting of net capital by a broker-dealer shall be made as part of the application for registration with the CRD in the case of broker-dealers eligible for such registration. If the CRD registration form does not provide for reporting of net capital as set forth in this section, or if the registration is filed directly with the Bureau of Securities because CRD registration is not available to the applicant, then the reporting of net capital shall be made by a supplemental filing made directly to the Bureau of Securities concurrently with the broker-dealer 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 (a)-(c); added (d)-(e). Recodified from 13:47A-1.5. Old 13:47A-1.6 Bonds recodified to 13:47A-1.7.

Case Notes

Rule upheld. *Kenneth Marshall and Co. v. State*, 119 N.J. Super. 588, 293 A.2d 200 (App.Div.1972).

Intent of minimum net capital requirement. *In re Ridgway*, 116 N.J. Super. 172, 281 A.2d 390 (App.Div.1971).

13:47A-1.7 Bonds

(a) The bonds required to be filed under N.J.A.C. 13:47A-1.6 (Minimum net capital) shall provide for suit thereon by third parties for any cause of action under N.J.S.A. 49:3-71, for loss and damages, and shall be in the form designated N.J. SB-7 as set forth in N.J.A.C. 13:47A-11.10. The bond shall be for a term of two years, but the right to bring an action under the bond 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.

(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.

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), (e), and (f) 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.

(b) 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 form designated N.J. Form SB-4, as set forth in N.J.A.C. 13:47A-11.4, whenever it changes any of the information set forth in (a) above. Alternatively, the broker-dealer may use the same form required by the CRD to file an amendment directly with the Bureau in lieu of filing the Form SB-4, whenever it changes any of the information set forth in (a) above.

(c) Such amendment to the CRD or N.J. SB-4 form, as applicable, 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. Filing of a N.J. SB-4 form as required by (b) above shall be accompanied by a check or money order in the amount of \$5.00 for each change listed, unless otherwise specified in (a) above.

(d) A registered broker-dealer shall file with the Bureau of Securities a N.J. Form SB-4 form, as set forth in N.J.A.C. 13:47A-11.4 or file with the CRD the equivalent CRD amendment form and fee as prescribed by the NASAA/NASD CRD, whenever any changes occur regarding the original answers to question 5 on its original N.J. SB-1 broker-dealer application as to arrests, conviction of any crime, disciplinary actions by any administrative body, restraints, injunctions, suspensions, revocations, denials, judgments based on fraud, as to the registrant or any partner, officer or director, within 20 days of the occurrence named in the form. Such N.J. Form SB-4 shall be accompanied by a check or money order in the amount of \$5.00.

(e) For a registered broker-dealer that has filed its broker-dealer application with the CRD on Form BD that has had any changes occur regarding the answers in its original Form BD application as to arrests, conviction of any crime, disciplinary actions by any administrative body, restraints, injunctions, suspensions, revocations, denials, judgments based on fraud, as to the registrant or any partner, officer or director shall file an amendment with the CRD 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 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.

(f) 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.

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)

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).

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 designated N.J. Form SB-10, as set forth in N.J.A.C. 13:47A-11.13, if its initial application was filed on a Form SB-1, or by filing 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.

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 a form designated N.J. Form SB-2 as set forth in N.J.A.C. 13:47A-11.2. Alternatively, the application may be filed 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; 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.

(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).

13:47A-2.2 Capital requirements

(a) No registration as an investment advisor shall be granted to a person who has failed to furnish the amount of net capital to the Bureau of Securities.

(b) 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.

13:47A-2.3 Bonds

(a) The bond required to be filed under Section 2 (Capital requirements) of this Subchapter 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 New Jersey form SB-8 as set forth in N.J.A.C. 13:47A-11.11. 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 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.

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

(a) 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 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).

Revised text.

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

(a) A registered investment advisor shall file with the Bureau of Securities a form designated New Jersey form SB-4, as set forth in N.J.A.C. 13:47A-11.4, 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 and shall be accompanied by a check or money order in the amount of \$5.00.

(c) A registered investment advisor shall file with the Bureau of Securities a form designated New Jersey form SB-4, as set forth in N.J.A.C. 13:47A-11.4, whenever a new officer, director or partner is elected or admitted to the firm. Such form shall be accompanied by a rider setting forth the home address and five-year business history of the officer, director or partner and a check or money order in the amount \$5.00 for each individual listed. 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 a form designated New Jersey form SB-4, as set forth in N.J.A.C. 13:47A-11.4, whenever any changes occur regarding the answers to question 7 on its original investment advisor application as to arrests, convictions of any crime, disciplinary actions by any administrative body, restraints, injunctions, suspensions, revocations, denials, judgments based on fraud, as to the registrant of any partner, officer or director, within 20 days of the occurrence named therein. Such form shall be accompanied by a check or money order in the amount of \$5.00.

(e) A registered investment advisor shall file with the Bureau of Securities a form designated New Jersey form SB-4, as set forth in N.J.A.C. 13:47A-11.4, 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) Alternatively, changes reportable under this section may be filed with the Bureau of Securities by filing a complete initial Form ADV Uniform Application for Investment Adviser Registration, or if a Form ADV is already on file with the Bureau, by filing an update to the Form ADV.

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).

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)

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).

13:47A-2.7 Withdrawal of investment advisor registration

A registered investment advisor shall file with the Bureau of Securities a form designated New Jersey form SB-10, as set forth in N.J.A.C. 13:47A-11.13, 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. Alternatively, if the application on file with the Bureau of Securities was submitted on Form ADV, the Form ADV-W may be filed to effectuate withdrawal of the investment advisor registration.

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.

13:47A-2.8 Application for successor

A registered investment advisor may file an application with the Bureau of Securities on a form designated New Jersey form SB-2, 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, and shall be accompanied by a consent to service or process executed by the applicant. There is no filing fee for the successor application. Alternatively, an application may be filed on behalf of a successor by filing with the Bureau of Securities a complete and updated Form ADV Uniform Application for Investment Adviser Registration.

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.

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 obligation of each client.

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 may include assets held jointly with such person's spouse but shall not include home, farm, car and furnishings.

(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.

New Rule, R.1989 d.319, effective June 19, 1989.
See: 21 N.J.R. 12(a), 21 N.J.R. 1741(a).

SUBCHAPTER 3. AGENTS

13:47A-3.1 Agents of broker-dealers and qualified issuers

(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 a qualified issuer shall file an application with the Bureau of Securities on a form designated N.J. Form SB-3, 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 \$60.00.

(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 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 two year registration period (for a total of \$60.00).

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".

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 who previously filed their application for registration directly with the Bureau of Securities shall file, directly with the Bureau of Securities, a form designated N.J. Form SB-5, as set forth in N.J.A.C. 13:47A-11.5, whenever the agent changes their name or home address, and whenever a change in the answers to question 13 on his 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. The N.J. Form SB-5 must be filed within 20 days of the occurrence named therein and be accompanied by a check or money order in the amount of \$5.00 for each change listed under this subsection. Whenever an agent terminates or commences employment with a broker-dealer or issuer, the agent must file the N.J. Form SB-5 within five days of the termination or commencement. If more than 30 days elapses between the date of termination and the commencement with the new broker-dealer or issuer, the form must be accompanied by a check or money order in the amount of \$5.00.

(b) A registered agent who previously filed for registration in New Jersey by filing an application with 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 events occur that are set forth in (a) above. The amendment shall be filed in accordance with the time limits set forth in (a) above and shall be accompanied by the fee prescribed by the CRD for such amendments. Whenever an agent terminates employment with a broker-dealer registered in New Jersey via the CRD, the broker-dealer must file the Form U-5 Uniform Termination Notice for Securities Industry 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.

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 they have taken and successfully passed a securities examination approved by the Chief of the Bureau of Securities and offered by an independent self-regulatory group 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.

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 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 group 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.

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 issuer qualification, an application for agent registration and an affidavit or 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).

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 the calendar year following the year in which the registration became effective, 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.

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 for each year of the two year renewal term (for a total of \$500.00) plus \$10.00 for each partner, officer or director of the applicant doing business in New Jersey. Failure to pay the entire \$500.00 fee plus additional required fees, 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.

(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 R-1, as set forth in N.J.A.C. 13:47A-11.14, 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 \$500.00 plus \$10.00 for each partner, officer or director of the applicant doing business in New Jersey.

(c) A registered investment advisor desiring to apply for the renewal of its registration shall file on the form designated N.J. Form R-1A, as set forth in N.J.A.C. 13:47A-11.15, 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.

(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 \$60.00 in the form prescribed by the CRD.

(e) An agent registered in New Jersey via direct registration with the Bureau of Securities that desires to apply for the renewal of his registration shall file on the form designated N.J. Form R-2, as set forth in N.J.A.C. 13:47A-11.16, issued by the Bureau of Securities in the name and registration number of the agent. 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 \$60.00.

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).

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, qualified issuers, 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, except as provided by the transition rule in N.J.A.C. 13:47A-7.7(e) for applicants that wish to renew their New Jersey registration via the CRD.

(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.

SUBCHAPTER 6. ISSUERS

13:47A-6.1 Qualification of issuer

(a) Any issuer of securities desiring to effect its own securities transactions within or from the State of New Jersey through its partner, officer, director or employee who is required to be registered as an agent, shall file with the Bureau of Securities an issuer qualification application designated New Jersey form SB-9 which application shall be accompanied by:

1. A consent to service of process executed by the applicant;
2. A copy of the prospectus or offering circular of the issuer;

3. A check or money order made payable to the State of New Jersey, Bureau of Securities, in the amount of \$100.00; and

4. The completed application for registration of an agent.

(b) Every issuer is deemed to act through an individual who may be a partner, officer, director or employee. Such individual must be registered as an agent of the issuer unless exempt under N.J.S.A. 49:3-49.

(c) An issuer shall not be considered to be effecting its own securities transactions if the securities are to be offered within or from this State exclusively through broker-dealers registered under the Uniform Securities Law (1967).

Amended by R.1974 d.278, effective October 9, 1974.

See: 6 N.J.R. 20(a), 6 N.J.R. 450(c).

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

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

Cost raised from \$50.00 to \$100.00.

13:47A-6.2 Changes of status; submission of form

(a) A qualified issuer shall file with the Bureau of Securities a form designated New Jersey form SB-4, as set forth in N.J.A.C. 13:47A-11.4 whenever it:

1. Changes in firm name;
2. Changes its principal office address;
3. Changes the address of a branch office within the State of New Jersey;
4. Changes the answers of any crime, disciplinary action by any administrative body, restraints, injunctions, suspensions, revocations, denials, judgments based on fraud, as to the issuer or any partner, officer or director.

(b) Such form shall be filed no later than 20 days after the occurrence named therein and shall be accompanied by a check or money order made payable to the State of New Jersey, Bureau of Securities, in the amount of \$5.00 for each change listed.

(c) A qualified issuer shall file with the Bureau of Securities a form designated New Jersey form SB-4, as set forth in N.J.A.C. 13:47A-11.4, whenever a new officer, director or partner is elected or admitted to the firm. Such form shall be accompanied by a rider setting forth the home address and five year business history of the office, director or partner and a check or money order in the amount of \$5.00 for each individual listed. The form shall be filed no later than 20 days after the occurrence named therein.

(d) A qualified issuer shall file with the Bureau of Securities a form designated New Jersey form SB-4, as set forth in N.J.A.C. 13:47A-11.4, when it commences the employment of an agent currently effectively registered in the State of New Jersey, no later than five days after the commencement of such employment. The form must be accompanied by a check or money order in the amount of \$5.00.

(e) A qualified issuer shall file with the Bureau of Securities a form designated New Jersey form SB-4, as set forth in N.J.A.C. 13:47A-11.4, whenever a partner, officer or director resigns, retires, or otherwise terminates his affiliation, within 20 days of the occurrence named therein. No filing fee is required.

(f) A qualified issuer shall file with the Bureau of Securities a form designated New Jersey form SB-4, as set forth in N.J.A.C. 13:47A-11.4, when it terminates the employment of an agent, within five days of the occurrence named therein. No filing fee is required.

13:47A-6.3 Annual report

(a) The qualified issuer shall file its annual report with the Bureau of Securities within four months after the close of its fiscal year.

(b) Such annual report shall include one copy of the current prospectus or offering circular of the issuer, and the certified financial statement prepared as at the close of the fiscal year.

13:47A-6.4 Withdrawal of issuer qualification

A qualified issuer shall file with the Bureau of Securities a form designated New Jersey form SB-10, as set forth in N.J.A.C. 13:47A-11.13, when it desires to withdraw its qualification as an issuer in the State of New Jersey, or when the securities offering covered by the prospectus or offering circular filed with its qualification has been completed. Such request for withdrawal will become effective 30 days after filing with the Bureau of Securities.

13:47A-6.5 Maintenance of books and records

All qualified issuers shall keep at their principal place of business, open to the inspection of the Bureau of Securities of the State of New Jersey, all books and records pertaining to its securities transactions within or from the State of New Jersey.

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 directly with the Bureau Chief, for registrants whose application is or was filed directly with the Bureau of Securities, by filing concurrently with the application the Form SB-6I for individuals, Form SB-6C for corporations, or SB-6P for, partnerships, as the case may be, as set forth in N.J.A.C. 13:47A-11.6, 7 and 8. Alternatively, the requirements of this section may be satisfied by filing with the Bureau of Securities a fully executed Form U-2 Uniform Consent to Service of Process.

(b) 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.

(c) All nonbroker-dealer registrants and those broker-dealers not registered with New Jersey via the CRD must continue to file the Consent to Service of Process directly with the Bureau of Securities, as set forth in (a) above.

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).

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 to delivery.

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) Registrants registered with the CRD in other states on November 2, 1992 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 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) Registrants not registered with the CRD in other states on November 2, 1992, but who are registered in New Jersey via Form SB-1 who wish to extend their registration to other states, while retaining registration in New Jersey, may file an initial Form BD Uniform Application for Broker-Dealer Registration with the CRD to register in New Jersey and those other states in which it is eligible. These registrants must also supplement their Form BD registration with the information required by N.J.A.C. 13:47A-1.1 and 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 initial registration filed with the CRD or by a separate supplemental filing made directly to the Bureau of Securities at the same time the initial application is filed with the CRD.

(c) Registrants not registered with the CRD in other states on November 2, 1992, who are registered in New Jersey via Form SB-1 and who are not eligible for registration via the CRD, but wish to retain registration in New Jersey, may renew their application for registration upon expiration directly with the Bureau of Securities in accordance with N.J.A.C. 13:47A-5.2(b).

(d) New applicants who are not registered either directly with the Bureau of Securities or via the CRD on November 2, 1992, must file their application for registration with the CRD in accordance with N.J.A.C. 13:47A-1.1, if they are 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.

(e) Registrants registered with the CRD in other states on November 2, 1992, and who are registered in New Jersey via Form SB-1 shall file a 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 no later than 30 days prior to the expiration of its current registration as set forth in N.J.A.C. 13:47A-5.1. The registrant shall henceforth file all amendments required by N.J.A.C. 13:47A-1.9 directly with the CRD, as prescribed by the CRD. The amendment filed with the CRD shall be accompanied by the fee, if any, prescribed by the CRD for amendments. Notwithstanding the 90 day provision of N.J.A.C. 13:47A-5.3, a broker-dealer may file its Form BD application with the CRD prior to 90 days before expiration of its registration. However, the fee will not be waived. The new registration will run from the date the Form BD application, as supplemented by information filed directly with the Bureau is approved by the Bureau, until it expires on December 31 of the year next ensuing the year in which the registration became effective in accordance with N.J.A.C. 13:47A-5.1.

(f) Registrants who wish to withdraw their registration in New Jersey on November 2, 1992, shall apply for withdrawal in accordance with N.J.A.C. 13:47A-1.11(a) or (b), as appropriate.

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-7.8 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. 13:47-7.5, 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).

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, shall be assessed a penalty of \$10.00 for each late filing.

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.

Case Notes

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

SUBCHAPTER 9. (RESERVED)

Subchapter Historical Notes

Prior rulemaking activity in Subchapter 9 "Intrastate Offerings", repealed by R.1987 d.390, effective October 5, 1987. See: 19 N.J.R. 1417(a), 19 N.J.R. 1824(a).

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 agreement 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 class of securities to be registered. 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 the issuer has filed with the Bureau an issuer qualification application and 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.

2. Post-effective amendments and supplements required to be filed with the Securities and Exchange Commission pursuant to the Securities Act of 1933 shall be filed with the Bureau no later than two days after such amendments and supplements were filed with or forwarded to the Securities and Exchange Commission. Post-effective amendments filed with the Bureau will become effective at the same time that effectiveness is granted by the Securities and Exchange Commission, and no new order will issue from the Bureau.

(d) A security may not be registered by Coordination if the application for registration is received by the Bureau after the registration statement has become effective with the Securities and Exchange Commission. Applications which cannot be registered by Coordination must be registered by Qualification pursuant to N.J.S.A. 49:3-61 or Notification pursuant to N.J.S.A. 49:3-61.2.

(e) An application for registration may be withdrawn prior to effectiveness only in the discretion of the Bureau Chief, pursuant to N.J.S.A. 49:3-62(g), provided the Bureau has completed its review of the application and no action is contemplated under N.J.S.A. 49:3-64 or 69. The applicant may request withdrawal by stating the reason for such request, that none of the securities have been offered or sold in or from the State of New Jersey and that both the issuer and the underwriter concur in such request.

(f) Pursuant to N.J.S.A. 49:3-62(g), a registration statement may not be withdrawn within one year of its effectiveness with the Bureau if any securities of the same class which was registered remain outstanding.

(g) A preliminary prospectus may be distributed after the filing with the Bureau of an application for registration by Coordination and before its effectiveness, if such distribution is made for informational purposes only and provided such distribution also complies with federal securities law. The telephone number of a broker-dealer or issuer may not be displayed prominently on the front cover or inside cover or back cover page of a prospectus or preliminary prospectus unless such broker-dealer or issuer has complied with the registration requirements of N.J.S.A. 49:3-47 et seq.

(h) Securities registered by Coordination may, in the discretion of the Bureau, be deregistered under any of the following conditions:

i. An exemption is or has become available pursuant to N.J.S.A. 49:3-50(a);

ii. The securities will not be sold and have been removed from registration with the Securities and Exchange Commission; or

iii. For good cause shown.

(i) An application for registration by Coordination may be deemed by the Bureau to be abandoned under any of the following circumstances:

i. The applicant has not responded for more than 30 days to a request from the Bureau for information concerning the offering; or

ii. The application has been on file with the Bureau for more than 12 months and has been inactive for more than two months.

(j) In the case of "shelf" registrations, the initial filing with the Bureau shall cover the first takedown. Subsequent takedowns may be registered by filing Form U-1, Uniform Application to Register Securities, together with any supplements or amendments to the registration statement, and a filing fee in the amount of \$1,000 for each security to be registered. The subsequent filing will be expedited provided the filing makes a clear reference to the original shelf filing by giving the name of the issuer, the securities registered, the New Jersey registration number and the effective date of the prior registration. Subsequent takedowns which comply with the foregoing shall become effective upon notice by the filing of a supplement or an amendment to the registration statement.

Repealed by R.1974 d.277, effective October 9, 1974.

See: 6 N.J.R. 19(a), 6 N.J.R. 450(b).

Section was "Claims for exemption".

New Rule, R.1990 d.241, effective May 21, 1990.

See: 21 N.J.R. 2903(a), 22 N.J.R. 1617(a).

Case Notes

Rules require prior registration of nonexempt securities offered for sale; violation gives rise to action for rescission against those participating in the sale (citing former N.J.A.C. 13:13-9.14, 10, 11.20 and 15). *Cola v. Terzano*, 129 N.J.Super. 47, 322 A.2d 195 (Law Div.1974) affirmed 156 N.J.Super. 77, 383 A.2d 460 (App.Div.1977).

13:47A-10.3 Registration by Qualification

(a) A person who seeks to register a security by Qualification 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 an executed Registration Statement which complies with Securities and Exchange Commission Form S-1, together with all exhibits or if permitted by the Bureau any other appropriate official form issued by the Securities and Exchange Commission;

iii. Three copies of the prospectus whether or not such prospectus was printed as a separate document;

iv. One copy of the Underwriting agreement, agreement among underwriters and selected dealers agreement 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. Any other document or information requested by the Bureau;

xiii. A check or money order payable to the New Jersey Bureau of Securities, in the amount of \$1,000, for each class of securities to be registered. The Bureau may require applicant to submit a money order or certified check in appropriate instances;

xiv. 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);

xv. 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 the issuer has filed with the Bureau an issuer qualification application and that such officer, director or employee is registered with the Bureau as an agent; and

xvi. If a registration statement has not been filed with the Securities and Exchange Commission, then those references to the Securities and Exchange Commission contained in Form U-1 shall be inapplicable.

2. Any document filed with the Bureau 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). The applicant shall clearly identify in the reference the name of the document, the name of the application (for example, issuer, broker-dealer, investment advisor), the Bureau file number, date of filing and the fact that no amendments 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 Qualification shall become effective with the Bureau when the Bureau so orders provided no order has been issued pursuant to N.J.S.A. 49:3-64.

(c) The Bureau may require that the registration by Qualification be subject to one or more of the following conditions.

i. A prospectus containing any designated part of the information specified in the Registration Statement be sent or given to each person to whom an offer is made before or concurrently with:

(1) The first written offer made to such person (otherwise than by means of a public advertisement) by or for the account of the issuer or any other person on whose behalf the offering is being made, or by an underwriter or broker-dealer who is offering part of an unsold allotment or subscription taken by him as a participant in the distribution;

(2) The confirmation of any sale made by or for the account of any such person;

(3) Payment pursuant to any such sale; or

(4) Delivery of the security pursuant to any such sale, whichever first occurs;

ii. That any security issued within the past three years or to be issued to a promoter for a consideration substantially different from the public offering price, or to any person for a consideration other than cash, be deposited in escrow. The Bureau may determine the terms and conditions of any escrow required hereunder but shall not reject a depository solely because of location in another state;

iii. That the proceeds from the sale of the registered security in this State be deposited in escrow until the issuer receives a specified amount from the sale of the security either in this State or elsewhere. The Bureau may determine the terms and conditions of any escrow required hereunder, but shall not reject a depository solely because of location in another State; and/or

iv. That any security registered by qualification be sold only on a specified form of subscription or sale contract, and that a signed or conformed copy of each contract be filed with the bureau or preserved for any period up to three years as specified by the Bureau.

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

1. Three copies of the final prospectus shall be filed with the Bureau no later than one business day after such prospectus was available or was distributed to the public whichever occurs first;

2. The registrant shall file a post-effective amendment with the Bureau whenever there occurs any material change in the information contained in the Registration Statement;

3. Post-effective amendments filed with the Bureau will become effective when the Bureau so orders; and

4. No offers or sales may be made or any prospectus distributed during the time the post effective amendment is pending.

(e) An application for registration may be withdrawn prior to effectiveness only in the discretion of the Bureau Chief, pursuant to N.J.S.A. 49:3-62(g), provided that the Bureau has completed its review of the application and no action is contemplated under N.J.S.A. 49:3-64 or 69. The applicant may request withdrawal by stating the reason for such request, that none of the securities have been offered or sold in or from the State of New Jersey and that both the issuer and the underwriter concur in such request.

(f) Pursuant to N.J.S.A. 49:3-62(g), a registration statement may not be withdrawn within one year of its effectiveness with the Bureau if any securities of the same class which was registered remain outstanding.

(g) A preliminary prospectus may not be distributed after the filing with the Bureau of an application for registration by Qualification and before its effectiveness unless the Bureau so orders. In the event that the Bureau permits distribution of the preliminary prospectus, such distribution may be made for informational purposes only. The telephone number of a broker-dealer or issuer may not be displayed prominently on the front cover or inside cover or back cover page of a prospectus or preliminary prospectus unless such broker-dealer or issuer has complied with the registration requirements of N.J.S.A. 49:3-47 et seq.

(h) Securities registered by Qualification may in the discretion of the Bureau be deregistered under any of the following conditions:

i. An exemption is or has become available pursuant to N.J.S.A. 49:3-50(a);

ii. The securities will not be sold; or

iii. For good cause shown.

(i) An application for registration by Qualification may be deemed by the Bureau to be abandoned under any of the following circumstances:

i. The applicant has not responded for more than 30 days to a request from the Bureau for information concerning the offering; or

ii. The application has been on file with the Bureau for more than 12 months and has been inactive for more than two months.

(j) Shelf registration may be permitted only in the discretion of the Bureau. Generally shelf registrations will not be permitted unless the securities have been registered with the Securities and Exchange Commission. In the case of "shelf" registrations, the initial filing with the Bureau shall cover the first takedown. Subsequent takedowns may be registered by filing Form U-1, Uniform Application to Register Securities, together with any supplements or amendments to the registration statement, and a filing fee in the amount of \$1,000 for each security to be registered. The subsequent filing will be expedited provided the filing makes a clear reference to the original shelf filing by giving the name of the issuer, the securities registered, the New Jersey registration number and the effective date of the prior registration. Subsequent takedowns which comply with the foregoing shall become effective upon notice by the filing of a supplement or an amendment to the registration statement.

New Rule, R.1974 d.352, effective January 1, 1975.

See: 6 N.J.R. 450(a), 7 N.J.R. 14(a).

Repeal and New Rule, R.1990 d.241, effective May 21, 1990.

See: 21 N.J.R. 2903(a), 22 N.J.R. 1617(a).

Section was "Effective date of initial applications."

13:47A-10.4 Registration by Notification

(a) A person who seeks to register securities by Notification 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 an executed New Jersey Form RN-1, Registration Statement for Registration by Notification, incorporated herein by reference as Appendix B, together with all exhibits;

iii. An original and two copies of an executed New Jersey Form RN-2, Statement of Eligibility for Registration by Notification, incorporated herein by reference as Appendix C;

iv. Three copies of the prospectus if any, in the latest form whether or not printed as a separate document;

v. One copy of the underwriting agreement, agreement among underwriters and selected dealers agreement or similar agreements between the broker-dealer and the person owning the securities to be sold;

vi. One copy of the indenture, if applicable;

vii. 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;

viii. One copy of the issuer's by-laws as amended to date;

ix. 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;

x. 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;

xi. 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, together with a corporate resolution executed by the secretary of that corporation, on Form U-2A, Uniform Corporate Resolution;

xii. 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;

xiii. A check or money order payable to the New Jersey Bureau of Securities, in the amount of \$1,000, for each class of securities to be registered. The Bureau may require the applicant to submit a money order or certified check in appropriate instances;

xiv. 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

xv. 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 the issuer has filed with the Bureau an issuer qualification application and that such officer, director or employee is registered with the Bureau as an agent.

2. Any document filed with the Bureau 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). The applicant shall clearly identify in the reference the name of the document, the name of the applicant (for example, issuer, broker-dealer, investment advisor), the Bureau file number, date of filing and the fact that no amendments 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 Notification shall become effective with the Bureau at three o'clock Eastern Standard Time on the afternoon of the second full business day after all documents and information required by (a) above have been filed with the Bureau provided 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 applicant whose securities have been registered with the Bureau by Notification:

1. Three copies of any final prospectus shall be filed with the Bureau no later than one business day after such prospectus was available or was distributed to the public whichever occurs first;

2. The registrant shall file a post effective amendment with the Bureau whenever there occurs any material change in the information contained in the Registration Statement;

3. Post-effective amendments filed with the Bureau will go effective at three o'clock Eastern Standard Time in the afternoon of the second full business day after all documents and information required to be filed in the amendment have been filed with the Bureau provided no order has been entered pursuant to N.J.S.A. 49:3-64; and

4. No offers or sales may be made or any prospectus distributed during the time the post effective amendment is pending.

(d) An application for registration may be withdrawn prior to effectiveness only in the discretion of the Bureau Chief, pursuant to N.J.S.A. 49:3-62(g), provided that the Bureau has completed its review of the application and no action is contemplated under N.J.S.A. 49:3-64 or 69. The applicant may request withdrawal by stating the reason for such request, that none of the securities have been offered or sold in or from the State of New Jersey and that both the issuer and the underwriter concur in such request.

(e) Pursuant to N.J.S.A. 49:3-62(g), a registration statement may not be withdrawn within one year of its effectiveness with the Bureau if any securities of the same class which was registered remain outstanding.

(f) A preliminary prospectus may not be distributed after the filing with the Bureau of an application for registration by Notification and before its effectiveness unless the Bureau so orders. In the event that the Bureau permits distribution of the preliminary prospectus, such distribution may be made for informational purposes only. The telephone number of a broker-dealer or issuer may not be displayed prominently on the front cover or inside cover or back cover page of a prospectus or preliminary prospectus unless such broker-dealer or issuer has complied with the registration requirements of N.J.S.A. 49:3-47 et seq.

(g) Securities registered by Notification may in the discretion of the Bureau be deregistered under any of the following conditions:

- i. An exemption is or has become available pursuant to N.J.S.A. 49:3-50(a);
- ii. The securities will not be sold; or
- iii. For good cause shown.

(h) An application for registration by Notification may be deemed by the Bureau to be abandoned under any of the following circumstances:

- i. The applicant has not responded for more than 30 days to a request from the Bureau for information concerning the offering; or
- ii. The application has been on file with the Bureau for more than 12 months and has been inactive for more than two months.

(i) Shelf registration may be permitted only in the discretion of the Bureau. Generally shelf registrations will not be permitted unless the securities have been registered with the Securities and Exchange Commission. In the case of "shelf" registrations, the initial filing with the Bureau shall cover the first takedown. Subsequent takedowns may be registered by filing Form U-1, Uniform Application to Register Securities, together with any supplements or amendments to the registration statement, and a filing fee in the amount of \$1,000 for each security to be registered. The subsequent filing will be expedited provided the filing makes a clear reference to the original shelf filing by giving the name of the issuer, the securities registered, the New Jersey registration number and the effective date of the prior registration. Subsequent takedowns which comply with the foregoing shall become effective upon notice by the filing of a supplement or an amendment to the registration statement.

New Rule, R.1990 d.241, effective May 21, 1990.
Sec: 21 N.J.R. 2903(a), 22 N.J.R. 1617(a).

APPENDIX A

NEW JERSEY ADDENDUM TO REGISTRATION STATEMENT

1. Has the issuer, any partner, officer or director of the issuer, any person (as that term is defined in 49(i)) occupying a similar status or performing similar functions, or any person directly or indirectly controlling or controlled by the issuer, or any broker-dealer or other person involved directly or indirectly in the offering:

(a) Been convicted of:

i. Any crime of embezzlement under state, federal or foreign law?

Yes ___ No ___

ii. Any crime involving any theft, forgery or fraudulent practices in regard to any state, federal or foreign securities law, banking law, insurance law, commodities trading law or any antifraud law?

Yes ___ No ___

(b) Been permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the securities business?

Yes ___ No ___

(c) Been the subject of an effective order of the Bureau Chief denying, suspending, or revoking securities registration, or registration as a broker-dealer, agent, or investment advisor?

Yes ___ No ___

Description of Securities	No. of units now outstanding	Maximum offering price per unit ⁽¹⁾ \$	Market price per units as of _____ date ⁽¹⁾ \$	Book value per unit as of _____ date ⁽²⁾ \$	Total value ⁽³⁾ \$
			A.	Total value	\$ _____
			B.	5% of total value	\$ _____
			C.	Average net earnings (restate from Item 4)	\$ _____

In order to qualify for Registration by Notification, "C" must be greater than or equal to "B".

- (1) The maximum offering price or the market price on a day selected by the applicant, but must be within 30 days before the date of filing this registration statement.
- (2) Book value must be of a day, selected by the applicant, within 90 days of filing this registration statement. Book value may be used only if there is neither a readily determinable market price nor a cash offering price.
- (3) The total value is the product of either (1) the number of units multiplied by the higher of the maximum offering price or the market price, or (2) the number of units multiplied by the book value.

6. If the securities of the issuer or any of its predecessors (which do not have a fixed maturity or a fixed interest or dividend provision) have not been outstanding for 3 full fiscal years, complete the chart below. (Include all securities which will be outstanding if all the securities being offered or proposed to be offered are issued, whether or not they are proposed to be registered or offered in New Jersey.)

Description of Securities	No. of units to be outstanding	Maximum offering price per unit ⁽¹⁾ \$	Market price per units as of _____ date ⁽¹⁾ \$	Book value per unit as of _____ date ⁽²⁾ \$	Total value ⁽³⁾ \$
			A.	Total value	\$ _____
			B.	5% of total value	\$ _____
			C.	Average net earnings (restate from Item 4)	\$ _____

In order to qualify for Registration by Notification, "C" must be greater than or equal to "B".

The registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing pursuant to N.J.S.A. 49:3-61.2.

Date: _____

Issuer

By: _____
(Title)

New Rule, R.1990 d.241, effective May 21, 1990.
See: 21 N.J.R. 2903(a), 22 N.J.R. 1617(a).

SUBCHAPTER 11. FORMS

13:47A-11.1 Broker-dealer application (SB-1)

(a) The broker-dealer application (SB-1) follows:

N.J. Form SB-1
(Rev. 7/69)

**STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF LAW
BUREAU OF SECURITIES
1100 Raymond Boulevard
Newark, N.J. 07102**

BROKER-DEALER APPLICATION

<p>INSTRUCTIONS: This application must be filed by a person desiring to transact business as a broker-dealer, as defined by c.93, L. 1967. The following documents must accompany the application as a part thereof.</p> <p>(1) consent to service of process executed by the applicant firm.</p> <p>(2) individual consent to service of process for each officer, director or partner who is to perform any function which would require agent registration (Form SB61).</p> <p>(3) latest certified financial statement or balance sheet prepared within 60 days of application date which is signed by a principal of applicant and notarized.</p> <p>(4) check or money order covering filing fees of \$125.00 for the broker-dealer, PLUS \$5.00 for each officer, director or partner filing form SB61 (individual).</p> <p>APPLICATIONS WILL BE ACCEPTED ONLY IF ALL QUESTIONS ARE ANSWERED IN FULL AND EACH OF THE ABOVE DOCUMENTS ACCOMPANY THE FORM.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: center;">RECEIPT</th> </tr> <tr> <td style="width: 60%;">Eff. Date</td> <td></td> </tr> <tr> <td>Rec. Number</td> <td></td> </tr> <tr> <td>Amount</td> <td style="text-align: right;">\$</td> </tr> <tr> <td>C.P.</td> <td></td> </tr> <tr> <td colspan="2" style="text-align: center;">FOR BUREAU USE ONLY</td> </tr> </table>	RECEIPT		Eff. Date		Rec. Number		Amount	\$	C.P.		FOR BUREAU USE ONLY	
RECEIPT													
Eff. Date													
Rec. Number													
Amount	\$												
C.P.													
FOR BUREAU USE ONLY													

NAME _____ with its principal officer

at _____ hereby applies for registration by the Bureau of Securities to transact securities business as a broker-dealer and submits in support thereof the following information.

1. Applicant's Branch offices in New Jersey:

Street Address	City
----------------	------

2. Is the applicant a member of the New York Stock Exchange the American Stock Exchange or other major stock exchange (specify) or of the National Association of Securities Dealers, Inc. ? Yes ... No ...

3. (a) Is the applicant now licensed, registered or otherwise qualified to transact securities business in any other State, or is an application for such license or registration now pending in any other State? Yes ... No ...

If yes, list States.

(b) List the name of each officer, director, partner or principal who will act as agent for the applicant, indicating after each name the date on which he passed the Securities Qualification Examination and the name of the regulatory agency which administered the test.

4. TO BE ANSWERED BY CORPORATIONS ONLY:

(a) Is the applicant organized under the laws of the State of New Jersey and possessing a valid state charter? Yes ... No ...

OR

(b) Is the applicant a foreign corporation properly licensed to transact business in the State of New Jersey? Yes ... No ...

5. Has the applicant, any officer, director, partner or controlling person:

(a) been suspended or expelled from membership in any securities exchange, association of securities dealers or investment advisors, or been an officer, director, partner or controlling person in any organization so suspended or expelled at the time of such suspension or expulsion? Yes ... No ...

(b) Had a license, registration or authority to engage in the securities business as a dealer, broker, investment advisor or salesman issued by this state, any other state or the Securities and Exchange Commission, denied, suspended or revoked or been an officer, director, partner or controlling person of an organization at the time that organization had such license denied, suspended or revoked? Yes ... No ...

(c) been, or is the applicant or any such person now enjoined or restrained by any court or agency from engaging in or continuing any conduct or practice involving any aspect of the securities business, or been an officer, director, partner or controlling person of an organization so enjoined? Yes ... No ...

(d) been arrested or convicted of any crime, misdemeanor or disorderly persons offense. Yes ... No ...

(e) had any judgement rendered against it or him for fraud or against another person based on fraud by it or him prior to the date of this application, such fraud being connected with any aspect of the security business or any other fraud? Yes ... No ...

- (f) now pending against it or him any civil court action based on fraud, such fraud being connected with any aspect of the security business or any other fraud? Yes ... No ...
- (g) been subject to any disciplinary action, past or pending, by any administrative, governmental or regulatory body? Yes ... No ...
- (h) been charged with a violation of any statute, rule, regulation or ordinance of any municipal, administrative, regulatory or other governmental body? Yes ... No ...

If the answer to any of these is yes, state full particulars giving dates, nature of offense, title and location of association or public authority involved, circumstances, final disposition and any other pertinent information.

.....

.....

- 6. State the number of years the applicant has been a securities broker-dealer in this State or elsewhere. years
- 7. Has the applicant filed its trade name or partnership papers with the County Clerk's Office? Yes ... No ...
- 8. If the firm has been in business for one year or less give in detail the sources of all applicant's capital.

AMOUNT	SOURCE	AMOUNT	SOURCE
\$.....	\$.....
\$.....	\$.....

If any of the above amounts shown were loans, advances or gifts to the named sources furnish full details in an attached statement.

- 9. Give nature and location of each business in which applicant has engaged during the preceding five years.

From	Dates To	Name and Location	Nature of Business
.....

- 10. List in the detail shown each officer, director, general partner, limited partner or other principal of the applicant:

Name	Residence	Business Address	Capacity or Position
.....
.....
.....

- 11. Attach a complete resume of the business history for the past ten years of each officer, director, general partner, limited partner or principal supplying the following information

Employment dates From	To	Name and Address of Employer	Position Held	Reason for Leaving
.....

- 12. List in the detail shown each stockholder holding 10% or more of any stock outstanding; each capital contributor and any other person directly or indirectly controlling the applicant:

Name	Residence	Business Address	Association
.....

- 13. Will the applicant in the course of its business have custody of clients' funds or securities? Yes ... No ...
- 14. Will the applicant's business be limited to the business of dealing solely and exclusively in the purchase and sale of investment company shares? Yes ... No ...
- 15. State the net capital of the applicant as of the date of application, or as of the last computation within 60 days as defined by the Securities and Exchange Commission Rule 15c3-1.

\$.....

16. Will the applicant engage in the activities of an investment advisor as defined by the Uniform Securities Law (1967)? Yes ... No ...

If yes, list below all persons performing the duties of investment advising in behalf of the applicant.

Table with 2 columns: Name, Nature of Employment. Includes dotted lines for entry.

If the answer to 16 is "yes", state in summary form the nature and type of applicant's investment advisory business including the type of information distributed, the frequency and area of distribution and any special features of the applicant's business. One sample copy of each type of publication issued must be submitted herewith.

Dotted lines for providing summary information regarding investment advisory business.

17. List in the detail shown each person who will perform any function in behalf of the applicant which will require registration as an agent under the Uniform Securities Law (1967).

Table with 3 columns: Name, Residence, Nature of Employment. Includes multiple dotted lines for entry.

18. Attach 8-1/2 x 11 sheets containing photographs of each officer, director, general partner, limited partner or principal, taken within the preceding six months.

19. STATE OF
COUNTY OF

} ss.

AFFIDAVIT

Each of the undersigned

being the individual applicant or each officer, director, general partner or limited partner of the applicant corporation or partnership, of full age, being duly sworn according to law, upon his oath deposes and says (for himself and not for the others) that: (1) he has read and understands the provisions of section 49:3-54 of the Uniform Securities Law (1967); (2) he has read all of the statements contained in this application and they are true and correct; and (3) he understands that any false or misleading statement constitutes a violation of the Uniform Securities Law (1967) (c. 93, L. 1967).

(Signature of Affiant)

(Signature of Affiant)

(Signature of Affiant)

(Signature of Affiant)

(Signature of Affiant)

(Signature of Affiant)

Sworn and subscribed to before me,

a of the State
of this
day of , 19

13:47A-11.2 Investment-advisor application (SB-2)

(a) The investment-advisor application (SB-2) follows:

N.J. Form SB-2 (Rev. 1968)

STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF LAW
BUREAU OF SECURITIES
1100 RAYMOND BOULEVARD
NEWARK, N. J. 07102

Investment Advisor Application

INSTRUCTIONS: This application must be filed by a person or firm desiring to act as an investment advisor (as defined in section 49(g) of the Uniform Securities Law (1967), and must be accompanied by a consent to service of process executed by the applicant (Form SB6P, partnership—Form SB6C, corporation—Form SB6IA, individual). Each officer, director, general partner or limited partner of the applicant firm who is to perform the duties of investment advising within or from New Jersey must execute a consent to service of process (Form SB6IA, individual). All questions must be answered in full, and if more space is required attach sheets of 8 1/2 x 11 paper containing the additional information. Applications will be accepted only if accompanied by a check or money order payable to the Department of Law and Public Safety, Bureau of Securities, in the amount of \$50.00.

For Bureau Use Only

Eff. Date
Reg. Number
Amount \$
Page No.

Name with its

principal office at

hereby applies for registration with the Bureau of Securities to transact business as an investment advisor (as defined in section 2(g) of the Uniform Securities Law (1967) in or from the State of New Jersey and submits in support thereof the following information:

1. Branch office in New Jersey: (Give Street and City)
.....
.....

2. (a) Is the applicant now licensed, registered or otherwise qualified to transact securities business in any other State, or is an application for such license or registration now pending in any other State? Yes... No...
If yes, give States and indicate whether pending or effective.

(b) Have the individuals who will offer investment advice to the clients of the applicant ever passed a Securities Qualification Examination? Yes... No...
If yes, give date passed and by whom the examination was given for each individual listed in question 11 herein.

3. Give nature and location of each business in which applicant has engaged during the preceding five years.
From To
Mo. Year Mo. Year Location Business Nature

4. Give a complete resume of the business history for the past 5 years for each officer, general partner, limited partner, proprietor or other principal, supplying the following information:
Dates of Employment—Name and address of employer—Position Held—Reason for Leaving. (Attach riders please.)

5. List in the details shown all officers, directors, general partners, limited partners, principals, stockholders (holding 10% or more of any stock outstanding), and other capital contributors or other persons directly or indirectly influencing or controlling the applicant.

Name	Residence	Business Address	Capacity
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6. State in detail the educational and business qualifications, and the experience, which constitute the basis for applicant's conducting the business of an investment advisor.

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7. Has the applicant, any officer, director, partner, principal or controlling person:
- (a) been suspended or expelled from membership in any securities exchange, association of securities dealers or investment advisors, or been an officer, director, partner or controlling person in any organization so suspended or expelled at the time of suspension or expulsion? Yes ... No ...
 - (b) had a license, registration or authority to engage in the securities business as a dealer, broker, investment advisor or salesman issued by this State, any other State or the Securities and Exchange Commission, denied, suspended or revoked or been an officer, director, partner or controlling person of an organization at the time that organization had such license denied, suspended or revoked? Yes ... No ...
 - (c) been, or is the applicant or any such person now enjoined or restrained by any court or agency from engaging in or continuing any conduct or practice involving any aspect of the securities business, or been an officer, director, partner or controlling person of any organization so enjoined? Yes ... No ...
 - (d) been arrested or convicted of any crime, misdemeanor or disorderly persons offense? Yes ... No ...
 - (e) had any judgment rendered against it or him for fraud or against another person based on fraud by it or him prior to the date of this application, such fraud being connected with any aspect of the security business or any other fraud? Yes ... No ...
 - (f) now pending against it or him any civil court action based on fraud, such fraud being connected with any aspect of the security business or any other fraud? Yes ... No ...
 - (g) been subject to any disciplinary action, past or pending, by any administrative, governmental or regulatory body? Yes ... No ...
 - (h) been charged with a violation of any statute, rule, regulation or ordinance of any municipal, administrative, regulatory or other governmental body? Yes ... No ...

If the answer to any of these is yes, state full particulars giving dates, nature of offense, title and location of association or public authority involved, circumstances, final disposition and any other pertinent information.

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8. Does the applicant:
- (a) Furnish "investment supervisory services" (as defined in the Regulations promulgated under c. 93, L. 1967)? Yes ... No ...
- If yes, state in detail the basis of compensation, how fees will be computed, the period covered by each fee, and when fees are payable.

13:47A-11.3 Agent application (SB-3)

(a) The agent application (SB-3) follows:

N.J. Form SB-3

STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF LAW
BUREAU OF SECURITIES
1100 RAYMOND BLVD., NEWARK, N. J. 07102
AGENT APPLICATION

INSTRUCTIONS: This application must be filed by a person desiring to act as an agent in the transaction of securities business as defined in c. 93 of the Laws of 1967 and must be accompanied by:

- (1) a consent to service of process executed by the applicant (Form SB-61-Individual), and
- (2) one State Police and one FBI fingerprint card.

Each question must be answered. If more space is necessary, attach sheets of 8 1/2 x 11 paper containing additional information. These shall constitute part of the application.

APPLICATIONS WILL BE ACCEPTED ONLY IF ACCOMPANIED BY A CHECK OR MONEY ORDER PAYABLE TO THE DEPARTMENT OF LAW AND PUBLIC SAFETY, BUREAU OF SECURITIES IN THE AMOUNT OF \$30.00, AND ONLY IF ALL QUESTIONS ARE ANSWERED IN FULL AND EACH OF THE ABOVE DOCUMENTS ACCOMPANY THE FORM.

Eff. Date	
Rec. Number	
Amount	\$
C. P.	
FOR BUREAU USE ONLY	

The undersigned, hereby applies for registration by the Bureau of Securities to transact securities business as an agent as defined in c. 93 of the Laws of 1967 and submits in support thereof the following information.

1. NAME
 Last First Middle
2. Have you ever been known by another name? Yes No
 If yes, give other name(s)
3. Residence:
 Street Address City and State Zip Code
4. Place of Birth:
5. Date of Birth:
 Month Day Year
6. Social Security Number:
7. Color of Hair 8. Color of Eyes
9. Weight 10. Height
 Ft. In.
11. Employed by:
 Name Principal address Branch Office
12. (a) Are you now licensed, registered or otherwise qualified to transact securities business in any other state, or is an application for such license or registration now pending in any other state? Yes No
 If yes, give states and explain.
 (b) Have you ever passed a Securities Qualification Examination? Yes No
 If yes give date passed and By whom was the examination given.

ATTACH A
 PHOTOGRAPH TAKEN
 WITHIN THE PRECEDING
 SIX MONTHS

13. Have you:

- a. been suspended or expelled from membership in any securities exchange, association of securities dealers or investment advisors, or been an officer, director, partner or controlling person in any organization so suspended or expelled at the time of such suspension or expulsion? Yes . No
- b. had a license, registration or authority to engage in the securities business as a dealer, broker, investment advisor or salesman issued by this state, any other state or the Securities and Exchange Commission, denied, suspended or revoked or been an officer, director, partner or controlling person of an organization at the time that organization had such license denied, suspended or revoked? Yes No
- c. been or are you now enjoined or restrained by any court or agency from engaging in or continuing any conduct or practice involving any aspect of the securities business, or been an officer, director, partner or controlling person of an organization so enjoined? Yes No
- d. been arrested or convicted of any crime, misdemeanor or disorderly persons offense? Yes No
- e. had any judgment rendered against you for fraud or against another person based on fraud by you prior to the date of this application, such fraud being connected with any aspect of the securities business or any other fraud? Yes No
- f. now pending against you any civil court action based on fraud, such fraud being connected with any aspect of the security business or any other fraud? Yes No
- g. been subject to any disciplinary action, past or pending, by any administrative, governmental or regulatory body? Yes . No
- h. been charged with a violation of any statute, rule, regulation or ordinance of any municipal, administrative, regulatory or other governmental body? Yes . No ..

If the answer to any of these is yes, state full particulars giving dates, nature of offense, title and location of association or public authority involved, circumstances, final disposition and any other pertinent information.

.....

If the answer to Item 13(d) is yes, state below any facts showing that during the ten-year period preceding this application, the person so convicted has conducted himself in such a manner as to warrant his registration notwithstanding the criminal conviction.

.....

14. Indicate your complete employment record for the past five years: (Indicate periods of self-employment and unemployment).

From		To		Name	Employer	Address	Position Held
Mo.	Yr.	Mo.	Yr.				
		Present					

.....

15. Indicate your complete educational history:

	Name of School and Location	Attended From		To		Did you Graduate	Degree, if any
		Mo.	Yr.	Mo.	Yr.		
High School							
College, University, or Technical School							
Other Schools or Special Courses							

STATE OF _____ }
 COUNTY OF _____ } SS:

_____, being duly sworn according to law, upon his oath
 Name
 deposes and says that he is the person described in the foregoing application; that the information given is true and correct in all respects; that he understands that any false or misleading statement constitutes a violation of the New Jersey Uniform Securities Law (1967) (c. L. 1967); that he has read and understands the provisions of section 49:3-55, Uniform Securities Law (1967); and that he has caused his fingerprints to be taken at _____
 Name of Law Enforcement Agency

.....
 (Signature of Applicant)

Sworn and subscribed to before me,
 a _____ of the
 State of _____ this
 day of _____, 19 _____

13:47A-11.4 Broker-dealer, investment advisor and issuer change of status statement (SB-4)

(a) The broker-dealer, investment advisor and issuer change of status statement (SB-4) follows:

N.J. Form SB-4
(Rev. 4/66)

STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
BUREAU OF SECURITIES
1100 RAYMOND BOULEVARD, NEWARK, N. J. 07102
**BROKER-DEALER, INVESTMENT ADVISOR AND ISSUER
CHANGE OF STATUS STATEMENT**

For Bureau Use Only

INSTRUCTIONS: This form must be filed by a registered broker-dealer, investment advisor or issuer not later than 5 days (in the case of commencement or termination of an agent's services) or 20 days (for all other changes) after the occurrence requiring this report. All items applicable must be answered. If more space is necessary attach sheets of 8 1/2 x 11 paper containing additional information. There is no filing fee required for the termination of the employment of an agent or agents. All other changes will be accepted only if accompanied by a check or money order payable to the Department of Law and Public Safety, Bureau of Securities, in the amount of \$5.00 for each change listed.

..... having its principal office
at, hereby reports to
the Bureau of Securities the following status change(s). (Check appropriate items).

- Change of agent(s) (complete item 1)
- Change of name or address (complete item 2)
- Change of principal(s) (complete item 4)
- Arrests, convictions, etc. (complete item 3)

1. Change of Agent(s)

Name of Agent	Commenced	Date Services Terminated
.....
.....

2. Change in firm name address branch address in New Jersey
From: To:
Date of Change:

3. Arrests, convictions of any crime, disciplinary actions by any administrative body, restraints, injunctions, suspensions, revocations, denials, judgments based on fraud, or any changes in original answers to Question 5 on SB-1 (Broker-Dealer Application) or Question 7 on SB-2 (Investment Advisor Application).

Name
Particulars (Nature of Offense, dates, circumstances and disposition)

4. Change in officers, directors or other principals Name and Title	Change Date	Position or Title
.....
.....

All statements contained herein are true and correct. I understand that any false or misleading statement constitutes a violation of the New Jersey Uniform Securities Law (1967) (c. 93, L. 1967).

DATED:
Signature of individual proprietor, partner, or principal officer of corporation, trust or association.

13:47A-11.5 Agent change of status statement (SB-5)

(a) The agent change of status statement (SB-5) follows:

N.J. Form SB-5
(Rev. 1-1966)

STATE OF NEW JERSEY
DIVISION OF LAW
BUREAU OF SECURITIES
1100 RAYMOND BOULEVARD, NEWARK, N. J. 07102
DEPARTMENT OF LAW AND PUBLIC SAFETY
AGENT CHANGE OF STATUS STATEMENT

For Bureau Use Only

INSTRUCTIONS: This form must be filed by the agent of a broker-dealer or issuer not later than 5 days (in the case of commencement or termination of an agent's employment) or 20 days (for all other changes) after the occurrence requiring this report. All items applicable must be answered. If more space is necessary, attach sheets of 8 1/2 x 11 paper containing additional information. There is no fee for change of employment if less than 30 days has elapsed between the date of termination and the date of commencement. All other changes will be accepted only if accompanied by a check or money order payable to the Department of Law and Public Safety, Bureau of Securities, in the amount of \$5.00 for each such change listed.

Agent's Name who

resides at

hereby reports to the Bureau of Securities the following status change(s). (Check appropriate items).

- Change of employer (complete item 1)
- Change of name or home address (complete item 2)
- Arrests, convictions, etc. (complete item 3)

1. Change in employment

Name of Broker-Dealer or Issuer	Date Services	
	Commenced	Terminated
.....
.....

2. Change in name or home address

From: To:

Date of Change:

3. Arrests, convictions of any crime, disciplinary actions by any administrative body, restraints, injunctions, suspensions, revocations, denials, judgments based on fraud, or any changes in original answers to question 13 on Form SB-3.

.....
.....

The undersigned states that he is the person described in the foregoing application; that the information given is true and correct in all respects; and that he understands that any false or misleading statement constitutes a violation of the New Jersey Uniform Securities Law (1967) (c. 93, L. 1967).

Signature of Agent

DATED:

13:47A-11.6 Designation of Chief of Bureau of Securities as agent for service of process (SB-6I)

(a) The designation of Chief of Bureau of Securities as agent for service of process (SB-6I) follows:

N.J. Form SB-6I (Individual)

STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF LAW
BUREAU OF SECURITIES
1100 RAYMOND BLVD., NEWARK, N. J. 07102

DESIGNATION OF THE CHIEF OF THE BUREAU OF SECURITIES
AS AN AGENT FOR SERVICE OF PROCESS

KNOW ALL MEN BY THESE PRESENTS that pursuant to the provisions of chapter 93 of the Laws of 1967,

I, of
in the State of
desiring to act as an agent for the sale of securities within the State of New Jersey in conformity with the laws thereof hereby irrevocably nominate, constitute and appoint the Chief of the Bureau of Securities, Division of Law, Department of Law and Public Safety of the said State, my true and lawful attorney to receive service of any lawful process in any non-criminal suit, action or proceeding against me which arises under said law or any rule or order thereunder and such service shall have the same force and validity as if served personally upon me.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this day of, 19.....

STATE OF }
COUNTY OF } SS:

BE IT REMEMBERED, that on this day of in the year of our Lord One Thousand Nine Hundred and before me, the subscriber, personally appeared who, I am satisfied, is the person mentioned in the within Instrument, and thereupon has acknowledged that signed, sealed and delivered the same as act and deed, for the uses and purposes therein expressed.

13:47A-11.7 Designation of Chief of Bureau of Securities as agent for service of process (SB-6C)

(a) The designation of Chief of Bureau of Securities as agent for service of process (SB-6C) follows:

N.J. Form SB-6C (Corporation)

STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF LAW
BUREAU OF SECURITIES

DESIGNATION OF THE CHIEF OF THE BUREAU OF SECURITIES
AS AN AGENT FOR SERVICE OF PROCESS

KNOW ALL MEN BY THESE PRESENTS that pursuant to the provisions of chapter 93 of the Laws of 1967.

of a corporation located in the state, desiring to act as a (Broker-Dealer) (Investment Advisor) (Issuer) within the State of New Jersey in conformity with the laws thereof hereby irrevocably nominates, constitutes and appoints the Chief of the Bureau of Securities, Division of Law, Department of Law and Public Safety of the State of New Jersey, its true and lawful attorney to receive service of any lawful process in any non-criminal suit, action or proceeding against it or its successor which arises under said law or any rule or order thereunder and such service shall have the same force and validity as if served personally upon it.

IN WITNESS WHEREOF, the aforesaid Corporation pursuant to a resolution of its Board of Directors duly passed on the day of 19 has caused these presents to be subscribed by its President and countersigned by its Secretary and the corporate seal of said Corporation to be affixed this day of 19

STATE OF }
COUNTY OF } SS: President

BE IT REMEMBERED, that on this day of in the year of our Lord One Thousand Nine Hundred and before me, the subscriber, personally appeared who, being by me duly sworn on his oath, does depose and make proof to my satisfaction, that he is the Secretary of the the party mentioned in the within Instrument, that is the President of said Corporation; that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the Board of Directors of the said Corporation; that deponent well knows the corporate seal of said Corporation and the seal affixed to said Instrument is such corporate seal and was thereto affixed, and said Instrument signed and delivered by said President, as and for his voluntary act and deed and as and for the voluntary act and deed of said Corporation, in presence of deponent, who thereupon subscribed his name thereto as witness.

Sworn and subscribed to before me, a of the Secretary State of this day of 19

13:47A-11.8 Designation of Chief of Bureau of Securities as agent for service of process (SB-6P)

(a) The designation of Chief of Bureau of Securities as agent for service of process (SB-6P) follows:

N.J. Form SB-6P (Partnership)

STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF LAW
BUREAU OF SECURITIES

DESIGNATION OF THE CHIEF OF THE BUREAU OF SECURITIES
AS AN AGENT FOR SERVICE OF PROCESS

KNOW ALL MEN BY THESE PRESENTS that pursuant to the provisions of chapter 93 of the Laws of 1967,
a partnership located in
the of
in the State of
and established
under the laws in said state, desiring to act as a broker-dealer investment advisor (delete one) within the State of
New Jersey in conformity with the laws thereof, hereby irrevocably nominates, constitutes and appoints the Chief of
the Bureau of Securities, Division of Law, Department of Law and Public Safety of the State of New Jersey, its true and
lawful attorney to receive service of any lawful process in any non-criminal suit, action or proceeding against it or its
successor which arises under said law or any rule or order thereunder and such service shall have the same force and
validity as if served personally upon it.

IN WITNESS WHEREOF, the undersigned being all the partners of said partnership have hereunto set
their hands and seals this day of , 19

STATE OF
COUNTY OF } SS:

BE IT REMEMBERED, that on this day of in the year of our Lord One Thousand
Nine Hundred and , before me, the subscriber,
personally appeared
who, I am satisfied, are the persons mentioned in the within Instrument, and thereupon have acknowledged that
signed, sealed and delivered the same as act and deed, for the uses and purposes therein expressed.

Sworn and subscribed to before me,
a of the
State of this
day of , 19

13:47A-11.9 Designation of Chief of Bureau of Securities as agent for service of process (SB-6I)

(a) The designation of Chief of Bureau of Securities as agent for service of process (SB-6I):

N.J. Form SB-6I (Individual-Advisor)

STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF LAW
BUREAU OF SECURITIES

DESIGNATION OF THE CHIEF OF THE BUREAU OF SECURITIES
AS AN AGENT FOR SERVICE OF PROCESS

KNOW ALL MEN BY THESE PRESENTS that pursuant to the provisions of chapter 93 of the Laws of 1967,

I, _____, of _____,
in the State of _____, desiring to conduct business for or on behalf of an Investment Advisor within
the State of New Jersey in conformity with the laws thereof hereby irrevocably nominate, constitute and appoint the
Chief of the Bureau of Securities, Division of Law, Department of Law and Public Safety of the said State, my true
and lawful attorney to receive service of any lawful process in a non-criminal suit, action or proceeding against me
which arises under said law or any rule or order thereunder and such service shall have the same force and validity
as if served personally upon me.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this _____ day of _____, 19_____.

STATE OF _____ }
COUNTY OF _____ } ss:

BE IT REMEMBERED, that on this _____ day of _____ in the year of our Lord One
Thousand Nine Hundred and _____, before me, the subscriber,
personally appeared _____
who, I am satisfied, is the person mentioned in the within Instrument, and thereupon has acknowledged that _____ signed,
sealed and delivered the same as _____ act and deed, for the uses and purposes therein expressed.

13:47A-11.10 Broker-dealer bond (SB-7)

(a) The broker-dealer bond (SB-7) follows:

BROKER-DEALER BOND
under
CHAPTER 93, LAWS OF 1967

KNOW ALL MEN BY THESE PRESENTS, that we _____ as principals, and _____ as sureties, are held firmly bound unto the State of New Jersey, for the use and benefit of interested persons in the penal sum of _____ (\$ _____), lawful money of the United States of America, to be paid to the State of New Jersey for the use and benefit aforesaid or to any person aggrieved by breach of the conditions referred to herein, for which payment well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents. Sealed with our seals and dated this _____ day of _____, in the year of Our Lord, One Thousand Nine Hundred and _____

THE CONDITION OF THIS OBLIGATION IS SUCH THAT-

WHEREAS, the above-named principal has made application to the Chief of the Bureau of Securities, Division of Law, Department of Law and Public Safety of the State of New Jersey, for a registration to act as a broker-dealer as defined by the Uniform Securities Law (1967) (c. 93, L. 1967) and amendments thereto, and is required by regulations promulgated pursuant to the provisions of said act to furnish a bond in the sum above-named, conditioned as herein set forth:

NOW, THEREFORE, the said principal and any and all agents and employees representing said principal shall faithfully observe the provisions of the New Jersey Uniform Securities Law (1967) and shall pay all damages occasioned to any person by reason of a violation of section 71 of that act.

This bond is subject to the following provisions:

1. That any person who has a cause of action under section 71 of said act may bring an action in his own name upon this bond for the recovery of any damages sustained by him; provided, however, that no such action may be brought after the expiration of two years from and after the time of the sale upon which such action is based, notwithstanding the death of the principal or any person connected with the principal liable under section 71 of said act.
2. That the liability of the surety or sureties herein for any one or more claims by any one or more persons shall not exceed in the aggregate the penal sum of this bond.
3. That the surety or sureties may cancel this bond and be relieved from further liability thereunder by delivering 90-days' written notice to the Chief of the Bureau of Securities of the State of New Jersey; however, such cancellation shall not affect any liability incurred or accrued hereunder prior to the termination of the said 90-day period.
4. That the period of this bond is for two years from the date of execution or until cancelled prior thereto pursuant to paragraph 3 immediately above, provided, however, that liability hereunder for any cause of action arising under Section 71 against the principal or any person connected with the principal shall not be terminated by the death of such principal or person.
5. That in the event either the principal or the surety or the principal and the surety under this bond are served with notice of any action commenced against said principal or against the surety under the bond, said principal and surety as each is served

with notice of action shall respectively and immediately give written notice of the filing of such action to the Chief of the Bureau of Securities, Division of Law, Department of Law and Public Safety, at the office of the Bureau.

IN WITNESS WHEREOF, the seal and signature of the said principal is hereto affixed and the sale and the name of said surety is hereto affixed and attested by its duly authorized officers at _____ New Jersey this _____ day of _____, 19 _____

Signed, sealed and delivered in the presence of

Principal (SEAL)

Surety

By _____

Countersigned in accordance with R.S. 17:22-6.15 at:
New Jersey.

Licensed Agent

ACKNOWLEDGEMENT OF PRINCIPAL
(Individual)

STATE OF NEW JERSEY
COUNTY OF _____

} SS:

BE IT REMEMBERED, that on this _____ day of _____ A.D. 19 _____, before me a _____ of the State of New Jersey, personally appeared _____ who, I am satisfied, is the principal named in the foregoing bond, and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed.

**ACKNOWLEDGEMENT OF PRINCIPAL
(Corporation)
(To be executed by Secretary)**

STATE OF _____ }
COUNTY OF _____ } SS:

BE IT REMEMBERED, that on this _____ day of _____
in the year of Our Lord, one thousand nine hundred and _____
, before me, the subscribed, a _____
of the State of New Jersey, personally
appeared _____ who, being by me duly
sworn, doth depose and make proof to my satisfaction that he well knows the corporate seal
of the _____ the principal named
in the foregoing bond; that the seal thereto affixed is the proper corporate seal of said
company; that the same was so affixed thereto and the said bond signed and delivered
by _____, who was at the date and execution thereof, the
President of said company, in the presence of the said deponent, as the voluntary act and
deed of the said company, and that the said deponent thereupon signed the same as
subscribing witness.

Secretary

Sworn and subscribed to
before me at _____
the date aforesaid.

13:47A-11.11 Investment advisor bond (SB-8)

(a) The investment advisor bond (SB-8) follows:

INVESTMENT ADVISOR BOND

under

Chapter 93, Laws of New Jersey, 1967

KNOW ALL MEN BY THESE PRESENTS, that we _____

(Insert full names of principals and give addresses)

as principals, and _____

(Insert full names of sureties and give addresses)

as sureties, are held firmly bound unto the State of New Jersey, for the use and benefit of interested persons in the penal sum of Twenty-five Thousand Dollars (\$25,000.00), lawful money of the United States of America, to be paid to the State of New Jersey for the use and benefit aforesaid or to any person aggrieved by breach of the conditions referred to herein, for which payment well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents. Sealed with our seals and dated this ____ day of ____ , in the year of Our Lord, one thousand nine hundred and ____ .

THE CONDITION OF THIS OBLIGATION IS SUCH THAT-

WHEREAS, the above named principal has made application to the Chief of the Bureau of Securities, Division of Law, Department of Law and Public Safety of the State of New Jersey, for a registration to act as an investment advisor as defined by the New Jersey Uniform Securities Act (c. 93, L. 1967) and amendments thereto, and is required by regulations promulgated pursuant to the provisions of said act to furnish a bond in the sum above named, conditioned as herein set forth:

NOW, THEREFORE, the said principal and any and all agents and employees representing said principal shall faithfully observe the provisions of the New Jersey Uniform Securities Act and shall pay all damages occasioned to any person by reason of the failure of said principal, agents or employees truly to account for funds and securities deposited with them by

such person.

This bond is subject to the following provisions:

1. That any person who has suffered damage as a result of the misappropriation, conversion, diversion or any other misuse of funds or securities held by the principal on behalf of such person may bring an action in his own name upon this bond for the recovery of any damages sustained by him; provided, however, that no such action may be brought after the expiration of two years from and after the time of the act upon which such action is based, or two years from the time the aggrieved person knew or should have known of his cause of action, notwithstanding the death of the principal or any person connected with the principal who has incurred liability hereunder.

2. That the liability of the surety or sureties herein for any one or more claims by any one or more persons shall not exceed in the aggregate the penal sum of this bond.

3. That the surety or sureties may cancel this bond and be relieved from further liability thereunder by delivering 90 days' written notice to the Chief of the Bureau of Securities of the State of New Jersey; however, such cancellation shall not affect any liability incurred or accrued hereunder prior to the termination of the said 90-day period.

4. That the period of this bond is for two years from the date of approval of registration of the principal by the Chief of the Bureau of Securities or until cancelled prior thereto pursuant to Paragraph 3 immediately above, provided, however, that liability hereunder for any cause of action against the principal or any person connected with the principal shall not be terminated by the death of such principal or person.

5. That in the event either the principal or the surety or the principal and the surety under this bond are served with notice of any action commenced against said principal or against the surety under the bond, said principal and surety as each is served with notice of action shall respectively and immediately give written notice of the filing of such action to the Chief of the Bureau of Securities, Division of Law, Department of Law and Public Safety, at the office of the Bureau.

IN WITNESS WHEREOF, the seal and signature of the said principal is hereto affixed and the seal and the name of said surety is hereto affixed and attested by its duly authorized officers at _____, New Jersey this _____ day of _____, 19____.

Signed, sealed and delivered in the presence of

_____ (SEAL)

Principal

Surety

By _____

Countersigned in accordance with R.S. 17:22-6.15

at _____, N.J.

Licensed Agent

**ACKNOWLEDGEMENT OF PRINCIPAL
(Corporation)
(To be executed by Secretary)**

STATE OF
COUNTY OF

} SS:

BE IT REMEMBERED, that on this _____ day of _____, in the year of Our Lord, one thousand nine hundred and _____, before me, the subscriber, a _____ of the State of New Jersey, personally appeared _____ who, being by me duly sworn, doth depose and make proof to my satisfaction, that he well knows the corporate seal of the _____, the principal named in the foregoing bond; that the seal thereto affixed is the proper corporate seal of said company; that the same was so affixed thereto and the said bond signed and delivered by _____, who was at the date and execution thereof, the President of said company, in the presence of the said deponent, as the voluntary act and deed of the said company, and that the said deponent thereupon signed the same as subscribing witness.

Secretary

Sworn and subscribed before me
at _____
the date aforesaid.

**ACKNOWLEDGEMENT OF PRINCIPAL
(Individual)**

STATE OF NEW JERSEY
COUNTY OF

} SS:

BE IT REMEMBERED, that on this _____ day of _____ A. D. 19____, before me, a

of the State of New Jersey personally appeared _____, who, I am satisfied, is the principal named in foregoing bond, and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed.

13:47A-11.12 Issuer qualification application (SB-9)

(a) The issuer qualification application (SB-9) follows:

N.J. Form SB-9 (Rev. 1968)

STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF LAW
BUREAU OF SECURITIES
1100 RAYMOND BOULEVARD
NEWARK, N. J. 07102

Issuer Qualification Application

INSTRUCTIONS. This form must be filed with the consent to service of process and offering material by persons applying for the qualification of an issuer. Where additional space is required a rider should be attached. Application must be accompanied by a check or money order, payable to the Department of Law and Public Safety, Bureau of Securities, in the amount of \$50.00. APPLICATIONS WILL BE ACCEPTED ONLY IF ALL QUESTIONS ARE ANSWERED IN FULL.

For Bureau Use Only

Eff. Date
Rec. Number
Amount \$
Page No.

- 1. Name of Issuer
2. Principal Office:
3. (a) Have you filed a registration statement with the Securities and Exchange Commission pursuant to the provisions of the Securities Act of 1933?
(b) Have you applied for an exemption under the Securities Act of 1933?
4. (a) Are you organized under the laws of the State of New Jersey and in possession of a valid State charter as a corporation?
(b) Are you a foreign corporation properly licensed to transact business in the State of New Jersey?
(c) Are all corporation taxes assessed by the State of New Jersey fully paid?
5. Have you filed as a partnership with the Office of the County Clerk?
6. Has the issuer or any of its officers, directors or partners, or other controlling person or principal, been engaged in any way in the securities business in this State or elsewhere?

7. Has the issuer, any officer, director, partner, controlling person, or principal:
- a. been suspended or expelled from membership in any securities exchange, association of securities dealers or investment advisors, or been an officer, director, partner or controlling person in any organization so suspended or expelled at the time of such suspension or expulsion? Yes ... No ...
 - b. had a license, registration or authority to engage in the securities business as a dealer, broker, investment advisor or salesman issued by this state, any other state or the Securities and Exchange Commission, denied, suspended or revoked or been an officer, director, partner or controlling person of an organization at the time that organization had such license denied, suspended or revoked? Yes ... No ...
 - c. been, or is the applicant or any such person now enjoined or restrained by any court or agency from engaging in or continuing any conduct or practice involving any aspect of the securities business, or been an officer, director, partner or controlling person of an organization so enjoined? Yes ... No ...
 - d. been arrested or convicted of any crime, misdemeanor or disorderly persons offense? Yes ... No ...
 - e. had any judgment rendered against it or him for fraud or against another person based on fraud by it or him prior to the date of this application, such fraud being connected with any aspect of the security business or any other fraud? Yes ... No ...
 - f. now pending against it or him any civil court action based on fraud, such fraud being connected with any aspect of the security business or any other fraud? Yes ... No ...
 - g. been subject to any disciplinary action, past or pending, by any administrative, governmental or regulatory body? Yes ... No ...
 - h. been charged with a violation of any statute, rule, regulation or ordinance of any municipal, administrative, regulatory or other governmental body? Yes ... No ...

If the answer to any of these is yes, state full particulars giving dates, nature of offense, title and location of association or public authority involved, circumstances, final disposition and any other pertinent information. If additional space is needed, kindly attach rider.

.....

.....

.....

8. List the name, residence and nature of employment of each individual who will transact securities business in your behalf within or from the State of New Jersey.
-
-
-
-

THE ENCLOSED OFFERING MATERIAL CONTAINS THE INFORMATION REQUESTED BELOW ON THE PAGES INDICATED:

Information Required	Pages
1. Description of the general character, physical properties and equipment and general competitive conditions of the issuer and any significant subsidiary.
2. Nature and location of each business in which the issuer has engaged during the preceding five years.
3. List of all officers: directors, general partners, limited partners; stockholders (holding 10% or more of any stock outstanding); principals; other capital contributors or other persons directly or indirectly controlling the issuer.
4. Resume of the business history for the past five years of each officer, director, general partner, limited partner or other principal.
5. Balance sheet prepared within four (4) months of the filing date of the offering material.
6. Latest certified financial statement prepared by an accountant who is in fact independent.

STATE OF _____ }
 COUNTY OF _____ } SS:

Each of the undersigned
 being the officers, directors, general partners or limited partners of the corporation or partnership applicant, of full age and duly sworn according to law, upon his oath deposes and says (for himself and not for the others) that (1) he has read all of the statements contained in this application and they are true and correct; and (2) he understands that any false or misleading statement constitutes a violation of the Uniform Securities Law (1967) (c. 93, L. 1967).

.....

.....

Sworn and subscribed to before me this

 day of _____, 19____

.....

13:47A-11.13 Request for withdrawal of broker-dealer registration (SB-10)

(a) The request for withdrawal of broker-dealer registration (SB-10) follows:

**REQUEST FOR WITHDRAWAL OF
BROKER-DEALER REGISTRATION**

INSTRUCTIONS: One copy of this form signed by authorized principal and notarized must be forwarded in order to withdraw registration in good standing. Withdrawal becomes effective 30 days from the date received in this office IN PROPER FORM AND SIGNED AND NOTARIZED.

1. Name of Registrant:	Registration No.
2. Principal Place of Business:	
3. Does Registrant Owe Any Money or Securities to Clients?	Yes ___ No ___
If Yes, furnish the following:	
(a) Amount of Money Owed	_____
(b) Market Value of Securities Owed	_____
(c) Arrangements for Payment	_____
(d) A statement of financial condition in such detail as will disclose the nature and amount of assets and liabilities and the net worth of the registrant as of a date within 10 days of filing.	
T1 4. Is registrant involved in, or is there presently pending any legal action or proceeding?	Yes ___ No ___
If Yes, furnish full information.	
5. Is registrant the subject of or is there presently pending any action before any self-regulatory body such as the NASD, a stock exchange, a state jurisdiction or the SEC?	Yes ___ No ___
If so, furnish full information.	
6. Furnish by rider the name and address of the person who has or will have custody or possession of registrant's books and records; as well as the address where such books and records will be located and where they may be examined by a representative of this bureau.	
7. The registrant and person executing this form on behalf of said registrant represent that all statements contained in this request for withdrawal and attachments hereto are true, correct and complete statements of all required information and registrant hereby consents to make all of his books and records available for examination by authorized representatives of the State of New Jersey, Department of Law and Public Safety, Division of Law, Bureau of Securities, and to preserve such books and records for a period of three (3) years as provided in N.J.S.A. 49:3-59(b) and hereby authorizes the person having custody of such books and records to make them available.	

Sworn and Subscribed to Before Me

This _____ Day _____
_____, 19____

Name of Registrant

Signature of Authorized Principal

Title

13:47A-11.14 Renewal application (R-1)

(a) The renewal application (R-1) follows:

**STATE OF NEW JERSEY
BUREAU OF SECURITIES
1100 Raymond Blvd., Newark, N. J.
RENEWAL APPLICATION**

INSTRUCTIONS: This form must be filed by the registered broker-dealer prior to December 1, 19 . All applications for renewal must be accompanied by a check or money order in the amount of \$100.00, plus \$2.00 for each officer, director or partner of the firm doing business in New Jersey.

RECEIPT
Eff. Date: _____
Reg. No.: _____
Amount: \$ _____
C. P. _____

1. Name: B-
2. Main Address:
3. Branch Offices Located in the State of New Jersey:

4. Any arrests, disciplinary actions by any administrative body; restraints; injunctions; suspensions; revocations; denials; judgments based on fraud; convictions of any crime; or any changes in original answers to question 5 on Form SB-1 (Broker-Dealer Application). (Attach rider if additional space is required.) Yes ___ No ___
5. Attach list of officers, directors or partners who will be doing business in the State of New Jersey, for whom \$2.00 fees are being submitted.
6. Will the applicant in the course of its business have custody of clients' funds or securities? Yes ___ No ___
7. Will the applicant deal solely in the purchase and sale of investment company shares? Yes ___ No ___

All statements contained herein are true and correct. I understand that any false or misleading statement constitutes a violation of the Uniform Securities Law (1967) (L. 1967, c. 93).

Signature of sole proprietor or principal
of applicant.

This form continues information currently on file; it may not be used in lieu of the Form SB-4 in reporting changes of status for a broker-dealer.

BOND

of

of

**TO THE
STATE OF NEW JERSEY**

under

Chapter 93, Laws of 1967

\$25,000.00

13:47A-11.15 Renewal application, investment advisor (R-1A)

STATE OF NEW JERSEY
BUREAU OF SECURITIES
1100 Raymond Blvd., Newark, New Jersey

RENEWAL APPLICATION
(INVESTMENT ADVISOR)

INSTRUCTIONS: This form must be filed by a registered investment advisor prior to December 1, 19 . All applications for renewal must be accompanied by a check or money order in the amount of \$50.00.

RECEIPT

Eff. Date: _____
Reg. No.: _____
Amount: \$ _____
C. P. _____

- 1. Name: IA-
- 2. Main Address:
- 3. Branch offices located in the State of New Jersey:
- 4. Any arrests, disciplinary actions by any administrative body; restraints; injunctions; suspensions; revocations; denials; judgments based on fraud; convictions of any crime; or any changes in original answers to question 7 on Form SB-2 (Investment Advisor Application). (Attach rider if additional space is required.) Yes ___ No ___
- 5. Attach a list of all individuals who will be offering investment advice to New Jersey clients on behalf of the applicant.
- 6. Amount of Net Capital: \$ _____

All statements contained herein are true and correct. I understand that any false or misleading statement constitutes a violation of the Uniform Securities Law (1967)(c. 93, L. 1967).

Signature of sole proprietor or
principal of applicant

This form continues information currently on file; it may not be used in lieu of the Form SB-4 in reporting changes of status for an investment advisor.

13:47A-11.16 Renewal application, agent (R-2)

(a) The renewal application, agent (R-2) follows:

STATE OF NEW JERSEY
BUREAU OF SECURITIES
1100 Raymond Boulevard
Newark, New Jersey 07102
RENEWAL APPLICATION
(AGENT)

<p>INSTRUCTIONS: Agent to whom issued must fill-in home address, sign form and submit application with check in the amount of \$20.00 on or before December 1, 19</p>	<p style="text-align: center;">RECEIPT</p> <p>Eff. Date: _____ Reg. No.: _____ Amount: \$ _____ C. P. _____</p>
--	---

Issued to: _____ Reg. No. A- _____

Home Address: _____

Broker-Dealer or Issuer by whom employed: _____

Have you changed your home address since filing previous application? If so, have you filed the required Form SB-5 and \$5.00 filing fee? Yes___ No___

(Please note, your present registration must be in proper order or renewal cannot be processed and effected.)

I hereby apply for renewal of my current agent registration. There has been no change in the information I have previously submitted, either on my application forms or by filing of the agent change of status statement (Form SB-5).

Signature of Agent

Dated: _____

13:47A-11.17 Filing fee transmittal

(a) The filing fee transmittal form follows:

**STATE OF NEW JERSEY
DEPARTMENT OF LAW & PUBLIC SAFETY
DIVISION OF LAW
BUREAU OF SECURITIES
FILING FEE TRANSMITTAL**

Name: _____
(Please print clearly full name)

Address: _____

For: _____

RECEIPT	
Eff. Date:	
Rec. No.:	
Amount: \$	
C. P.	
FOR BUREAU USE ONLY	

FILING FEE SUBMITTED FOR: (Please Check Off)

- Broker-Dealer
 Partner, Officer, Director
 Agent
 Advisor
 Examination
 Real Estate Offering
 Change in Status
 Other

13:47A-11.18 Application for New Jersey securities examination

(a) The application for New Jersey securities examination follows:

STATE OF NEW JERSEY
BUREAU OF SECURITIES
1100 Raymond Boulevard
Newark, N.J. 07102

APPLICATION FOR
NEW JERSEY SECURITIES EXAMINATION
(Filing Fee \$15.00)

APPLICANT: _____
HOME ADDRESS: _____
(Number and Street)

(City) (State) (Zip Code)

EXAMINATION FOR REGISTRATION AS: (Check One)

Broker-Dealer
 Investment Advisor
 Agent of:
 a. Broker-Dealer _____
 b. Issuer _____

NAME OF BROKER-DEALER, INVESTMENT ADVISOR OR ISSUER WITH WHOM APPLICANT WILL BE AFFILIATED:

(Signature of Applicant)

APPLICATION MUST BE ACCOMPANIED BY CHECK OR MONEY ORDER IN THE AMOUNT OF \$15.00 COVERING THE FILING FEE.

13:47A-11.19 Guide for preparation of registration statement

(a) This guide is furnished for informational purposes to assist in the preparation of the Registration Statement required to be filed pursuant to Sections 49:3-61 and 62 of the Uniform Securities Law (1967) and the rules and regulations promulgated thereunder.

(b) You will be required to submit four copies of the completed Registration Statement to the Bureau of Securities; which statement must be accompanied by those exhibits set down in N.J.A.C. 13:47A-10.1 of the regulations covering Intrastate Securities Offerings.

(c) The front cover of the Registration Statement must set forth the following information:

1. Name and address of the issuer;
2. Type of security being offered;
3. Number of shares being offered;

4. Price per unit and minimum and maximum units;
5. Total amount of the offering;
6. Offering expenses;
7. Net proceeds to issuer;
8. Names of broker-dealers or underwriters.

(d) The final page of the Registration Statement shall provide for the signatures of the officers, directors, partners and principals of the issuer as required pursuant to N.J.A.C. 13:47A-10.1 of the regulations covering Intrastate Securities Offerings, and shall be prepared in the following manner:

“We, and each of us, represent that he has carefully read and examined this Registration Statement, and the prospectus and documents mentioned in it; that we have not knowingly omitted any material facts, that the prospectus contains a fair and accurate summary of all material facts necessary to induce persons to purchase the securities, knowing that they place reliance on the same; that each of us authorizes the use of his name in the prospectus; and that all necessary amendments to the prospectus will be filed in order to keep it current.”

(e) The above statement shall be followed by the name of the issuer and the signature of each individual officer, director, principal or partner, to be set down in the below manner:

ATTEST:		“NAME OF ISSUER: By _____ President
Secretary Officers:	Directors:	
Address	Address	
(As to each individual officer or director)		
Partners:	Principals:	
Address	Address	
(As to each individual principal or partner)”		

(f) The following information shall be set forth in the body of the Registration Statement:

1. A description of the physical properties and equipment;
2. Statement of the general competitive conditions in industry or business;
3. The capitalization and long term debt of the issuer and any significant subsidiary including:
 - i. A description of each security outstanding or being registered or otherwise offered;
 - ii. A statement of the amount and kind of consideration in the form of cash, physical assets, services, patents, goodwill or anything else for which any security has been issued within the past two years or any obligation incurred to issue securities;

- iii. The date the offering commenced;
 - iv. The date the offering was completed, if completed;
 - v. If the offering has not commenced, the reasons why it was not commenced stated briefly.
4. A description of the securities to be offered including:
 - i. The kind and amount;
 - ii. The proposed offering price or method by which it is to be computed;
 - iii. Any variation therefrom at which any portion of the offering is to be made to any person or class of persons other than the underwriters (with a specification of any such person or class).
 5. Information concerning each officer, director, principal or partners of the issuer including:
 - i. Name, home address and business address;
 - ii. Principal occupation for the past five years;
 - iii. Amount of securities held by him as of a date within 30 days of the filing of statement;
 - iv. Amount of securities of the issuer to which he has subscribed or intends to subscribe;
 - v. A description of any material interest in any material transaction with the issuer or any significant subsidiary effected within the past three years or proposed to be effected;
 - vi. Remuneration received during the past 12 months and estimated to be paid during the next 12 months, directly or indirectly by the issuer, together with all its predecessors, parents, subsidiaries and affiliates.
 6. Information concerning any owner of record, or beneficiary if known, of ten per cent or more of the outstanding shares of any stock of any class of equity security of the issuer, the information set forth in paragraph 5 of this subsection with the exception of his occupation;
 7. With respect to every promoter, if the issuer was organized within the past three years, the information required to be listed in paragraph 5 of this subsection;
 8. Information with respect to any person on whose behalf any part of the offering is to be made in a nonissuer transaction including:
 - i. Name and address;
 - ii. Amount of securities of the issuer held by him as of the date of the filing of the registration statement;
 - iii. A description of any material interest in any material transaction with the issuer or any significant

subsidiary effected within the past three years or proposed to be effected;

iv. A statement of his reasons for making the offering.

9. The basis upon which the offering is to be made if otherwise than for cash;

10. the estimated aggregate underwriting and selling discounts or commissions and finders' fees (including separately cash, securities, contracts or anything else of value to accrue to the underwriters or finders in connection with the offering);

11. If the selling discounts or commissions are variable, the basis for determining them and their maximum and minimum amounts;

12. The estimated amount of other selling expenses including:

- i. Legal;
- ii. Engineering;
- iii. Accounting;
- iv. Printing and advertising;
- v. Other expenses;
- vi. Total expenses.

13. The name and address of every underwriter and every recipient of a finder's fee;

14. A copy of any underwriting or selling group agreement pursuant to which the distribution is to be made or the proposed form of any such agreement whose terms have not yet been determined and a description of the plan;

15. The estimated cash proceeds to be received by the issuer from the offering;

16. The purpose for which the proceeds are to be used, and indicating:

- i. The amount to be used for each purpose;
- ii. The order or priority in which the proceeds will be used for each purpose stated.

17. The amounts of any funds to be raised from other sources to achieve the purposes stated setting forth:

- i. The sources of any such funds;
- ii. The names and addresses of individuals or firms furnishing such funds.

18. If any part of the proceeds is to be used to acquire any property (including goodwill) other than in the ordinary course of business the following information:

- i. Names and addresses of the vendors;
- ii. Purchase price;

iii. Names of any persons who received commissions in connection with the acquisition;

iv. Any other expense in connection with the acquisition (including the cost of borrowing money to finance the acquisition).

19. A description of any stock options or other security options outstanding or to be created in connection with the offering, together with the amount of any such options held or to be held by any person required to be named in paragraph 5 of this subsection, and by any person who holds or will hold ten per cent or more in the aggregate of any such options;

20. The dates of, parties to, and general effect concisely stated of every management or other contract of material importance, made or to be made otherwise than in the ordinary course of business if it is to be performed in whole or in part at or after the filing of the Registration Statement or was made within the past two years, together with a copy of every such contract;

21. A description of any pending litigation or proceeding to which the issuer is a party and which materially affects its business or assets, including any such litigation or proceeding known to be contemplated by governmental authorities.

13:47A-11.20 Customer acknowledgement of unsolicited sale of stock

(a) The provisions of "The Uniform Securities Law (1967)" prohibit the offer or sale of any security which is not:

1. Registered pursuant to the provisions of the Federal Securities Act of 1933, or the Uniform Securities Law (1967); or
2. Exempted from the registration requirements of the aforesaid Acts.

(b) The offer or sale by a broker-dealer or its registered agents of any unregistered or nonexempt security as set forth in this Section is subject to the penalties contained in N.J.S.A. 49:3-70.

(c) Accordingly, no broker-dealer or its agents may execute any purchase order for a customer of any unregistered or nonexempted security unless said broker-dealer shall have the customer(s) execute the following form and file said form with the Bureau of Securities not later than ten business days after the execution of the purchase order:

CUSTOMER ACKNOWLEDGEMENT OF UNSOLICITED SALE OF STOCK

STATE OF NEW JERSEY:

COUNTY OF ^{ss.}

(Name or Names)

Being duly sworn according to law upon his (her, their) oath depose(s) and say(s):

1. I (we) reside at _____
(Number and Street)
 in _____, New Jersey.
(Municipality)
2. On _____, 19____ I (we) purchased _____
(Date) (Amount)
 shares of the _____ stock of _____
(Type) (Name of Security)
3. My (our) purchase order of the aforesaid stock was
 executed by _____
(Name of Broker-Dealer)
 by its agent _____
(Name of Salesman)
4. Neither said broker-dealer nor its said agent solicited
 my (our) purchase order of the aforementioned stock.

(Signature)

Sworn and Subscribed to

before me this _____ day _____

(Signature)

of _____, 19____.

This form shall be filed by the broker-dealer with the Bureau of Securities of the State of New Jersey not later than ten days after the execution of the purchase order.

New Rule, R.1970 d.85, effective July 13, 1970.
See: 2 N.J.R. 50(c), 2 N.J.R. 67(b).

Case Notes

Rules require prior registration of nonexempt securities offered for sale; violation gives rise to action for rescission against those participating in the sale (citing former N.J.A.C. 13:13-9.14, 10, 11.20 and 15). Cola v. Terzano, 129 N.J.Super. 47, 322 A.2d 195 (Law Div.1974), affirmed 156 N.J.Super. 77, 383 A.2d 460 (App.Div.1977).

SUBCHAPTER 12. EXEMPTIONS FOR SECURITIES TRANSACTIONS AND SECURITIES OFFERINGS; EMPLOYEE BENEFIT PLANS; ACCREDITED INVESTORS

Authority

N.J.S.A. 49:3-67(a).

Source and Effective Date

R.1995 d.270, effective June 5, 1995.
27 N.J.R. 303(a), 27 N.J.R. 2241(a).

13:47A-12.1 Exemptions for securities transactions and securities offerings

(a) For purposes of the Report Form required to be filed with Bureau of Securities under N.J.S.A. 49:3-50(b)(12) or 49:3-60(b), the issuer shall include only the names and addresses of New Jersey resident purchasers of the offering, along with the number and amount of the securities each purchased.

(b) Non-New Jersey resident purchasers will not be counted when determining whether there are 35 non-accredited purchasers of the offering for the N.J.S.A. 49:3-50(b)(12) exemption.

(c) Non-New Jersey resident offerees will not be counted when determining whether there are 10 offerees in an exempt offering under N.J.S.A. 49:3-50(b)(9).

13:47A-12.2 Employee benefit plans

(a) N.J.S.A. 49:3-50(a)(11) provides an exemption from registration for, "[a]ny investment contract issued in connection with an employees' or professional stock purchase, savings, pension, profit-sharing, retirement or similar benefit plan if the bureau chief is notified in writing 30 days before the inception of the plan. . . ." N.J.S.A. 49:3-50(a)(11) requires a 30-day notification and exempts the agreement between the employer and employee insofar as it may be deemed to be an investment contract. With respect to employee benefit plans which are qualified under Section 401 of the Internal Revenue Code, subject to the provisions of Part 4 of Subtitle B of Title I of ERISA, or administered by a national or state bank acting in a fiduciary capacity, N.J.S.A. 49:3-50(a)(11) shall be construed to provide a transactional exemption for all securities underlying the investment contract.

(b) Interests in the plan or securities underlying the investment contract in employee benefit plans which are exempt from Federal securities registration pursuant to SEC Rule 701, promulgated under the Securities Act of 1933, shall also be exempt from registration in New Jersey if offered or sold pursuant to N.J.S.A. 49:3-50(a)(11).

(c) The 30-day notification requirement of N.J.S.A. 49:3-50(a)(11) may be fulfilled by filing a letter with the Bureau of Securities setting forth pertinent information, which shall include the name and address of the issuer, the name and address of participating employers and the approximate number of New Jersey employees eligible to participate in the plan. The letter filing will be deemed to constitute full compliance with the notice requirement of N.J.S.A. 49:3-50(a)(11). The Bureau Chief may request additional information on a case-by-case basis.

(d) If a plan otherwise exempt under this section contemplates distribution in kind of restricted stock to plan members upon withdrawal of the members from the plan, resale of the underlying securities by the members may require registration of the securities under Federal law. If Federal law requires registration of the securities being resold, State registration may be required, unless the security or transaction is otherwise exempt from State registration.

(e) The definition of "agent" in N.J.S.A. 49:3-49(b) specifically excludes an individual who represents an issuer in effecting transactions in a security exempted by N.J.S.A. 49:3-50(a)(11); therefore, no agent registration is required for such an individual to effect transactions with respect to the employee benefit plans or the securities underlying the employee benefit plans described in (a) and (b) above.

13:47A-12.3 Accredited investors

Pursuant to the last paragraph of N.J.S.A. 49:3-49(p), in addition to the persons described in N.J.S.A. 49:3-49(p)(1) through (7), any person who is an "accredited investor" within the meaning of Securities Act of 1933, section 2(15) and SEC Rules 215 and 501, promulgated by the Securities and Exchange Commission, effective as of (the effective date of this rule) or as thereafter amended or superseded, shall be deemed an "accredited investor" within the meaning of N.J.S.A. 49:3-49(p).

SUBCHAPTER 13. GENERAL RULES OF PRACTICE
Authority

N.J.S.A. 49:3-67(a).

Source and Effective Date

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).

13:47A-13.1 Scope of Rules of Practice

These Rules of Practice are generally applicable to administrative proceedings before the Bureau under the Uniform Securities Law (1967), N.J.S.A. 49:3-47 et seq., as amended, prior to a matter having been determined to be a contested case pursuant to N.J.A.C. 1:1-3.1, and transmitted by the Bureau to the Office of Administrative Law pursuant to N.J.A.C. 1:1-3.2. In connection with such contested cases, reference should be made to any procedural requirements that may be contained in the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., or the regulations and forms adopted thereunder, which requirements are controlling. These Rules of Practice do not apply to routine filings to perfect exemptions, register broker-dealers, agents, and investment advisors, register securities, or seek no-action or interpretive opinions from the Bureau. Nor do these Rules of Practice apply to private investigations conducted by the Bureau pursuant to N.J.S.A. 49:3-68, except where specifically made applicable by N.J.A.C. 13:47A-14, Rules of Practice Relating to Investigations.

13:47A-13.2 Bureau address and business hours

The office of the Bureau, at 153 Halsey Street, Newark, New Jersey 07102; mailing address, P.O. Box 47029, Newark, New Jersey 07101, is open each day, except Saturdays, Sundays and legal holidays, from 9:00 A.M. to 5:00 P.M., Eastern Standard Time or Eastern Daylight Time, whichever is currently in effect in New Jersey. Legal holidays consist of any day appointed as a holiday or day off in New Jersey by the Governor or Legislature of New Jersey.

13:47A-13.3 Appearance and practice before the Bureau by non-lawyers

Except as required by the New Jersey Court Rules, an individual may appear in his or her own behalf and, where authorized by law and with the consent of the Attorney General, an officer or employee of a department, agency or political subdivision of the State may appear on behalf of the department, agency or political subdivision of the State. A business entity other than a sole proprietor must be represented by an attorney. No representation of a third party before the Bureau shall be undertaken by any suspended or disbarred attorney.

13:47A-13.4 Appearance and practice before the Bureau; by lawyers

A person may be represented in any proceeding by an attorney at law admitted to practice before the Supreme Court of the State of New Jersey or by an attorney in good standing in any other jurisdiction within the United States. The Bureau Chief may prohibit multiple representations by counsel where the Bureau Chief determines, in the reasonable exercise of his or her discretion, that such representation may result in a conflict of interest or otherwise threaten the integrity of an investigation.

13:47A-13.5 (Reserved)**13:47A-13.6 Notice of appearance; designation for service; power of attorney**

(a) An applicant or registrant appearing on his or her own behalf before the Bureau shall file with the Bureau or otherwise state on the record an address at which any notice or other written communication required to be served upon or furnished to the applicant or registrant may be sent, and a telephone number at which the applicant or registrant can be reached during the business day. If the individual's address or telephone number changes before the conclusion of the matter in which the individual appeared, the individual shall notify the Bureau in writing no later than 10 days following the change.

(b) When an attorney appears before the Bureau or a hearing officer in a representative capacity in a particular proceeding which involves a hearing or an opportunity for a hearing, the attorney shall enter a written appearance with the Bureau which shall state the attorney's name, firm, address and telephone number and the name and address of the person or persons on whose behalf the attorney appears. If the address or telephone number of the attorney or the person represented changes during the course of representation before the Bureau, the attorney shall notify the Bureau in writing no later than 10 days following the change(s). If an attorney withdraws, or is otherwise relieved, from representing a person in a matter in which the attorney has entered an appearance, the attorney shall notify the Bureau in writing immediately. If an attorney is substituted for, or otherwise relieves, another attorney who has entered an appearance, the new attorney shall immediately enter a written appearance with the Bureau as prescribed in this subsection.

(c) Any person, other than an attorney, appearing or practicing before the Bureau in a representative capacity shall file a written appearance with the Bureau including authority to act in such capacity.

13:47A-13.7 Service upon the Bureau

Service upon the Bureau shall be made in accordance with New Jersey Court Rule 4:4-4(a)(7).

13:47A-13.8 Service upon persons not represented by counsel

Service of subpoenas, complaints, summonses, orders, notices or other written communications upon persons not represented by counsel in matters before the Bureau shall be made in accordance with N.J.A.C. 1:1-7.1(a). Service by mail shall be complete upon mailing.

13:47A-13.9 Service upon persons represented by counsel

In any proceeding or matter where an attorney has filed an appearance pursuant to N.J.A.C. 13:47A-13.6, any subpoena, complaint, summons, order, notice or other written communication to be served upon or furnished to the person represented by the attorney shall be served upon the attorney (or one of such attorneys, if the client is represented by more than one attorney). Such service shall be made in the same manner as set forth in N.J.A.C. 13:47A-13.8 for the person represented, and shall be deemed sufficient service regardless of whether such communication is furnished directly to the person represented.

13:47A-13.10 Service upon registered persons

Any person registered with the Bureau in any capacity, or required to register with the Bureau in any capacity, whether or not actually registered, shall be subject to personal service inside or outside of New Jersey in any manner described in N.J.A.C. 13:47A-13.8 and 13.9. If a registered person, as defined in N.J.S.A. 49:3-49, conducts business in New Jersey through one or more branch offices in New Jersey, service upon a responsible party at any such branch office shall be considered effective service upon the registered person. Officers, directors, principals, partners and supervisory personnel of a registered person, as well as any employees of a registered person with apparent authority to receive communications from the public, shall be deemed responsible parties for purposes of this section.

13:47A-13.11 Answers; when required

When a complaint or an order containing allegations is issued by the Bureau, each party respondent shall file an answer to the complaint or the allegations in the order.

13:47A-13.12 Time to file answer

Except where a different period is provided by statute, regulation or order, a party respondent shall file an answer within 20 days after service of the complaint or order.

13:47A-13.13 Requirements of answer; effect of failure to deny

Unless otherwise directed by the Bureau, an answer filed pursuant to statute or this subchapter shall specifically admit, deny, or state that the party does not have and is unable to obtain sufficient information to admit or deny, each and every paragraph in the complaint or each and every allegation in the order filed by the Bureau. A statement of a lack of information shall have the effect of a denial. Any paragraph or allegation not denied shall be deemed admitted. When a party intends in good faith to deny only a part of a paragraph or allegation, the party shall specify so much of it as is true and shall deny only the remainder. An answer filed pursuant to this statute or this subchapter shall set forth specifically and separately a statement of facts constituting any affirmative defense or defenses.

13:47A-13.14 Effect of failure to file answer

If a party fails to file an answer required by statute or this subchapter within the time provided, such party shall be deemed in default and the proceeding may be determined against that party by the Bureau upon consideration of the complaint or order, the contents of which may be deemed to be true.

13:47A-13.15 Signature on answer; requirement and effect

Every answer shall be signed by the party filing it or by at least one attorney, in his or her individual name and, where applicable, the name of the firm, who represents such party. The signature constitutes a verification by the signer that the signer has read the answer; that to the best of the signer's knowledge, information and belief there is good ground to support it; and that it is not interposed for delay.

13:47A-13.16 Offers of settlement

Parties may, at any time, make written settlement proposals to, or may request settlement conferences with, the Bureau Chief or the Chief's designee where time, the nature of the proceeding, and the public interest permit.

13:47A-13.17 Agreement of parties to participation of Bureau Chief in settlement discussions

By making a written settlement proposal or requesting a settlement conference, the parties agree that the Bureau Chief or the Chief's designee may express the Chief's views regarding the appropriateness of any offer of settlement, and may otherwise participate in settlement *negotiations*, without such views or participation giving rise to claims of prejudgment on the part of the Bureau Chief or the Chief's designee. In any event, the Bureau Chief or the Chief's designee, in his or her discretion, may decline to express any view on an offer. Neither a settlement offer nor any documents relating to any settlement offer shall constitute a part of the record. Nothing in this section shall be deemed

to authorize ex parte communications otherwise prohibited by the Rules of Professional Conduct.

SUBCHAPTER 14. RULES OF PRACTICE RELATING TO INVESTIGATIONS

Authority

N.J.S.A. 49:3-67(a).

Source and Effective Date

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).

13:47A-14.1 Scope of rules relating to investigations

N.J.A.C. 13:47A-14.1 through 14.16, inclusive, apply only to private investigations conducted by the Bureau pursuant to N.J.S.A. 49:3-68.

13:47A-14.2 Information obtained during the course of private investigations

Information or documents obtained by the Bureau in the course of any private investigation, unless such information or documents are published by the Bureau pursuant to its authority under N.J.S.A. 49:3-68(a), shall be deemed non-public. Such information and documents may be disclosed to representatives of domestic or foreign governmental authorities, self-regulatory agencies, state or federal law enforcement officers, state securities law administrators, special counsels, and trustees in bankruptcy. The Bureau may also, to the extent necessary, disclose such information and documents in court proceedings; when ordered to do so by a court of competent jurisdiction; or, when appropriate, in furtherance of any ongoing investigation or proceeding.

13:47A-14.3 Applicability of N.J.A.C. 13:47A-14.3 through 14.10

N.J.A.C. 13:47A-14.3 through 14.10 shall be applicable to a person who appears either voluntarily, pursuant to an administrative investigative subpoena or administrative order, or at the request of, or with the permission of, the Bureau. Such person, being sworn in an investigation or examination, shall be referred to as a "witness." Such investigation or examination, hereinafter referred to as an "investigative proceeding," shall be conducted by the Bureau before one or more of its employees, or one or more Deputy Attorneys General, or before any other person designated by the Bureau for the purpose of taking testimony of witnesses and receiving other evidence.

13:47A-14.4 Official transcript

Transcripts, if any, of investigative proceedings shall be recorded solely by the official reporter or by any other person or means designated by the officer conducting the investigation. There shall be one official transcript of a witness' testimony, which shall be the property of the Bureau. Except as provided by N.J.A.C. 13:47A-14.5, any other contemporaneous, verbatim transcription by writing or recording, in any form and in any media, shall be prohibited.

13:47A-14.5 Access to transcripts

Any witness, and counsel, upon proper identification and after giving reasonable prior notice, shall have the right to inspect the official transcript of the witness' own testimony at the Bureau's offices during normal business hours; but neither the witness, nor counsel for the witness, shall have the right to remove, copy or order a copy of the official transcript without authorization by the Bureau Chief.

13:47A-14.6 Access to documentary evidence

A person complying with any request, order, or subpoena issued by the Bureau for the production of documentary evidence, shall retain the originals and shall provide the Bureau with clearly legible, true and complete copies of the documents requested, which shall be Bates stamped, along with a signed cover letter, which shall identify those documents with a reasonable degree of specificity.

13:47A-14.7 Witnesses; representation by counsel

A witness may be accompanied, represented and advised by counsel, as defined in N.J.A.C. 13:47A-13.4. In order to protect the integrity of any investigation, the Bureau Chief may, in the reasonable exercise of his or her discretion, prohibit multiple representations by counsel, and may prohibit representation by counsel who is likely to become a witness during the course of either the investigation itself or of any legal proceedings expected to ensue upon the investigation's conclusion.

13:47A-14.8 Witnesses; representation of counsel defined

Counsel may advise witnesses before, during and after the conclusion of testimony given in the course of an investigative proceeding, and may make summary notes during such testimony solely for use in the representation of the witness. The witness is responsible for having counsel present at the time and place designated by the officer conducting the investigation. Where no timely prior request for adjournment was made, or where such request was denied for good cause, neither the substitution of counsel nor the failure of counsel to appear at the designated time and place for the witness' testimony shall constitute an acceptable ground for the witness's failure to appear at the designated time and place or to answer the questions of the officer conducting the examination.

13:47A-14.9 Sequestration of witnesses

Unless permitted in the discretion of the Bureau employee, Deputy Attorney General or other person designated by the Bureau conducting the investigation, no witness shall be present during the examination of any other witness called in such proceeding. Where counsel represents more than one witness as set forth in N.J.A.C. 13:47A-14.7 through 14.10, inclusive, counsel shall not inform one witness of the nature and contents of another witness' examination.

13:47A-14.10 Compelling incriminating testimony of witnesses

A witness who has claimed privilege against self-incrimination may be compelled to give testimony pursuant to N.J.S.A. 49:3-68(d) only by an order signed by the Bureau Chief with the approval of the Attorney General or the Attorney General's designee. Except as provided in this section, no employee of the Bureau has the authority to compel, orally or in writing, the testimony of a witness or otherwise exempt a witness from prosecution pursuant to N.J.S.A. 49:3-68(d).

13:47A-14.11 Service of subpoenas

Service of subpoenas issued in investigative proceedings shall be effected in the manner prescribed by N.J.A.C. 13:47A-13.7 through 13.10, inclusive, including service upon an attorney who has filed an appearance pursuant to N.J.A.C. 13:47A-13.3 through 13.6. Investigatory subpoenas may be issued to persons within or without the State of New Jersey.

13:47A-14.12 Access to premises by Bureau; generally

All broker-dealers and investment advisors registered with the Bureau shall, upon request, provide members of the Bureau's staff prompt access, during regular business hours, to that part of the premises at the broker-dealer's or investment advisor's place of business where documents are stored or where trading or investor solicitation is conducted.

13:47A-14.13 Observation of conduct of business by Bureau

A broker-dealer or investment advisor registered with the Bureau shall accord members of the Bureau staff the opportunity to observe the conduct of business at the broker-dealer's or investment advisor's place of business.

13:47A-14.14 Access to documents by Bureau

(a) The Bureau, without notice, may examine in a manner reasonable under the circumstances the records, within or without this State, of a registered broker-dealer, agent, or investment advisor in order to determine compliance with the Uniform Securities Law. Broker-dealers, agents, and investment advisors shall make their records available to the Bureau in legible form.

(b) The Bureau may copy records or require a registered person to copy records and provide the copies to the Bureau to the extent and in a manner reasonable under the circumstances.

(c) The Bureau may impose a reasonable fee for the expense of making any copies under (b) above.

13:47A-14.15 Access to persons by Bureau

Members of the Bureau staff may interview individuals included within the scope of N.J.A.C. 13:47A-13.10 who may be present on the registered person's premises and who voluntarily consent to be interviewed. If such interview is conducted on the registered person's premises, Bureau staff shall be given access to a private, enclosed area where the interview can go forward without monitoring, surveillance or interference by any kind of device or by persons who are not members of the Bureau staff.

13:47A-14.16 Failure to cooperate

(a) A registered person shall cooperate in any inquiry, investigation or inspection conducted by, or on behalf of, the Bureau, for the purposes of determining whether or not any person has violated or is about to violate any provision of the Uniform Securities Law or any regulation or order promulgated thereunder. A registered person's willful failure to cooperate, absent good cause or bona fide claim of privilege, may be deemed by the Bureau a violation of the Uniform Securities Law within the meaning of N.J.S.A. 49:3-58(a)(2)(ii) and thus subject the registered person to denial, suspension, or revocation of registration.

(b) The following are examples of conduct by a registered person that may be deemed a failure to cooperate:

1. The failure to timely respond by way of appearance or production of documents to a subpoena or order issued by the Bureau pursuant to N.J.S.A. 49:3-68 or as may otherwise be provided by law;
2. The failure to answer any question pertinent to inquiry made pursuant to N.J.S.A. 49:3-68 or other applicable law unless the response to said question is subject to a bona fide claim of privilege.
3. The failure to grant Bureau personnel access to the business premises of a registered person or to the records and documents the registered person is required, by statute or rule, to make available for inspection;
4. The failure to attend any scheduled proceeding at which the registered person's appearance is directed. In the event a registered person elects to retain counsel for the purpose of representation in any such proceeding, it shall be the registered person's responsibility to do so in a timely fashion. The failure of a registered person to retain counsel, absent a showing of good cause therefor, shall not require an adjournment of the proceeding;

5. The failure to timely respond or to provide information requested pursuant to a demand under N.J.S.A. 49:3-68 or any other applicable law; or

6. Aiding or abetting another registered person's failure to cooperate.