

by letter, which notification shall not affect any action taken by the Bureau Chief before or after the letter is issued. The issuance by the Bureau of a notification letter may allow the applicant to supplement or amend the information previously submitted in an attempt to cure the incomplete status of the application, or to withdraw the application, within 21 days after receipt of the notification letter.

1. If, during the pendency of the application, it appears to the Bureau that the application contains a misrepresentation, omits a required 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 may deny the application.

(d) The Bureau may require an agent to enter into an agreement requiring heightened supervision and other restrictive conditions as a condition of granting that agent's application for registration.

Amended by R.1974 d.333, effective December 3, 1974.

See: 7 N.J.R. 12(b).

Amended by R.1982 d.304, effective September 7, 1982.

See: 14 N.J.R. 550(a), 14 N.J.R. 981(c).

Added (b)3.

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

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

Amount raised from \$30.00 to \$60.00.

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

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

Revised section.

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

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

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

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

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

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

Amended by R.2003 d.154, effective April 7, 2003.

See: 34 N.J.R. 3691(a), 35 N.J.R. 1563(b).

In (a), rewrote 1 and 2; added (c) through (e).

Amended by R.2008 d.301, effective October 6, 2008.

See: 40 N.J.R. 2061(a), 40 N.J.R. 5820(a).

Rewrote the section.

Amended by R.2015 d.130, effective August 17, 2015.

See: 47 N.J.R. 692(a), 47 N.J.R. 2155(a).

In (a)1, substituted "Individual/Applicant's Acknowledgement and Consent section" for "page one"; in (b)1xi, deleted "or" from the end; in (b)1xii, substituted "; or" for a period; and added (b)1xiii.

#### Case Notes

Registration of an agent was revoked after he violated N.J.A.C. 13:47A-14.16 by failing to report Bureau of Securities' customer complaints, regulatory actions, and changes in supervisors as required by a heightened supervisory agreement that he signed pursuant to N.J.A.C. 13:47A-3.1(d). In re Gregg Charles Lorenzo, CRD #4525167, 2014 N.J. Sec. LEXIS 9, Summary Revocation Order (October 28, 2014).

The registration of a broker-dealer agent was summarily revoked on findings that he had failed to disclose the existence of certain unsatisfied judgments and/or liens against him as required by N.J.A.C. 13:47A-3.1 and N.J.A.C. 13:47A-3.2 and that his conduct in borrowing money from customers of broker-dealer firms with which he was associated, conduct which violated FINRA rules, constituted dishonest and unethical practices as defined by N.J.A.C. 13:47A-6.3(a) and provided grounds for revocation. In re Saviano, CRD # 1081879, 2013 N.J. Sec. LEXIS 18, Final Decision (July 10, 2013).

Conduct on the part of an agent of a securities firm in borrowing money from customers and in failing to disclose the existence of liens in favor of a state taxing authority and the IRS constituted dishonest or unethical business practices within the meaning of governing regulations and afforded sufficient grounds for the revocation of the agent's license. In re Deans, CRD # 2200059, 2013 N.J. Sec. LEXIS 24, Order Revoking Registration (June 18, 2013).

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

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

(a) A registered agent shall file an amendment with the CRD, by filing or updating a Form U4, Uniform Application for Securities Industry Registration or Transfer, or its successor form, along with the fee, if any, prescribed by the CRD, whenever there is any change to the information previously reported on the Form U4. The amendment(s) must be filed within 30 days of the occurrence requiring the change. Whenever an agent commences employment with a broker-dealer or issuer, the agent must file the amendment within five days of the commencement of employment. For agents of non-FINRA member broker-dealers, the amendments shall be filed directly with the Bureau.

(b) Whenever an agent terminates employment with a broker-dealer registered in New Jersey via the CRD, the broker-dealer shall file with the CRD or Bureau, as appropriate, the Form U5, Uniform Termination Notice for Securities Industries Registration, within 30 days of the termination. For agents of non-FINRA member broker-dealers, the Form U5, Uniform Termination Notice for Securities Industries Registration, shall be filed directly 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).

Revised section.

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

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

Amended by R.2003 d.154, effective April 7, 2003.

See: 34 N.J.R. 3691(a), 35 N.J.R. 1563(b).

In (a), substituted "23" for "22" following "Item", substituted "identified" for "named" following "20 days of the occurrence", deleted references to termination and added "of employment" in the second sentence; rewrote (b).

Amended by R.2008 d.301, effective October 6, 2008.

See: 40 N.J.R. 2061(a), 40 N.J.R. 5820(a).

In (a), substituted "U4," for the first occurrence of "U-4" and "U4" for the second occurrence of "U-4", deleted "based on fraud" following "judgments", substituted "14" for "23, "30" for "20" and "non-FINRA" for "non-NASD" and deleted "of Securities" following "Bureau"; and in (b), substituted "U5," for "U-5" twice, substituted "non-FINRA" for "non-NASD" and deleted "of Securities" following "Bureau".

Amended by R.2015 d.130, effective August 17, 2015.

See: 47 N.J.R. 692(a), 47 N.J.R. 2155(a).

Rewrote (a).

#### Case Notes

The registration of a broker-dealer agent was summarily revoked on findings that he had failed to disclose the existence of certain unsatisfied judgments and/or liens against him as required by N.J.A.C. 13:47A-3.1 and N.J.A.C. 13:47A-3.2 and that his conduct in borrowing money from customers of broker-dealer firms with which he was associated, conduct which violated FINRA rules, constituted dishonest and unethical practices as defined by N.J.A.C. 13:47A-6.3(a) and provided grounds for revocation. In re Saviano, CRD # 1081879, 2013 N.J. Sec. LEXIS 18, Final Decision (July 10, 2013).

Conduct on the part of an agent of a securities firm in borrowing money from customers and in failing to disclose the existence of liens in favor of a state taxing authority and the IRS constituted dishonest or unethical business practices within the meaning of governing regulations and afforded sufficient grounds for the revocation of the agent's license. In re Deans, CRD # 2200059, 2013 N.J. Sec. LEXIS 24, Order Revoking Registration (June 18, 2013).

N.J.S.A. 49:3-59 and N.J.A.C. 13:47A-3.2 require strict enforcement of the requirements for timely reporting of adverse information on the Form U-4 by persons registered to conduct securities activities. Such enforcement must not hinge upon whether there was intent to deceive any one jurisdiction and should be considered a serious matter whenever and wherever it occurs, so that the investing public may be protected by the registration and reporting system as the law intends. In re Palmieri, OAL Dkt. No. BOS 4987-06, 2007 N.J. AGEN LEXIS 335, Final Decision (February 16, 2007).

### 13:47A-3.3 Issuer-agent registration

(a) Any issuer that is effecting or attempting to effect purchases or sales of securities other than through a registered broker-dealer shall register someone as an "agent," unless exempted or excluded from agent registration pursuant to (b) below. 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); N.J.S.A. 49:3-60.1(b) (certain Federally covered securities); all of the transactional exemptions under N.J.S.A. 49:3-50(b); effecting transactions with existing employees, partners, or directors of the issuer, if no commission or other remuneration is paid or given directly or indirectly for soliciting any person in this State; or for an individual representing a broker-dealer in effecting transactions in this State limited to those transactions described in paragraph (2) of subsection (h) of section 15 of the "Securities Exchange Act of 1934," 15 U.S.C. § 78o(h)2; and such other persons not otherwise within the intent of this subsection (b), as the Bureau Chief may by rule or order designate.

(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).  
Amended by R.2003 d.154, effective April 7, 2003.  
See: 34 N.J.R. 3691(a), 35 N.J.R. 1563(b).

In (a), substituted "pursuant to (b) below" for "is available under the Act" in the first sentence; rewrote (b).  
Amended by R.2015 d.130, effective August 17, 2015.  
See: 47 N.J.R. 692(a), 47 N.J.R. 2155(a).

In (a), substituted "Any issuer that is" for "All issuers which are"; and in (b), substituted "state" for the first occurrence of "State" and "Bureau Chief" for "bureau chief", and inserted "N.J.S.A. 49:3-60.1(b) (certain Federally covered securities);".

### 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 3A. INVESTMENT ADVISER REPRESENTATIVES

### 13:47A-3A.1 Registration of investment adviser representatives

(a) Subject to the provisions of Section 203A of the Investment Advisers Act of 1940 (15 U.S.C. § 80b-3a), any person, who has a place of business located in this State, who desires to act in the State of New Jersey as an investment adviser representative of an investment adviser registered in New Jersey with the Bureau or registered with the Securities and Exchange Commission, and any person doing business in this State who desires to act in the State of New Jersey as an investment adviser representative of an investment adviser registered in New Jersey with the Bureau, shall file an application with an original signature, with the Bureau on the Uniform Application for Securities Industry Registration or Transfer, Form U4, as set forth in N.J.A.C. 13:47A-11.3, and a consent to service of process executed by the applicant. A fully executed Domestic Investment Adviser Execution Page of the Form ADV, Uniform Application for Investment Adviser Registration, will satisfy the consent to service of process requirement. The Form U4 may be filed with the Bureau by filing the Form U4 electronically with the CRD and designating in the Form U4 that the applicant intends to apply for registration in New Jersey. For a Form U4 filed electronically with the Bureau via the CRD such Form U4 shall have the requisite electronic signatures as required by the CRD. An application shall be accompanied by:

1. The applicant's fingerprints and written consent for a criminal history record background check to be performed pursuant to N.J.S.A. 49:3-56(p). (Applicants currently registered as an agent of a broker-dealer through the CRD need not supply fingerprints directly to the Bureau if they have been supplied to FINRA as part of the applicant's agent filing with the CRD.); and

2. A fee of \$50.00 shall be assessed for each initial application. The fee may be paid to the Bureau electronically through the CRD, or it may be paid by check or money order made payable to the State of New Jersey, Bureau of Securities if the application was filed directly with the Bureau. In accordance with N.J.S.A. 49:3-58(a)(2)(i), an application is incomplete unless and until