



ROBIN CARNAHAN  
SECRETARY OF STATE  
STATE OF MISSOURI

JAMES C. KIRKPATRICK  
STATE INFORMATION CENTER  
(573) 751-4936

MATTHEW D. KITZI  
COMMISSIONER OF SECURITIES  
(573) 751-4136

### Checklist for Missouri Broker-Dealer Applicants

The following questions may help you in your completion of the broker-dealer registration packet. Go through this checklist before you submit your application to this office. Be sure to also read the filing procedures included with the packet you have received:

- \_\_\_\_\_ Have you submitted the \$200 filing fee to NASD (if the firm is member of NASD) or included a check for \$200 with the application submitted to this office (if the firm is **not** a member of NASD)?
- \_\_\_\_\_ If the firm is a member of the NASD, did you include the firm's CRD number in the cover letter?
- \_\_\_\_\_ Did you electronically submit a complete Form BD, including all Schedules, to the CRD System?
- \_\_\_\_\_ Did you mark the "MO" affiliation box on Form BD?
- \_\_\_\_\_ If the firm engages the services of a clearing firm, is that firm registered as a broker-dealer in Missouri? Did you include the clearing firm's name **and** CRD number on Schedule D, Page 1, Section IV, of Form BD?
- \_\_\_\_\_ Did you include in your submission the "Broker-Dealer Affidavit" form that was included in the packet?
- \_\_\_\_\_ Did you include in your submission the appropriate financial statements?
- \_\_\_\_\_ Have you registered with the Missouri Corporations Division, if applicable?
- \_\_\_\_\_ Is the firm requesting investment adviser capacity? If yes, be sure to (1) request investment adviser capacity in your cover letter, (2) submit an electronic Form ADV Part I & II to the IARD System, additionally, include a list of all reps that will be providing investment advisory services in Missouri by filing Form U4's with the CRD system.

Note: Broker-dealers must maintain the registration of at least one agent at all times or be subject to the cancellation of their Missouri registration. NASD-member firms should submit the fee and Form U-4 for an agent to the CRD System. (Please see the *Agent Filing Procedures* document in this packet of information) Broker-dealers that are not NASD members should submit the fee and Form U-4(s) directly to this office.

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## INITIAL BROKER-DEALER REGISTRATION

### NASD Member Firms

To apply for broker-dealer registration in the State of Missouri, submit --

#### To the CRD System:

1. The \$200 filing fee for the firm.
2. A Form BD.
  - a. The "MO" jurisdiction box in Question 2 should be marked.
  - b. If Applicant provides an affirmative response to Question 8 indicating that it has an arrangement with a clearing firm, full details of that arrangement should be provided on Schedule D, Page 1, Section IV. Applicant should include the full name and CRD number for the clearing firm whose services it will use. The clearing firm must be registered in Missouri.
3. \$50 filing fee for at least one agent to be registered in Missouri.
4. Form U-4 for the Missouri agent. The "MO" jurisdiction box should be marked.

#### To the Missouri Securities Division:

5. Missouri Broker-Dealer Affidavit - Applicant must mark a response to each numbered item. The affidavit should be originally signed by a principal of the firm and be notarized. You may contact our office for the form or download the form from our website <http://www.sos.mo.gov/securities/registration.asp>
  6. Applicant may be required to register with the Missouri Corporations Division prior to conducting business in Missouri. We suggest that Applicant contact their attorney in order to make this determination.
- Firms that are required to register with the Missouri Corporations Division may contact that Division for the registration forms. The telephone number for the Missouri Corporations

Division is 573-751-4153. Some forms are available on the Missouri Secretary of State's web site at <http://www.sos.mo.gov/>.

7. Financial Statements.

- a. If Applicant has been in business more than one year, it must submit **either** a copy of its most recent audited financial statement or its most recent Form X-17A-5 FOCUS Report. The audited financial statement must include a balance sheet, a profit and loss statement, a statement of change in financial condition, and a net capital computation.
- b. If Applicant has been in business less than one year, it may submit (1) a verified balance sheet, signed by an officer of Applicant **and** (2) a net capital computation. Both financial statements must have been completed and dated no more than thirty days prior to submission.

**Note: Broker-dealers registered with the Securities and Exchange Commission (SEC) shall maintain net capital requirements in accordance with Rule 15c3-1 under the SEC Act of 1934.**

8. Registration of at least one agent. Missouri regulations require that broker-dealers maintain the registration of at least one agent or be subject to cancellation. See MO 15 CSR 30-51.010(2). To register an agent, submit the following to the CRD System:
- a. Complete Form U-4 and
  - b. Check in the amount of \$50 made payable to NASD.

- The agent must have passed (1) either the Series 63 or Revised Series 66 examination **and** (2) the appropriate NASD examination (usually the Series 7) except the Series 11 examination.
- Questions regarding examinations and the location of testing sites should be directed to NASD at (301) 590-6693 or [www.nasdr.com](http://www.nasdr.com).

**\*\*Investment Adviser Capacity For NASD-Member Firms\*\***

If Applicant will also conduct investment advisory services in Missouri, "investment adviser capacity" may be requested. This may be requested by applying through the Investment Adviser Registration Depository (IARD). Also, submit the following to the Missouri Securities Division:

1. **State-covered advisers** should submit a Form U-4 to the CRD System for each individual acting as an investment adviser representative in Missouri. Please make sure the Missouri "RA" jurisdiction box is checked on the Form U-4.
2. **Federal-covered advisers** should submit a Form U-4 to the CRD System for each individual that has a place of business in Missouri and is acting as an investment adviser representative. Please make sure the Missouri "RA" jurisdiction box is checked on the Form U-4.

3. An additional fee for investment adviser capacity is not required, nor is an additional fee for investment adviser representatives if those fees have been paid with respect to the firm's broker-dealer and agent registrations.

Note: In most cases, an investment adviser representative applicant with a broker-dealer/investment advisory firm will also be registered as a securities agent with the firm. If an investment adviser representative will not be registered as a Missouri agent with the broker-dealer and will only be acting in the capacity of investment adviser representative, a request for registration as investment adviser representative, including all required documents and fees, should be submitted to the CRD System.

### Non-NASD Member Firms

To apply for broker-dealer registration in the State of Missouri, submit the items listed below directly to the Missouri Securities Division:

1. \$200 filing fee for the firm. Your check should be made payable to the **Missouri Secretary of State**.
2. The documents listed in Items 2-8 above (instructions for NASD Member Firms), but disregard any instructions that relate to the CRD System.

**Note: Broker-dealers registered with the Securities and Exchange Commission (SEC) shall maintain net capital requirements in accordance with Rule 15c3-1 under the SEC Act of 1934.**

3. Registration materials for at least one agent. Missouri regulations require that broker-dealers maintain the registration of at least one agent or be subject to cancellation. See MO 15 CSR 30-51.010(2). To register an agent, submit the following to this office:
    - a. A recently completed and originally signed Form U-4, and
    - b. A check in the amount of \$50 made payable to the **Missouri Secretary of State**. You may submit one check that includes filing fees for both the firm and any agent(s).
    - c. Proof that the agent has passed (1) either the Series 63 or Revised Series 66 examination **and** (2) the appropriate NASD examination except the Series 11 examination.
- Questions regarding examinations and the location of testing sites should be directed to NASD at (301) 590-6693 or [www.nasdr.com](http://www.nasdr.com).

\*\*Investment Adviser Capacity For Non-NASD Member Firms\*\*

If Applicant will also conduct investment advisory services in Missouri, “investment adviser capacity” may be requested. This may be requested by applying through the Investment Adviser Registration Depository (IARD). Also, submit the following to the Missouri Securities Division:

1. **State covered advisers** should submit a Form U-4 to the CRD System for each individual acting as an investment adviser representative in Missouri. Please make sure the Missouri “RA” jurisdiction box is checked on the Form U-4.
2. **Federal-covered advisers** should submit a Form U-4 to the CRD System for each individual that has a place of business in Missouri and is acting as an investment adviser representative. Please make sure the Missouri “RA” jurisdiction box is checked on the Form U-4.
3. An additional fee for investment adviser capacity is not required, nor is an additional fee for investment adviser representatives if those fees have been paid with respect to the firm’s broker-dealer and agent registrations.

Note: In most cases, an investment adviser representative applicant with a broker-dealer/investment advisory firm will also be registered as a securities agent with the firm. If an investment adviser representative will not be registered as a Missouri agent with the broker-dealer and will only be acting in the capacity of investment adviser representative, a request for registration as investment adviser representative, including all required documents and fees, should be submitted to this office.

**Additional Items of Interest**

- **Renewal:** Broker-dealer and agent registrations expire on December 31, of each year, unless renewed. See Section 409.4-406(d) RSMo. (Cum. Supp. 2006). It is the responsibility of the firm and/or agent(s) to renew applications each year.
- Missouri regulations require that broker-dealers maintain the registration of at least one agent or be subject to cancellation. See Section 15 CSR 30-51.010(2).
- Section 409.4-412(d)(1), RSMo. (Cum. Supp. 2006), provides that the Commissioner of Securities may, by order, deny, suspend or revoke any registration if he finds that the order is in the public interest and that the applicant or registrant has filed an application for registration, which as of its effective date was incomplete in any material respect or contained any statement which was, in light of the circumstances under which it was made, false or misleading with respect to any material fact.
- Section 409.4-412(c), RSMo. (Cum. Supp. 2006), provides that any person who willfully violates Section 409.4-412(d)(1), knowing the statement made to be false or misleading in any material respect, shall upon conviction be fined not more than five thousand dollars for a single violation.

- Section 15 CSR 30-51.160(1)(D) provides that any application, the filing of which is not considered complete within a period of one year following the original filing thereof, shall be presumed subject to the entry of an order of cancellation pursuant to Section 409.4-408(e), RSMo. (Cum. Supp. 2006).
- A broker-dealer is exempt from the registration requirements in the State of Missouri if it is any out-of-state firm with no place of business in Missouri and has fewer than three clients in the State of Missouri.
- Questions regarding examinations and the location of testing sites should be directed to NASD at (301) 590-6693. You can access NASD's testing information on the Internet at <http://www.nasdr.com>. Click on the "Qualifications and Education" button.
- Firms that maintain a place of business in the state of Missouri must have a physical address as that place of business. No P.O. Boxes, *UPS™* Boxes, *Mail Boxes Etc.™* Boxes, etc. are permitted for use as a place of business.
- Forms Submitted to the CRD System: Applicants for agent registration submitting a form U-4 on the CRD system are not approved to conduct securities business in the state of Missouri until that application receives an "APPROVED" status in the CRD system. It is the responsibility of the applicant to notify the Missouri Securities Division if the application receives a "DEFICIENT" status upon filing.

Questions relating to the registration of broker-dealers, agents, investment advisers, or investment adviser representatives should be directed to the Registration Unit of the Securities Division:

Missouri Secretary of State  
Securities Division  
Registration Unit  
600 West Main Street  
P.O. Box 1276  
Jefferson City, MO 65101  
(573) 751-2061

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## POST-EFFECTIVE REQUIREMENTS FOR BROKER-DEALERS, INVESTMENT ADVISERS, INVESTMENT ADVISER REPRESENTATIVES AND AGENTS

The following outline discusses the most frequently asked questions about Missouri's registration requirements.

### NET CAPITAL REQUIREMENTS

A broker-dealer registered or required to be registered under the Missouri Securities Act of 2003 shall maintain net capital requirements in accordance with rule 15c3-1 under the Securities Exchange Act of 1934. Section 15 CSR 30-51.050(1).

Broker-Dealer Notice of Net Capital Deficiency. Broker-dealers registered with the Securities and Exchange Commission and subject to rule 15c3-1 of the Securities Exchange Act of 1934 whose net capital at any time is less than the minimum required by any net capital rule to which a person is subject shall give notice and file such reports with the commissioner as are required to be given and filed with the Securities and Exchange Commission (SEC) under Regulation 17a-11 of the Securities Exchange Act of 1934. Section 15 CSR 30-51.060(1).

**A broker-dealer not in compliance with the aggregate indebtedness, net capital or cash reserve requirements shall cease soliciting new business and shall immediately notify the commissioner in writing (Section 15 CSR 30-51.050(3)).**

Missouri-based investment advisers required to register with the state, shall have and maintain a net worth of at least \$5,000. See Sections 409.4-411(a), RSMo. (Cum. Supp. 2006), and 15 CSR 30-51.070(1).

### AMENDMENTS

Every broker-dealer, investment adviser, investment adviser representative, and agent must file written notification of any material change in documents filed with the Commissioner within 30 days of such change. Amendments to electronically-filed forms should be submitted to either the IARD or CRD Systems. Section 15 CSR 30-51.160(3).

## TERMINATION

The following forms must be filed to terminate registration in Missouri:

1. Broker-Dealers: Form BDW
2. Investment Advisers and Federal Covered Advisers: Form ADV-W
3. Agents and Investment Adviser Representatives: Form U-5 (must be filed within thirty days of termination. Section 15 CSR 51.160(3)(B))

## EXPIRATION

1. Every registration of a broker-dealer, agent, investment adviser, or investment adviser representative expires on December 31, of each year, unless renewed or unless sooner revoked, canceled, or withdrawn. Section 15 CSR 30-51.160(2)(A).
2. Upon expiration of registration, any subsequent application for registration shall be considered and treated as an application for initial registration. Section 15 CSR 30-51.160(2)(B).
3. It is the duty of each broker-dealer, agent, investment adviser, and investment adviser representative to renew any registration if intending to conduct business in the state of Missouri the following year.

## CANCELLATION

If a registrant is no longer in existence or has ceased to do business as a broker-dealer, agent, investment adviser, or investment adviser representative, the Commissioner may by order cancel the registration. See Section 409.4-408(e), RSMo. (Cum. Supp. 2006).

## ADDITIONAL ITEMS OF INTEREST

- Grounds for revocation of registration may be found in Sections 409.4-412, RSMo. (Cum. Supp. 2006), and at 15 CSR 30-51.170.
- Section 409.4-412(d), RSMo. (Cum. Supp. 2006), provides that the Commissioner may by order deny, suspend or revoke any registration or bar or censure any registrant or any officer, director, partner or person occupying a similar status or performing similar functions for a registrant, from employment with a registered broker-dealer or investment adviser, or restrict or limit a registrant as to any function or activity of the business for which registration is required in this state, if he finds that the order is in the public interest and that the applicant or registrant has filed an application for registration, which, as of its effective date was incomplete in any material respect or contained any statement which was, in light of the circumstances under which it was made, false or misleading with respect to any material fact.

If you have questions regarding these requirements, you may contact the Registration Unit at:

Securities Division  
Attn: Registration Unit  
Secretary of State  
600 West Main Street  
P.O. Box 1276  
Jefferson City, MO 65102-1276  
(573) 751-2061

Note: This outline does not contain all of the post-effective requirements under the Missouri Securities Act and regulations. For further reference, you can view all of the Missouri securities laws and regulations at the Missouri Secretary of State's Website:

<http://www.sos.mo.gov/securities/codes.asp>



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## RENEWAL BROKER-DEALER FILING PROCEDURES

### NASD Member Firms

1. Review the instructions sent to you by the CRD/Public Disclosure Department. Also review your firm's Renewal Statement on WebCRD.
2. Ensure that your firm is being charged Missouri renewal fees for the firm as well as the firm's agents. The renewal fee for the firm is \$100. The renewal fee for each agent is \$50. Your total renewal fee for Missouri should be at least \$150 (see #4 below).
3. The Missouri fee should be included in the total fee you pay to NASD.
4. Every broker-dealer registered in Missouri must maintain the registration of at least one agent or be subject to the cancellation of the firm's Missouri registration. If your firm does not have at least one agent registered (if your Missouri renewal fee is only \$100), you should register one immediately. Submit the required paperwork and fees to the CRD System.
5. All renewal fees should be submitted to NASD.
6. **DO NOT** submit audited financial statements to the Missouri Division of Securities. If we need your audited financial statements, we will contact you directly.

Note: Any occurrence that could result in a material change to the information provided on Form BD or Form U-4 should be reported to this office by filing an amendment with the CRD System within thirty (30) days of such occurrence.

### Non-NASD Member Firms

Submit to the Missouri Securities Division between November 1 and December 1:

1. Originally-signed and notarized execution page of Form BD, along with any amendments that have not yet been filed with this office.
2. Balance sheet prepared within ninety (90) days of filing.
3. List of agents to be renewed. Include each agent's CRD Number.
4. Renewal fee that includes \$100 for the firm and \$50 for each agent to be renewed (see #5 below). Your check for at least \$150 should be made payable to the **Missouri Secretary of State**.
5. Every broker-dealer registered in Missouri must maintain the registration of at least one agent or be subject to the cancellation of the firm's Missouri registration. If the firm does not have an agent currently registered in Missouri, you should register one immediately. Submit the required paperwork to the Missouri Securities Division at the address listed below.

Note: Any occurrence that could result in a material change to the information provided on Form BD or Form U-4 should be reported to this office by filing an amendment with the Missouri Securities Division within thirty (30) days of such occurrence.

### **Additional Items of Interest**

- Section 409.4-412(d), RSMo. (Cum. Supp. 2006), provides that the Commissioner of Securities may, by order, deny, suspend or revoke any registration if he finds that the order is in the public interest and that the applicant or registrant has filed an application for registration, which as of its effective date was incomplete in any material respect or contained any statement which was, in light of the circumstances under which it was made, false or misleading with respect to any material fact.
- Section 409.4-412(c), RSMo. (Cum. Supp. 2006), provides that any person who willfully violates Section 409.404, knowing the statement made to be false or misleading in any material respect, shall upon conviction be fined not more than five thousand for a single violation.
- A broker-dealer is exempt from registering with the Missouri Division of Securities if it is any out-of-state firm with no place of business in Missouri and has fewer than three clients in the state of Missouri. See Section 409.4-401(b)(1)(G), RSMo. (Cum. Supp. 2006).

Questions relating to broker-dealer or agent renewal should be directed to the Registration Unit of the Securities Division:

Missouri Secretary of State  
Securities Division  
Registration Unit  
600 West Main Street  
P.O. Box 1276  
Jefferson City, MO 65101  
(573) 751-2061