IDAPA 12 – IDAHO DEPARTMENT OF FINANCE

Securities Bureau

12.01.08 – Rules Pursuant to the Uniform Securities Act (2004)

Who does this rule apply to?
This rule applies to those engaging in activities as a broker-dealer, investment adviser, agent or representative in Idaho.

What is the purpose of this rule?
The purpose of the rule is to implement statutory intent with regard to the offer and sale of securities and the giving of investment advice in Idaho.

What is the legal authority for the agency to promulgate this rule?
This rule implements the following statutes passed by the Idaho Legislature:

Corporations -
Uniform Securities Act (2004), Part 6: Administration and Judicial Review:

- Section 30-14-605, Idaho Code – Rules, Forms, Orders, Interpretive Opinions, and Hearings
- Section 30-14-608, Idaho Code – Uniformity and Cooperation with Other Agencies

Who do I contact for more information on this rule?

Idaho Department of Finance
800 Park Boulevard, Suite 200
Boise, Idaho 83712
Phone: (208) 332-8000
Fax: (208) 332-8096
Email: Finance.InternetMail@finance.idaho.gov
Web: http://www.finance.idaho.gov

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000. LEGAL AUTHORITY.
This chapter is promulgated pursuant to Section 30-14-605, Idaho Code. (3-20-20)T

001. TITLE AND SCOPE.

01. Title. The title of this chapter is the "Securities Rules of the Idaho Department of Finance"; and may be cited as IDAPA 12.01.08, "Rules Pursuant to the Uniform Securities Act (2004)." (3-20-20)T

02. Implementation. These rules implement statutory intent with respect to the offer and sale of securities and the giving of investment advice in the state of Idaho by licensed individuals and others. (3-20-20)T

002. -- 003. (RESERVED)

004. SECURITIES EXEMPTIONS, OPINIONS, AND NO-ACTION LETTERS.
Interpretative Opinions. The Administrator, in his discretion, may honor requests from interested persons for formal interpretive opinions and no-action positions, including consideration of waivers, relating to an actual specific factual circumstance where appropriate and in the public interest, on the basis of facts stated and submitted in writing, with respect to the provisions of the Act or any rule or statement of policy adopted thereunder, provided such requests satisfy and conform to the following requirements: (3-20-20)T

01. Written Requests. Such requests shall be in writing and shall include or be accompanied by all information and material required by any statute, rule or statement of policy under which an exception or exemption may be claimed, including but not limited to, copies of prospectuses or offering circulars if applicable or appropriate. (3-20-20)T

02. Narrative. The letter should contain a brief narrative of the fact situation and should set out all of the facts necessary to reach a conclusion in the matter; however, such narratives should be concise and to the point. (3-20-20)T

03. Hypotheticals Not Considered. The names of the company or companies, organization or organizations and all other persons involved should be stated and should relate and be limited to a particular factual circumstance. Letters relating to hypothetical situations will not warrant a formal response. (3-20-20)T

04. Fee. Each request for a no-action position or interpretive opinion letter shall be accompanied by payment of a fee in the amount of fifty dollars ($50). (3-20-20)T

005. INCORPORATION BY REFERENCE.

01. Incorporated Documents. IDAPA 12.01.08, "Rules Pursuant to the Uniform Securities Act (2004)," adopts and incorporates by reference the full text of the following Statements of Policy and guidelines adopted by the North American Securities Administrators Association (NASAA): (3-20-20)T

a. "Loans and Other Material Affiliated Transactions," as adopted with amendments through March 31, 2008; (3-20-20)T

b. "Options and Warrants," as adopted with amendments through March 31, 2008; (3-20-20)T

c. "Corporate Securities Definitions," as adopted with amendments through March 31, 2008; (3-20-20)T

d. "Impoundment of Proceeds," as adopted with amendments through March 31, 2008; (3-20-20)T

e. "Preferred Stock," as adopted with amendments through March 31, 2008; (3-20-20)T

f. "Promotional Shares," as adopted with amendments through March 31, 2008; (3-20-20)T

g. "Promoters' Equity Investment," as adopted with amendments through March 31, 2008; (3-20-20)T

h. "Specificity in Use of Proceeds," as adopted with amendments through March 31, 2008; (3-20-20)T

i. "Underwriting Expenses, Underwriter's Warrants, Selling Expenses, and Selling Securities Holders," as adopted with amendments through March 31, 2008; (3-20-20)T

j. "Unsound Financial Condition," as adopted with amendments through March 31, 2008; (3-20-20)T

k. "Unequal Voting Rights," as adopted March 31, 2008; (3-20-20)T

l. "Debt Securities," as adopted April 25, 1993; (3-20-20)T

m. "NASAA Guidelines Regarding Viatical Investments," as adopted October 1, 2002; (3-20-20)T

n. "NASAA Statement of Policy Regarding Small Company Offering Registrations (SCOR)," as adopted April 28, 1996. (3-20-20)T

02. Availability of Referenced Documents. Copies of the "NASAA Statements of Policy" are available at the following locations: (3-20-20)T

a. NASAA, 750 First Street, N.E., Suite 1140, Washington, D.C. 20002. (3-20-20)T

b. Department of Finance, 800 Park Blvd., Suite 200, Boise, ID 83712. (3-20-20)T

c. NASAA Web site at http://www.nasaa.org/regulatory-activity/statements-of-policy/. (3-20-20)T

006. -- 009. (RESERVED)

010. DEFINITIONS.

01. Act. The Uniform Securities Act (2004) set forth in Chapter 14, Title 30, Idaho Code. (3-20-20)T

02. Administrator. The Director of the Department of Finance. (3-20-20)T

03. Agent of Issuer. The term "agent of issuer" is used interchangeably with the term "issuer agent" through these rules. (3-20-20)T

04. CRD. Central Registration Depository. (3-20-20)T

05. Department. The Idaho Department of Finance. (3-20-20)T

06. EFD. Electronic Filing Depository. (3-20-20)T

07. FINRA. Financial Industry Regulatory Authority. (3-20-20)T

08. Form ADV. The Uniform Application for Investment Adviser Registration. (3-20-20)T

09. Form ADV-H. The Uniform Application for a Temporary or Continuing Hardship Exemption. (3-20-20)T

10. Form ADV-W. The Uniform Request for Withdrawal of Investment Adviser Registration. (3-20-20)T

11. Form BD. The Uniform Application for Broker-Dealer Registration. (3-20-20)T

12. Form BDW. The Uniform Request for Withdrawal from Registration as a Broker-Dealer. (3-20-20)T

13. Form BR. The Uniform Application for Broker-Dealer Branch Registration. (3-20-20)T

14. **Form D**. The federal form entitled "Notice of Sale of Securities Pursuant to Regulation D, Section 4(6) and or Uniform Limited Offering Exemption." (3-20-20)T

15. **Form NF**. The Uniform Notice Filing Form. (3-20-20)T

16. **Form 1-A**. A federal securities registration form of that number. (3-20-20)T

17. **Form S-18**. A federal securities registration form of that number. (3-20-20)T

18. **Form U-1**. The Uniform Application to Register Securities. (3-20-20)T

19. **Form U-2**. The Uniform Consent to Service of Process. (3-20-20)T

20. **Form U-4**. The Uniform Application for Securities Industry Registration or Transfer. (3-20-20)T

21. **Form U-5**. The Uniform Request for Withdrawal of Securities Industry Registration or Transfer. (3-20-20)T

22. **Form U-7**. The Uniform Small Company Offering Registration Form. (3-20-20)T

23. **IARD**. Investment Adviser Registration Depository. (3-20-20)T

24. **NASAA**. The North American Securities Administrators Association, Inc. (3-20-20)T

25. **NASD**. The National Association of Securities Dealers, Inc. (3-20-20)T

26. **NASDAQ**. The National Association of Securities Dealers Automated Quotations. (3-20-20)T

27. **SEC**. The U.S. Securities and Exchange Commission. (3-20-20)T

28. **Transact Business**. For purposes of the Act, to "transact business" means to buy or to sell or contract to buy or to sell or dispose of a security or interest in a security for value. It also means any offer to buy or offer to sell or dispose of, and every solicitation of clients or of any offer to buy or to sell, a security or interest in a security for value. With respect to investment advisers and investment adviser representatives, "transact business" includes preparation of financial plans involving securities, recommendations to buy or sell securities or interests in a security for value, and solicitation of investment advisory clients. (3-20-20)T

29. **USA**. The Uniform Securities Act (2004). (3-20-20)T

30. **Unsolicited Order or Offer**. (3-20-20)T

a. As used in these rules, an order or offer to buy is considered "unsolicited" if: (3-20-20)T

i. The broker-dealer has not made a direct or indirect solicitation or recommendation that the customer purchase the security; and (3-20-20)T

ii. The broker-dealer has not recommended the purchase of the security to the customer, either directly or in a manner that would bring its recommendation to the customer; and (3-20-20)T

iii. The broker-dealer has not volunteered information on the issuer to the customer; and (3-20-20)T

iv. The customer has previously, and independent of any information furnished by the broker-dealer, decided to buy the security. (3-20-20)T

b. Any offer or order to buy from a customer whose first knowledge of the specific security or issuer was volunteered to him by the broker-dealer is regarded as a solicited order. (3-20-20)T

c. Any claim of exemption pursuant to Section 30-14-202(6), Idaho Code, shall be supported by the broker-dealer's certificate that the transaction in question was, in fact, unsolicited. (3-20-20)T

011. -- 019. (RESERVED)

020. APPLICATION FOR REGISTRATION OF SECURITIES.

01. Registration by Coordination. A registration statement to register securities by coordination shall contain the following: (3-20-20)T

a. The Form U-1 and accompanying documents (including subscription agreement); (3-20-20)T

b. A consent to service of process (Form U-2) in compliance with Section 30-14-611, Idaho Code; (3-20-20)T

c. A copy of the prospectus, including financial statements where: (3-20-20)T

i. The prospectus for a securities registration by coordination under Section 30-14-303, Idaho Code, shall be prepared using the forms required under the Securities Act of 1933, and (3-20-20)T

ii. All historical financial statements in the registration statement shall be in conformity with generally accepted accounting principles (GAAP) and financial statements filed with a registration statement by coordination that complies with the requirements of the United States Securities and Exchange Commission. (3-20-20)T

d. All exhibits filed with the United States Securities and Exchange Commission in connection with the registration statement; (3-20-20)T

e. The filing fee specified in Section 30-14-305(b), Idaho Code; and (3-20-20)T

f. Any additional information or documents requested by the Department. (3-20-20)T

02. Registration by Qualification. A registration statement to register securities by qualification shall contain the following in addition to the requirements of Section 30-14-304, Idaho Code: (3-20-20)T

a. Financial Statements. Except for SCOR applications, registration statements filed pursuant to Section 30-14-304, Idaho Code, shall contain audited financial statements of the issuer for its last two (2) fiscal years. An issuer with less than one (1) year of operations may file reviewed financial statements until the end of its first fiscal year. Registration statements filed with SCOR applications on the Form U-7 shall contain the financial statements specified in the instructions to the Form U-7. (3-20-20)T

b. Unaudited Interim Financial Statements. If the audited financial statements or unaudited financial statements required in Subsection 020.02.a. of this rule are not current to within four (4) months of the date of filing of the registration statement, additional unaudited financial statements as of the issuer's last fiscal quarter or any later date designated by the Administrator shall be included. (3-20-20)T

c. Small Company Offering Registration (SCOR). A SCOR registration statement shall contain the following: (3-20-20)T

i. The Form U-1 and accompanying documents (including subscription agreement); (3-20-20)T

ii. An executed Form D; (3-20-20)T

iii. A consent to service of process (Form U-2) in compliance with Section 30-14-611, Idaho Code; (3-20-20)T

iv. For SCOR offerings, the prospectus to be used shall be the Form U-7, as adopted and revised by

NASAA in September 1999; (3-20-20)T

v. The filing fee specified in Section 30-14-305(b), Idaho Code; and (3-20-20)T

vi. Any additional information or documents requested by the Department. (3-20-20)T

d. Registration statements by qualification shall contain the following: (3-20-20)T

i. The Form U-1 and accompanying documents (including subscription agreement); (3-20-20)T

ii. A consent to service of process (Form U-2) in compliance with Section 30-14-611, Idaho Code; (3-20-20)T

iii. Financial statements prepared in accordance with Subsection 020.02.a. of this rule; (3-20-20)T

iv. A copy of the prospectus containing the information or records specified in Sections 30-14-304(b)(1) through 304(b)(18), Idaho Code; (3-20-20)T

v. The prospectus shall be prepared using one of the following forms: Part II of Form 1-A of Regulation A of the Securities Act of 1933; Parts I and II of Form SB-2 of the Securities Act of 1933; Form U-7; or any other applicable form used to prepare a prospectus under the Securities Act of 1933, if approved by the department. (3-20-20)T

03. Other Forms. Any other applicable form used to prepare a prospectus under the Securities Act of 1933, if approved by the Department, containing: (3-20-20)T

a. The filing fee specified in Section 30-14-305(b), Idaho Code; and (3-20-20)T

b. Any additional information or documents requested by the Department. (3-20-20)T

021. AMENDMENTS TO REGISTRATION STATEMENT.

01. Amendments Required. A correcting amendment to an effective registration statement shall be prepared and submitted to the Department any time that the information contained therein becomes inaccurate or incomplete in any material respect. The responsibility for identifying and reporting a material change lies with the registrant. (3-20-20)T

02. Contents of Amendment Filing. Each filing of a correcting amendment to a registration statement shall contain a copy of each item of the registration statement which has been changed, with all changes clearly marked. To be complete, a filing of a correcting amendment to the registration statement shall contain a report of material changes setting forth a summary of each material change and indicating the location of such change in the documents filed. Neither the Administrator nor any member of his staff shall be held to have taken notice of any item of material change not summarized in such a report. (3-20-20)T

03. Time of Filing and Undertaking. Every registration statement shall contain an undertaking by the applicant to file correcting amendments to the registration statement whenever the information in the registration statement becomes inaccurate or incomplete in any material respect by the earlier of: (3-20-20)T

a. Two (2) business days after filing such amendment with the SEC; or (3-20-20)T

b. Fifteen (15) business days following the event giving rise to the amendment. (3-20-20)T

c. If not registered with the SEC, registrants shall file an amended registration statement if required within fifteen (15) business days following the event giving rise to the amendment. (3-20-20)T

04. Effect of Failure to Amend. Solicitation of prospective investors through utilization of a prospectus containing information which is inaccurate or incomplete in any material respect is a violation of Section

30-14-501, Idaho Code, and constitutes a basis for the suspension or revocation of the registration under Section 30-14-306(a)(1), Idaho Code. Nothing in Section 021, of these rules, shall be construed to require any open-end investment company registered under the 1940 Act and the Act to disclose fluctuations in its investment portfolio. (3-20-20)T

022. FINANCIAL STATEMENTS.

01. Application of Regulation S-X. As to definitions, qualifications of accountants, content of accountant's certificates, requirements for consolidated or combined statements, and actual form and content of financial statements, the Administrator shall apply Regulation S-X of the SEC (17 CFR Part 210) in its most currently amended form as of the date of the filing of the application to all financial statements filed with the Department in connection with the registration of securities. (3-20-20)T

02. Financial Statements Incorporated by Reference. Where financial statements in a prospectus are incorporated by reference from another document, the Administrator may require that such other document be filed with the Department and be delivered to investors with the prospectus. (3-20-20)T

03. Application of Antifraud Provisions. Any financial statement distributed in connection with the offer or sale of securities under the Act shall be subject to the provisions of Section 30-14-501, Idaho Code. Any financial statement filed with the Department shall be subject to the provisions of Section 30-14-505, Idaho Code. (3-20-20)T

023. -- 035. (RESERVED)

036. NASAA STATEMENTS OF POLICY -- REGISTERED OFFERINGS.
The Department will apply the applicable statement(s) of policy adopted by NASAA and incorporated herein by reference pursuant to Section 005, of these rules, to an offering seeking registration in Idaho when conducting a review to determine whether an offering is fair, just and equitable. Such an offering must comply with the requirements of such policy or policies, unless waived by the Administrator. (3-20-20)T

037. REGISTRATION OF DEBT SECURITIES.
In addition to the requirements contained in the NASAA Statement of Policy Regarding Debt Securities, as adopted on April 25, 1993, the issuer of debt securities will incorporate the following standards: (3-20-20)T

01. Suitability. In establishing standards of fairness and equity, the Department has established the following investor suitability guidelines for debt offerings registered under the Act: (3-20-20)T

a. No more than ten percent (10%) of any one (1) Idaho investor's net worth (exclusive of home, home furnishings, and automobiles) shall be invested in the securities being registered with the Department; and either (3-20-20)T

b. A gross income of forty-five thousand dollars ($45,000) and a net worth of forty-five thousand dollars ($45,000) (exclusive of home, home furnishings and automobiles); or (3-20-20)T

c. A net worth of one hundred fifty thousand dollars ($150,000) (exclusive of home, home furnishings and automobiles). (3-20-20)T

02. Department May Establish Standards. The suitability standard in Subsection 037.01 of this rule is a guideline. Higher or lower suitability standards may be established or may be required by the Department as a condition of registration. (3-20-20)T

03. Standards To Be Disclosed. The suitability standards must be disclosed in the prospectus. (3-20-20)T

038. WITHDRAWAL/ABANDONMENT OF A REGISTRATION STATEMENT.

01. Withdrawal. The withdrawal of an application (prior to effectiveness) may be permitted by the

Administrator upon the written request of the applicant. (3-20-20)T

02. Abandonment. The abandonment of an application, where there has been no activity on the application by the applicant for a period of six (6) months or more, may be considered to signify a request for withdrawal. (3-20-20)T

03. Time Limit. An application for registration of securities pursuant to Section 30-14-303 or 30-14-304, Idaho Code, shall be deemed abandoned if such registration is not effective in the state of Idaho within one (1) year from the date of receipt by the Department of the initial filing of the application for registration. (3-20-20)T

04. Abandoned Applications Not Reinstated. Once deemed abandoned, the original application shall not be reinstated. A new application including the registration statement, appropriate exhibits and filing fees is required. (3-20-20)T

039. REPORT OF COMPLETION OF OFFERING.

01. Completion Statement. Within thirty (30) days of the completion of a registered offering in Idaho, the registrant shall provide a written statement to the Department that states the following: (3-20-20)T

a. The date the offering was completed in Idaho; and (3-20-20)T

b. The number and amount of registered securities sold in Idaho, for SCOR offerings and offerings registered by qualification. (3-20-20)T

02. Signatures. The written statement must be signed by an officer, director or agent of the issuer or by an authorized signatory of the registrant. (3-20-20)T

040. ANNUAL REPORT FOR THE RENEWAL OF A REGISTRATION STATEMENT.
To renew a registration statement for an additional year, the registrant shall file the following with the Department before the anniversary of the effective date of the registration statement in Idaho: (3-20-20)T

01. Cover Letter. A cover letter requesting renewal; (3-20-20)T

02. Consent to Service. A consent to service of process (Form U-2) in accordance with Section 30-14-611, Idaho Code; and (3-20-20)T

03. Filing Fee. A filing fee of three hundred dollars ($300) for all registered offerings. (3-20-20)T

041. SUBSCRIPTION AGREEMENT.
The subscription agreement shall contain, among other things, an acknowledgment by the subscriber that he has received a copy of the prospectus. Each completed subscription agreement shall be kept in the office of the issuer or broker-dealer for a period of five (5) years and be subject to inspection by the Department. (3-20-20)T

042. DELIVERY OF PROSPECTUS.
As a condition of registration, an applicant shall comply with the following: (3-20-20)T

01. Registration by Qualification. A person offering or selling a security under a registration by qualification, other than through a broker-dealer, shall deliver a copy of the final prospectus to each prospective purchaser before or at the time of the confirmation of a sale made by or for the account of the person. (3-20-20)T

02. Registration by Coordination. A person offering or selling a security under a registration by coordination shall deliver a copy of the prospectus as required by the Securities Act of 1933. (3-20-20)T

043. REGISTRATIONS -- NOTICE OF INTENDED IDAHO BROKER -- DEALER OR AGENT.
At the time of filing of an application for registration of any security required to be registered in Idaho, written notice shall be provided to the Department of the name of at least one (1) broker-dealer or agent, registered as such in this state, that is intended or qualified to offer or sell such security in Idaho. The Administrator may deny or revoke

effectiveness of any registration pending receipt of the notice or may hold the application without further review until the notice has been received. (3-20-20)T

044. RECORDS TO BE PRESERVED BY ISSUERS.

01. Required Records. All issuers who effect sales of registered securities, other than through a broker-dealer, shall preserve the following records for at least three (3) years following the expiration of the registration: (3-20-20)T

a. Copies of all documents contained in the registration statement; (3-20-20)T

b. Copies of all advertisements, including a record of the dates, names and addresses of media carrying those advertisements; (3-20-20)T

c. Copies of all communications received and sent by the issuer pertaining to the offer, sale and transfer of the securities, including purchase agreements and confirmations; and (3-20-20)T

d. A list of the name, address and telephone number of each investor to whom the securities were sold, and for each such person, information regarding: (3-20-20)T

i. The type of securities sold; (3-20-20)T

ii. The number and amount of securities sold; (3-20-20)T

iii. The type of consideration paid; and (3-20-20)T

iv. The name of the agent that sold the securities. (3-20-20)T

02. Retention Period. An issuer will need to retain the records set forth in Subsection 044.01 of this rule for each investor at least three (3) years after the investor's investment has terminated, even if more than three (3) years has lapsed since the expiration of the registration. (3-20-20)T

03. Form. Records may be stored in paper form or electronically. (3-20-20)T

045. EXAMINATION OF APPLICATION.
The Department shall conduct a special examination of each application for registration under Sections 30-14-303 and 30-14-304, Idaho Code, to determine the adequacy of disclosure and to fulfill the Department's obligations under Section 30-14-306, Idaho Code. This examination shall be based upon material contained in the registration statement and any other documentation which the applicant may be required to submit. Each application for registration shall be accompanied by the filing fee set forth in Section 30-14-305(b), Idaho Code. The examination report shall consist of the Department's written comments regarding the filing. (3-20-20)T

046. ON-SITE EXAMINATION OF ISSUERS.
The business and records of issuers offering and/or selling securities in, or out of, Idaho may be subject to periodic on-site examinations by the Administrator, or his designee, at such times as the Administrator determines necessary for the protection of the public. (3-20-20)T

047. ADVERTISING.

01. Definitions. The following words and terms, when used in Section 047, of these rules, have the following meaning, unless the context clearly indicates otherwise: (3-20-20)T

a. "Sales literature" means material published, or designed for use, in a newspaper, magazine or other periodicals, radio, television, telephone solicitation or tape recording, videotaped display, signs, billboards, motion pictures, telephone directories (other than routine listings), other public media and any other written communication distributed or made generally available to customers or the public including, but not limited to, prospectuses, pamphlets, circulars, form letters, seminar texts, research reports, surveys, performance reports or summaries and

reprints or excerpts of other sales literature or advertising to include publications in electronic format. (3-20-20)T

b. "Sales literature package" means all submissions of sales literature to the Department under one (1) posting or delivery relating to a specific issue of securities. (3-20-20)T

02. Filing Requirement. Pursuant to Section 30-14-504, Idaho Code, this rule requires the filing of all sales literature for review and response by the Administrator before use or distribution in Idaho. A complete filing shall consist of the sales literature package and a representation by the applicant, issuer or broker-dealer, that reads substantially as follows: "I ------ hereby attest and affirm that the enclosed sales literature or advertising package contains no false or misleading statements or misrepresentations of material facts, and that all information set forth therein is in conformity with the Company's most recently amended registration statement as filed with the Department on or about -------." (3-20-20)T

03. Exemption From Filing. The following types of sales literature are excluded from the filing requirements set forth herein: (3-20-20)T

a. Sales literature which does nothing more than identify a broker-dealer or investment adviser, and/or offer a specific security at a stated price; (3-20-20)T

b. Internal communications that are not distributed to the public; (3-20-20)T

c. Prospectuses, preliminary prospectuses, prospectus supplements and offering circulars which have been filed with the Department as part of a registration statement, including a final printed copy if clearly identified as such; (3-20-20)T

d. Sales literature solely related to changes in a name, personnel, location, ownership, offices, business structure, officers or partners, telephone or teletype numbers; (3-20-20)T

e. Sales literature filed with and approved by FINRA, the SEC, or other regulatory agency with substantially similar requirements; (3-20-20)T

f. Sales literature relating to certain federal covered securities as set forth in Section 30-14-504(b), Idaho Code. (3-20-20)T

04. Piecemeal Filings. The Department will not approve any sales literature package until a complete filing is received. Piecemeal filings will not be accepted and will result in the disapproval of any materials submitted therewith. (3-20-20)T

05. Application of Antifraud Provisions. Sales literature used in any manner in connection with the offer or sale of securities is subject to the provisions of Section 30-14-501, Idaho Code, whether or not such sales literature is required to be filed pursuant to Section 30-14-504, Idaho Code, or Section 047 of these rules. Further, sales literature filed with the Department is subject to the provisions of Sections 30-14-501 and 30-14-505, Idaho Code. Sales literature should be prepared accordingly and should not contain any ambiguity, exaggeration or other misstatement or omission of material fact, which might confuse or mislead an investor. (3-20-20)T

06. Prohibited Disclosures. Unless stating that the Administrator or Department has not approved the merits of the securities offering or the sales literature, no sales literature shall contain a reference to the Administrator or Department unless such reference is specifically requested by the Administrator. (3-20-20)T

048. DEPARTMENT ACCESS.

Each issuer examined shall provide the personnel of the Department access to business books, documents, and other records. Each issuer shall provide personnel with office space and facilities to conduct an on-site examination, and assistance in the physical inspection of assets and confirmation of liabilities. Failure of any issuer to comply with any provision here of shall constitute a violation of Section 048, of these rules, and shall be a basis for denial, suspension or revocation of the registration or application for registration or other administrative or civil action by the Department. (3-20-20)T

049. -- 051. (RESERVED)

052. ISSUER AGENT REGISTRATION.
Any individual not exempted pursuant to Sections 30-14-402(b)(3), (4) or (5), Idaho Code, must be registered as an issuer agent or comply with the registration requirement of Section 30-14-402(a), Idaho Code, if the individual is compensated in connection with the agent's participation by the payment of commissions or other remuneration based, directly or indirectly, on transactions in those securities. (3-20-20)T

053. FEDERAL COVERED SECURITIES (RULE 53).

01. Investment Company Notices. (3-20-20)T

a. Notice Requirement. Pursuant to Section 30-14-302, Idaho Code, prior to the offer in this state of a series or portfolio of securities of an investment company that is registered, or that has filed a registration statement, under the Investment Company Act of 1940, that is not otherwise exempt under Sections 30-14-201 through 30-14-203, Idaho Code, the issuer must file a notice with the Administrator relating to such series or portfolio of securities. (3-20-20)T

b. Content of Notice. Each required notice shall include the following: (3-20-20)T

i. A properly completed Form NF; (3-20-20)T

ii. A consent to service of process (Form U-2); (3-20-20)T

iii. A filing fee of three hundred dollars ($300) for mutual funds and one hundred dollars ($100) for unit investment trusts; and (3-20-20)T

iv. Notification of SEC effectiveness. (3-20-20)T

c. Renewal of Notice. The effectiveness of a notice required pursuant to Subsection 053.01.a. of this rule may be renewed each year for an additional one (1) year period of effectiveness by filing on or before the expiration of the effectiveness of such notice: (3-20-20)T

i. A properly completed Form NF clearly indicating the state file number of the Notice to be renewed; (3-20-20)T

ii. A consent to service of process (Form U-2) in accordance with Section 30-14-611, Idaho Code; and (3-20-20)T

iii. A renewal fee of three hundred dollars ($300) for mutual funds and one hundred dollars ($100) for unit investment trusts. (3-20-20)T

d. Amendments. Amendment filings are required for the following: (3-20-20)T

i. Issuer name change; (3-20-20)T

ii. Address change for contact person; and (3-20-20)T

iii. Notification of termination or completion. (3-20-20)T

e. Other Documents. Documents other than those required in Subsections 053.01.b., 053.01.c., and 053.01.d. of this rule, unless specifically requested by the Department, should not be filed with the Department. Documents that should be filed with the Department only if specifically requested include, but are not limited to, registration statements, prospectuses, amendments, statements of additional information, quarterly reports, annual reports, and sales literature. (3-20-20)T

02. Regulation D Rule 506 Notice Filing. (3-20-20)T

a. Notice Requirement. Issuers offering a security in this state in reliance upon Section 30-14-301, Idaho Code, by reason of compliance with Regulation D, Rule 506, adopted by the United States Securities and Exchange Commission, are required to file a notice with the Department or with EFD pursuant to the authority of Section 30-14-302(c), Idaho Code, if a sale of a security in this state occurs as a result of such offering. (3-20-20)T

b. Terms of Notice Filing. The issuer shall file with the Department or with EFD no later than fifteen (15) days after the first sale of a security in this state for which a notice is required under Subsection 053.02.a. of this rule: (3-20-20)T

i. One (1) copy of the SEC-filed Form D; and (3-20-20)T

ii. The notice filing fee of fifty dollars ($50). (3-20-20)T

iii. A cover letter should be included in the notice filing which states the date in which the first sale of securities occurred in Idaho. (3-20-20)T

c. Terms of Late Notice Filing. An issuer failing to file with the Administrator as required by Subsection 053.02.b. of this rule may submit its notice filing with an additional fifty dollars ($50) late filing payment within thirty (30) days after the first sale of a security in this state. Failure to file a notice on or before the thirtieth day after the first sale of a securities in Idaho will result in the inability of the issuer to rely on Section 30-14-302(c), Idaho Code, for qualification of the offering in Idaho. (3-20-20)T

d. Issuer Agent Registration. Pursuant to Section 30-14-402(b)(5), Idaho Code, an individual who represents an issuer who effects transactions in a federal covered security under Section 18(b)(4)(F) of the Securities Act of 1933 (15 U.S.C. 77r(b)(4)(F)) is not exempt from the registration requirements of Section 30-14-402(a), Idaho Code, if the individual is compensated in connection with the agent's participation by the payment of commissions or other remuneration based, directly or indirectly, on transactions in those securities. In addition, if such person is registered as a broker-dealer or agent in another state or with FINRA, or affiliated with a broker-dealer registered in another state, with the SEC or FINRA, then such person must also be similarly registered in Idaho. (3-20-20)T

054. NOT FOR PROFIT DEBT SECURITIES NOTICE FILING.

01. Securities Exempt. With respect to the offer or sale of a note, bond, debenture, or other evidence of indebtedness, such issuers relying upon the exemption from registration provided in Section 30-14-201(7), Idaho Code, shall file a notice with the Administrator at least thirty (30) days prior to the first offering of sale pursuant to such claim. Such exemption shall become effective thirty (30) days after the filing of a complete notice if the Administrator has not disallowed the exemption. (3-20-20)T

02. Notice Information. The notice required in Subsection 054.01 of this rule shall specify, in writing, the material terms of the proposed offer or sale to include, although not limited to, the following: (3-20-20)T

a. The identity of the issuer; (3-20-20)T

b. The amount and type of securities to be sold pursuant to the exemption; (3-20-20)T

c. A description of the use of proceeds of the securities; and (3-20-20)T

d. The person or persons by whom offers and sales will be made. (3-20-20)T

03. Notice Requirements. The following items must be included as a part of the notice in Subsection 054.01 of this rule: (3-20-20)T

a. The offering statement, if any; and (3-20-20)T

b. A consent to service of process (Form U-2). (3-20-20)T

04. Sales and Advertising Literature. All proposed sales and advertising literature to be used in connection with the proposed offer or sale of the securities shall be filed with the Administrator only upon request. (3-20-20)T

05. NASAA Statements of Policy or Guidelines. The Statements of Policy or guidelines adopted by NASAA may be applied, as applicable, to the proposed offer or sale of a security for which a notice must be filed pursuant to this rule. Failure to comply with the provisions of an applicable Statement of Policy or guideline promulgated by NASAA may serve as the grounds for disallowance of the exemption from registration provided by Section 30-14-201(7), Idaho Code. (3-20-20)T

06. Waiver. The Administrator may waive any term or condition set forth in this rule. (3-20-20)T

055. MORTGAGE NOTE EXEMPTION.

01. Investment Contract or Profit-Sharing Agreement. The exemption specified in Section 30-14-202(11), Idaho Code, shall not extend to any transaction in a security in the nature of an investment contract or profit-sharing agreement. (3-20-20)T

02. Definition "Offered and Sold as a Unit." As used in Section 30-14-202(11), Idaho Code, "offered and sold as a unit" means an offer and sale of the entire mortgage or other security agreement to a single purchaser at a single sale. (3-20-20)T

056. MANUAL EXEMPTION.
For the purpose of the manual exemption (Section 30-14-202(2), Idaho Code), the following securities manuals or portions of the manuals are recognized. (3-20-20)T

a. Best's Insurance Reports- Life-Health. (3-20-20)T

b. Mergent's Industrial Manual. (3-20-20)T

c. Mergent's International Manual. (3-20-20)T

d. Walkers Manual of Western Corporations. (3-20-20)T

057. MINING, OIL OR GAS EXPLORATION EXEMPTION REQUIREMENTS.

01. Legal Opinion for Extractive Industries. If the Department deems it necessary or advisable in the public interest or for the protection of investors, it may require an issuer engaged in mining, gas, or oil exploration or extraction to submit an opinion of counsel on the nature of the title held to the property noting any defects or liens or both, and the principal terms of any lease or option with respect to the property. If continued possession of the property by the issuer depends upon the satisfaction of certain working conditions, describe these conditions and state the extent to which they have been met. The Department may require other issuers to submit a status of title to any real estate which is material to the business of the issuer. (3-20-20)T

02. Quarterly Reports. The issuer shall file quarterly reports, on the "Quarterly Report Form for Small Mining Issues." during the time the securities remain registered. Such reports are due within thirty (30) days following the end of the issuer's quarter. Failure to comply with this rule could be grounds for suspension or revocation of a permit. (3-20-20)T

03. Advertising. The only advertising of exempt mining securities, whether on radio, television, print media, or other medium, shall be restricted to announcing the securities offering and stating the name and address of the issuer, the type of security, the underwriter, and where additional information may be obtained. (3-20-20)T

04. Offering Circulars. All offers of the security must be accompanied by a complete, current offering circular previously reviewed by the Administrator adequate to satisfy the antifraud provisions of the Act. (3-20-20)T

058. STOCK EXCHANGE LISTED SECURITIES.

Stock exchanges specified by or approved under Section 30-14-201(6), Idaho Code, are as follows: (3-20-20)T

01. **The New York Stock Exchange**; (3-20-20)T

02. **The American Stock Exchange**; (3-20-20)T

03. **The NASDAQ Global Market and Global Select Market**; (3-20-20)T

04. **The Chicago Stock Exchange**; (3-20-20)T

05. **The Chicago Board Options Exchange**; (3-20-20)T

06. **Tier I of the Pacific Stock Exchange**; and (3-20-20)T

07. **Tier I of the Philadelphia Stock Exchange, Inc**. (3-20-20)T

059. (RESERVED)

060. REGISTRATION OR EXEMPTION OF "BLIND POOL" OFFERINGS PROHIBITED.
An offering in which it is proposed to issue stock or other equity interest without an allocation of proceeds to sufficiently identifiable properties or objectives shall be considered a "blind pool" offering and one in which the duty to provide full disclosure cannot be met. Because of the inability or failure to make full disclosure, the Department is of the position that the offering would work a fraud upon purchasers and, therefore, the offering may not be registered or qualify for an exemption from registration in Idaho. (3-20-20)T

061. CROSS-BORDER TRANSACTIONS EXEMPTION.
By authority delegated to the Administrator in Section 30-14-203, Idaho Code, transactions effected by a Canadian broker-dealer and its agents that meet the requirements for exemption from registration pursuant to Section 084 of these rules, are determined to be classes of transactions for which registration is not necessary or appropriate for the protection of investors and are exempt from Sections 30-14-301 and 30-14-504, Idaho Code. (3-20-20)T

062. DESIGNATED MATCHING SERVICES.

01. **In General**. Sections 30-14-301 through 30-14-305, Idaho Code, shall not apply to any offer or sale of a security by an issuer in a transaction that meets the requirements of this rule. A designated matching service shall not be deemed a broker-dealer subject to registration within the meaning of the Act or the rules thereunder. (3-20-20)T

02. **Definitions**. The following words and terms, when used in this rule, shall have the following meanings, unless the context clearly indicates otherwise. (3-20-20)T

a. Designated Matching Service. Means a matching service designated by the Administrator under Section 062 of these rules. (3-20-20)T

b. Designated Matching Service Facility. Means a computer system operated, or a seminar or meeting conducted, by a designated matching service. (3-20-20)T

c. Individual Accredited Investor. Means any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his or her purchase, exceeds one million dollars ($1,000,000) or any natural person who had an individual income in excess of two hundred thousand dollars ($200,000) in each of the two (2) most recent years or joint income with that person's spouse in excess of three hundred thousand dollars ($300,000) in each of those years and has a reasonable expectation of reaching the same income level in the current year. In addition each purchaser must evidence such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment. The term "individual accredited investor" also includes any self-directed employee benefit plan with investment decisions made solely by persons that are "individual accredited investors" as defined in Subsection 062.02.c. of this rule, and the individual retirement account of any such individual accredited investor. (3-20-20)T

d. Investor Member. Means an investor who has been properly qualified by and uses a designated matching service. Either of the following investors may be properly qualified: any institutional investor as described in Section 30-14-102(11), Idaho Code, or an individual accredited investor as defined in this rule. (3-20-20)T

e. Issuer Member. Means an issuer who uses a designated matching service facility. (3-20-20)T

f. Summary Business Plan. Means a brief statement specifically describing the issuer, its management, its products or services, and the market for those products or services. Other information, including, specifically, financial projections, must not be included in a summary business plan. (3-20-20)T

03. Application. A person may apply to the Administrator to be a designated matching service by filing such forms as required by the Administrator. No designation will be made unless the applicant demonstrates that it: (3-20-20)T

a. Owns, operates, sponsors, or conducts a matching service facility limited to providing investor members with the summary business plans and identities of issuer members; (3-20-20)T

b. Will not be involved in any manner in the sale, offer for sale, solicitation of a sale or offer to buy, a security other than as set forth in Subsection 062.03.a. of this rule; (3-20-20)T

c. Will make a reasonable factual inquiry to determine whether an investor member is properly qualified; (3-20-20)T

d. Is a governmental entity, quasi-governmental entity, an institution of higher education or an Idaho nonprofit corporation that is associated with a governmental or quasi-governmental entity or an institution of higher education; (3-20-20)T

e. Does not employ any person required to be registered under the Act as a broker-dealer, investment adviser, agent, or investment adviser representative; (3-20-20)T

f. Does not have, and does not employ any person who has a business relationship with any investor member or issuer member other than to provide such member access to the matching service facility; (3-20-20)T

g. Charges fees only in an amount necessary to cover its reasonable operating costs and that are unrelated to the amount of money being raised by any issuer member or the amount of securities sold by any issuer member; (3-20-20)T

h. Agrees to not use any advertisement of its matching service facility that advertises any particular issuer or any particular securities or the quality of any securities or that is false or misleading or otherwise likely to deceive a reader thereof; and (3-20-20)T

i. Meets such other conditions as the Administrator considers appropriate for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of the Act, and the rules thereunder. (3-20-20)T

04. Designation Consistent with Act. Designation under this rule is not available to any matching service formed in a manner that constitutes part of a scheme to violate or evade the provisions of the Act or rules thereunder. (3-20-20)T

05. Withdrawal of Designation. The Administrator, upon ten (10) days notice and hearing before the Administrator or a hearing officer, may withdraw a person's designation as a matching service if the person does not meet the standards for designation provided in this rule. (3-20-20)T

06. Disqualifications. (3-20-20)T

a. No exemption under this rule shall be available for the securities of any issuer if the issuer: (3-20-20)T

i. Within the last five (5) years, has filed a registration statement which is the subject of a currently effective registration stop order entered by the United States Securities and Exchange Commission or any state securities administrator; (3-20-20)T

ii. Within the last five (5) years, has been convicted of any criminal offense in connection with the offer, purchase, or sale of any security or any felony involving fraud or deceit or a misdemeanor involving financial fraud; (3-20-20)T

iii. Is the subject of any state or federal administrative enforcement order, entered within the last five (5) years, finding fraud or deceit in connection with the purchase or sale of any security; or (3-20-20)T

iv. Is the subject of any order, judgment or decree of any court of competent jurisdiction, entered within the last five (5) years, temporarily, preliminarily or permanently restraining or enjoining such party from engaging in or continuing to engage in any conduct or practice involving fraud or deceit in connection with the purchase or sale of any security. (3-20-20)T

b. For purposes of this rule, the term "issuer" includes: (3-20-20)T

i. Any of the issuer's predecessors or any affiliated issuer; (3-20-20)T

ii. Any of the issuer's directors, officers, general partners, or beneficial owners of ten percent (10%) or more of any class of its equity securities (beneficial ownership meaning the power to vote or direct the vote or the power to dispose or direct the disposition of such securities); (3-20-20)T

iii. Any of the issuer's promoters presently connected with the issuer in any capacity, including: (3-20-20)T

(1) Any person who, acting alone or in conjunction with one (1) or more other persons, directly or indirectly takes initiative in founding and organizing the business or enterprise of an issuer; or (3-20-20)T

(2) Any person who, in connection with the founding and organizing of the business or enterprise of an issuer, directly or indirectly receives in consideration of services or property, or both services and property, ten percent (10%) or more of any class of securities of the issuer or ten percent (10%) or more of the proceeds from the sale of any class of such securities; however, a person who receives such securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not be deemed a promoter within the meaning of Subsection 062.06.b.iii. of this rule, if such person does not otherwise take part in founding and organizing the enterprise. (3-20-20)T

iv. Any underwriter of the issuer. (3-20-20)T

c. The exemption under this rule is not available to an issuer that is in the development stage that either has no specific business plan or purpose or had indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies, or other entity or person. (3-20-20)T

07. Notice of Transaction. The issuer shall file with the Administrator a notice of transaction, consent to service of process (Form U-2), and a copy of its summary business plan within fifteen (15) days after the first sale in this state. (3-20-20)T

063. -- 077. (RESERVED)

078. IMPLEMENTATION OF CRD.

01. Designation and Use of CRD System. Pursuant to Section 30-14-406, Idaho Code, the Administrator designates the web-based Central Registration Depository (CRD) operated by FINRA to receive and store filings and collect related fees from broker-dealers, agents and investment adviser representatives on behalf of the Administrator. Forms U-4, U-5, BD, BR, and BDW shall be used to register or terminate agents, investment

adviser representatives or broker-dealers, respectively, in the state of Idaho through the CRD system. The CRD system will be utilized to effect FINRA registration as well as registration, termination, and renewal in the state. (3-20-20)T

02. Registrations Not Automatic. A filing of Form U-4, BD, or BR with the CRD system does not constitute an automatic registration in Idaho. Broker-dealers and investment advisers should not consider agents or investment adviser representatives registered until such approval from the state of Idaho has been received by them through CRD. (3-20-20)T

03. Electronic Signature. When a signature or signatures are required by the particular instructions of any filing to be made through CRD, a duly authorized officer of the applicant or the applicant him or herself, as required, shall affix his or her electronic signature to the filing by typing his or her name in the appropriate fields and submitting the filing to CRD. Submission of a filing in this manner shall constitute irrefutable evidence of legal signature by any individuals whose names are typed on the filing. (3-20-20)T

079. IMPLEMENTATION OF IARD.

01. Designation. Pursuant to Section 30-14-406, Idaho Code, the Administrator designates the web-based Investment Adviser Registration Depository (IARD) operated by FINRA to receive and store filings and collect related fees from investment advisers on behalf of the Administrator. (3-20-20)T

02. Use of IARD. Unless otherwise provided, all investment adviser applications, amendments, reports, notices, related filings and fees required to be filed with the Administrator pursuant to the rules promulgated under the Act, shall be filed electronically with and transmitted to IARD. The following additional conditions relate to such electronic filings: (3-20-20)T

a. Electronic Signature. When a signature or signatures are required by the particular instructions of any filing to be made through IARD, a duly authorized officer of the applicant or the applicant him or herself, as required, shall affix his or her electronic signature to the filing by typing his or her name in the appropriate fields and submitting the filing to IARD. Submission of a filing in this manner shall constitute irrefutable evidence of legal signature by any individuals whose names are typed on the filing. (3-20-20)T

b. When Filed. Solely for purposes of a filing made through IARD, a document is considered filed with the Administrator when all fees are received and the filing is accepted by IARD on behalf of the state. (3-20-20)T

03. Electronic Filing. The electronic filing of any particular document and the collection of related processing fees shall not be required until such time as IARD provides for receipt of such filings and fees and thirty (30) days notice is provided by the Administrator. Any documents or fees required to be filed with the Administrator that are not permitted to be filed with or cannot be accepted by IARD shall be filed directly with the Administrator. (3-20-20)T

04. Hardship Exemptions. Subsection 079.04 of this rule provides two (2) "hardship exemptions" from the requirements to make electronic filings as required by the rules. (3-20-20)T

a. Temporary Hardship Exemption. (3-20-20)T

i. Investment advisers registered or required to be registered under the Act who experience unanticipated technical difficulties that prevent submission of an electronic filing to IARD may request a temporary hardship exemption from the requirements to file electronically. (3-20-20)T

ii. To request a temporary hardship exemption, the investment adviser must file Form ADV-H which can be found at 17 CFR 279.3 in paper format with the Administrator where the investment adviser's principal place of business is located, no later than one (1) business day after the filing (that is the subject of the Form ADV-H) was due; and submit the filing that is the subject of the Form ADV-H in electronic format to IARD no later than seven (7) business days after the filing was due. (3-20-20)T

iii. Effective Date - Upon Filing. The temporary hardship exemption will be deemed effective upon receipt by the Administrator of the complete Form ADV-H. Multiple temporary hardship exemption requests within the same calendar year may be disallowed by the Administrator. (3-20-20)T

b. Continuing Hardship Exemption. (3-20-20)T

i. Criteria for Exemption. A continuing hardship exemption will be granted only if the investment adviser is able to demonstrate that the electronic filing requirements of this rule are prohibitively burdensome. (3-20-20)T

ii. To apply for a continuing hardship exemption, the investment adviser must file Form ADV-H which can be found at 17- CFR 279.3 in paper format with the Administrator at least twenty (20) business days before a filing is due; and, if a filing is due to more than one (1) securities regulator, the Form ADV-H must be filed with the Administrator where the investment adviser's principal place of business is located. The Administrator who receives the application will grant or deny the application within ten (10) business days after the filing of Form ADV-H. (3-20-20)T

iii. Effective Date - Upon Approval. The exemption is effective upon approval by the Administrator. The time period of the exemption may be no longer than one (1) year after the date on which the Form ADV-H is filed. If the Administrator approves the application, the investment adviser must, no later than five (5) business days after the exemption approval date, submit filings to IARD in paper format (along with the appropriate processing fees) for the period of time for which the exemption is granted. (3-20-20)T

080. BROKER-DEALER REGISTRATION -- APPLICATION/RENEWAL.

01. Initial Application -- FINRA Member Firms. Broker-dealers applying for initial registration pursuant to Section 30-14-406, Idaho Code, and who are contemporaneously applying for FINRA membership or who are a FINRA member, shall file: (3-20-20)T

a. With CRD, a completed Form BD, including Schedules A-D; (3-20-20)T

b. With CRD, a filing fee as specified in Section 30-14-410, Idaho Code; (3-20-20)T

c. With CRD, the Form BR. (3-20-20)T

02. Initial Application -- Non-FINRA Member Firms. Broker-dealers applying for initial registration pursuant to Section 30-14-406, Idaho Code, and who are not contemporaneously applying for FINRA membership or are not a FINRA member, shall file with the Department: (3-20-20)T

a. A completed Form BD, including Schedules A-E; (3-20-20)T

b. The filing fee specified in Section 30-14-410, Idaho Code; (3-20-20)T

c. Audited financial statements; (3-20-20)T

d. Documentation of compliance with the minimum capital requirements of Section 087 of these rules; (3-20-20)T

e. Designation and qualification of a principal officer; (3-20-20)T

f. A list of the addresses, telephone numbers and resident agents of all office locations within the state of Idaho, to be provided within sixty (60) days of becoming registered; (3-20-20)T

g. A copy of the written supervisory procedures of the broker-dealer; (3-20-20)T

h. Any additional documentation, supplemental forms and information as the Administrator may deem necessary. (3-20-20)T

03. Incomplete Applications. After a period of six (6) months from date of receipt, an incomplete application will automatically be considered abandoned and withdrawn if the requirements have not been fulfilled. (3-20-20)T

04. Annual Renewal. (3-20-20)T

a. A FINRA member shall renew its registration by submitting the renewal fee specified in Section 30-14-410, Idaho Code, to the CRD according to their policies and procedures. A non-FINRA member shall renew its registration by submitting to the Department current information required for initial registration, and the renewal fee specified in Section 30-14-410, Idaho Code. (3-20-20)T

b. It is required that an application for the renewal of the registration of a broker-dealer must be filed with the Department before the registration expires, which is the thirty-first day of December next following such registration, per the provisions of Section 30-14-406(d), Idaho Code. Any registration that is not renewed within that time limit will be deemed to have lapsed, thus requiring the broker-dealer to reapply for registration with the Department in accordance with the requirements of the Act. (3-20-20)T

05. Updates and Amendments. (3-20-20)T

a. A broker-dealer must file with CRD, in accordance with the instructions in Form BD, any amendments to the broker-dealer's Form BD. All broker-dealers must assure that current and accurate information is on file with the Department at all times. If information in an application for registration becomes inaccurate or incomplete, additional information must be submitted through updates on the Form BD or by direct notice to the Department. (3-20-20)T

b. An amendment will be considered to be filed promptly if the amendment is filed within thirty (30) days of the event that requires the filing of the amendment. (3-20-20)T

c. Litigation Notice. Any broker-dealer shall notify the Administrator in writing or through the CRD of any civil, administrative, or criminal complaint, petition, or pleading issued or filed against him and of any bankruptcy proceeding filed by or against him within thirty (30) days of his receipt of the initial pleading. This requirement does not include minor traffic violations or minor civil actions unrelated to the registrant's business as a broker-dealer. (3-20-20)T

d. Notice of Address. Every broker-dealer shall provide the Department, with an address sufficiently descriptive to allow service of process pursuant to the Idaho Rules of Civil Procedure. (3-20-20)T

e. Change of Name. If a registered broker-dealer desires to change its name, notice of such an intent must be submitted to the CRD or this Department for non-FINRA members, either before or within a reasonable time after the effective date of the change. The name change will not be effective in this state until the notice is received. (3-20-20)T

06. Completion of Filing. An application for initial or renewal registration is not considered filed for purposes of Section 30-14-406, Idaho Code, until the required fee and all required submissions have been received by the Administrator. (3-20-20)T

07. Deferral of Effectiveness. The Administrator may defer the effective date of any registration until noon on the forty-fifth day after the filing of any amendment completing the application. (3-20-20)T

081. WITHDRAWAL OF BROKER -- DEALER AND AGENT REGISTRATION.

01. Application Withdrawal. Withdrawal from registration as a broker-dealer or agent becomes effective thirty (30) days after receipt of an application to withdraw or within such shorter period of time as the Administrator may determine, unless a revocation or suspension proceeding is pending when the application is filed or a proceeding to revoke or suspend or to impose conditions upon the withdrawal is instituted within sixty (60) days after the application is filed. If a proceeding is pending or instituted, withdrawal becomes effective at such time and

upon such conditions as the Administrator by order determines. If no proceeding is pending or instituted and withdrawal automatically becomes effective, the Administrator may nevertheless institute a revocation or suspension proceeding under Section 30-14-412, Idaho Code, within one (1) year after withdrawal became effective and enter a revocation or suspension order as of the last date on which registration is effective. (3-20-20)T

02. **Broker-Dealer**. The application for withdrawal of registration as a broker-dealer shall be completed by following the instructions on Form BDW and filing Form BDW with CRD. (3-20-20)T

03. **Agents**. The application for withdrawal of registration as an agent shall be completed by following the instructions on Form U-5 and filed upon Form U-5 with CRD. (3-20-20)T

082. WITHDRAWAL OF AGENT OF ISSUER REGISTRATION.

01. **Pending Revocation or Suspension**. Withdrawal from registration as an agent of issuer becomes effective thirty (30) days after receipt of an application to withdraw or within such shorter period of time as the Administrator may determine, unless a revocation or suspension proceeding is pending when the application is filed or a proceeding to revoke or suspend or to impose conditions upon the withdrawal is instituted within sixty (60) days after the application is filed. If a proceeding is pending or instituted, withdrawal becomes effective at such time and upon such conditions as the Administrator by order determines. If no proceeding is pending or instituted and withdrawal automatically becomes effective, the Administrator may nevertheless institute a revocation or suspension proceeding under Section 30-14-412, Idaho Code, within one (1) year after withdrawal became effective and enter a revocation or suspension order as of the last date on which registration is effective. (3-20-20)T

02. **Agent of Issuer**. The application for withdrawal of registration as an agent of issuer shall be completed by following the instructions on Form U-5 and filed upon Form U-5 with the Department. (3-20-20)T

083. BROKER-DEALER AGENT/ISSUER AGENT REGISTRATION.

01. **Broker-Dealer Agents**. Agents of broker-dealers applying for initial registration in the state of Idaho pursuant to Section 30-14-406, Idaho Code, shall file the following: (3-20-20)T

a. With CRD, a completed Form U-4; (3-20-20)T

b. With CRD, the filing fee specified in Section 30-14-410, Idaho Code; (3-20-20)T

c. With CRD, proof of successful completion of the applicable examinations specified in Section 103 of these rules; (3-20-20)T

d. With the Department, any additional documentation, supplemental forms and information as the Administrator may deem necessary; (3-20-20)T

e. With the Department, Subsections 083.01.a. through 083.01.d. of this rule, for any agent of a non-FINRA member. (3-20-20)T

02. **Agents of Issuer**. (3-20-20)T

a. Agents of issuers applying for initial registration in the state of Idaho pursuant to Section 30-14-406, Idaho Code, shall file the following with the Department: (3-20-20)T

i. A completed Form U-4; (3-20-20)T

ii. The fee specified in Section 30-14-410, Idaho Code; (3-20-20)T

iii. Proof of successful completion of the applicable examination(s) specified in Section 103 of these rules; (3-20-20)T

iv. Proof of a bond of a surety company duly authorized to transact business in this state, said bond to be in the sum of ten thousand dollars ($10,000) and conditioned upon faithful compliance with the provisions of the Act by the agent, such that upon failure to so comply by the agent, the surety company is liable to any and all persons who may suffer loss by reason thereof. Provided, however, that the obligation of the surety bond must be maintained at all times in the amount therein provided; and provided further, that a certificate of deposit issued by any bank in the state of Idaho and assigned to the Administrator in an amount equal to the bond which would otherwise be required may be accepted by the administrator in lieu of a bond, if the certificate of deposit is maintained at all times in the amount and manner herein provided during the term for which the registration is effective and for three (3) years thereafter; (3-20-20)T

v. Any additional documentation, supplemental forms and information as the Administrator may deem necessary. (3-20-20)T

b. An individual who represents an issuer that effects transactions in a federal covered security under Section 18(b)(3) (transactions relating to "qualified purchasers" as that term may be defined by the SEC), 18(b)(4)(D) (commonly known as Regulation A, Tier 2), or 18(b)(4)(F) (commonly known as Regulation D, Rule 506) of the Securities Act of 1933 is not exempt from the registration requirements of Section 30-14-402(a), Idaho Code, if the individual is compensated, directly or indirectly, for participation in the specified securities transactions. (3-20-20)T

c. Exceptions for officers. If there are not more than two (2) officers of an issuer, such officers may be registered as agents for a particular original offering of the issuer's securities without having to pass such written examination or file an agent's bond as provided by Subsection 083.02.a.iii. and 02.a.iv. of this rule, unless such person has registered under this rule within the prior five (5) years. (3-20-20)T

03. Incomplete Applications. After a period of six (6) months from date of receipt, an incomplete application will automatically be considered abandoned and withdrawn if the requirements have not been fulfilled. (3-20-20)T

04. Annual Renewal. (3-20-20)T

a. Broker-Dealer Agent. Agents of FINRA members shall renew their registrations by submitting the renewal fee specified in Section 30-14-410, Idaho Code, to the CRD. Agents of non-FINRA members shall renew their registrations by submitting a completed renewal application and a renewal fee as specified in Section 30-14-410, Idaho Code. (3-20-20)T

b. Issuer Agent. Issuer agents shall renew their registrations by submitting a completed renewal application and a renewal fee as specified in Section 30-14-410, Idaho Code. (3-20-20)T

05. Updates and Amendments. (3-20-20)T

a. A broker-dealer agent or agent of issuer must file with CRD, or with this Department, in accordance with the instructions in Form U-4, any amendments to the broker-dealer agent's or issuer agent's Form U-4. It is the responsibility of each broker-dealer agent or issuer agent to assure that current and accurate information is on file with the Department at all times. If information in an application for registration becomes inaccurate or incomplete, additional information must be submitted through updates on the Form U-4 or by direct notice to the Department. (3-20-20)T

b. An amendment will be considered to be filed promptly if the amendment is filed within thirty (30) days of the event that requires the filing of the amendment. (3-20-20)T

c. Litigation Notice. Any broker-dealer agent or issuer agent shall notify the Administrator in writing or through the CRD of any civil, administrative, or criminal complaint, petition, or pleading issued or filed against him and of any bankruptcy proceeding filed by or against him within thirty (30) days of his receipt of the initial pleading. This requirement shall not include minor traffic violations or minor civil actions unrelated to the registrant's business as a broker-dealer. (3-20-20)T

d. Notice of Address. Every broker-dealer agent and issuer agent shall provide the Department with

an address sufficiently descriptive to allow service of process pursuant to the Idaho Rules of Civil Procedure. (3-20-20)T

e. Change of Name. If a registered broker-dealer agent or issuer agent changes his or her name, notice of such must be submitted to the CRD or this Department within a reasonable time after the effective date of the change. The name change will not be effective in this state until the notice is received. (3-20-20)T

06. Completion of Filing. An application for initial or renewal registration is not considered complete for purposes of Section 30-14-406(c), Idaho Code, until the required fee and all amendments, including submissions requested by the Department, have been received by the Department. (3-20-20)T

07. Deferral of Effectiveness. The Administrator may defer the effective date of any registration until noon on the forty-fifth day after the filing of any amendment completing the application. (3-20-20)T

084. CROSS-BORDER LICENSING EXEMPTION.
By authority delegated to the Administrator in Section 30-14-401(d), Idaho Code, a Canadian broker-dealer meeting all of the following conditions is determined to be exempt from the registration requirement in Section 30-14-401(a), Idaho Code: (3-20-20)T

01. Canadian Broker-Dealer. The broker-dealer is registered in Canada, does not have an office or other physical presence in this state, and is not an office or branch of a broker-dealer domiciled in the United States. (3-20-20)T

02. Registered Broker-Dealer. The broker-dealer is registered with or a member of a Canadian self-regulatory organization, stock exchange, or the Bureau des Services Financiers and maintains that registration or membership in good standing. (3-20-20)T

03. Customers. The broker-dealer and its agents effect transactions in securities with or for, or induce or attempt to induce the purchase or sale of any security by: (3-20-20)T

a. An individual from Canada that temporarily resides or is temporarily present in this state and with whom the broker-dealer had a bona fide broker-dealer-customer relationship before the individual entered the United States; or (3-20-20)T

b. An individual present in this state whose transactions relate to a self-directed, tax advantaged Canadian retirement plan of which the individual is the holder or contributor. (3-20-20)T

04. Disclosure. The broker-dealer prominently discloses in writing to its clients in this state that the broker-dealer and its agents are not subject to the full regulatory requirement of the Act. (3-20-20)T

05. Jurisdiction. Neither the broker-dealer nor its agents disclaim the applicability of Canadian law or jurisdiction to any transaction conducted pursuant to this exemption. (3-20-20)T

06. Anti-Fraud Provisions. The broker-dealer and its agents comply with the antifraud provisions of the Act and of federal securities laws. (3-20-20)T

07. Consent to Service. Prior to or contemporaneously with the first transaction in Idaho, the broker-dealer must file a consent to service of process (Form U-2) in a manner that effectively appoints the Administrator as agent for service of process. (3-20-20)T

08. Provide Requested Information. Any Canadian broker-dealer or agent relying on this exemption shall, upon written request, furnish the Department any information relative to a transaction covered by Section 084, of these rules, that the Administrator deems relevant. (3-20-20)T

085. RELICENSING (FORMERLY TEMPORARY AGENT TRANSFER (TAT) SYSTEM).

01. Relicensing Agents. Transfer of agents from one broker-dealer to another shall be effected

pursuant to, and in accordance with, the NASAA/CRD relicense program which allows for an automatic temporary license. (3-20-20)T

02. Relicensing Investment Adviser Representatives. Transfer of investment adviser representatives from one (1) investment adviser to another shall be effected pursuant to, and in accordance with, the NASAA/CRD relicense program which allows for an automatic temporary license. (3-20-20)T

03. Temporary License Expiration. An agent or investment adviser representative may not transact business in Idaho after the expiration of a temporary license unless a permanent license has been issued. In all cases, the Administrator retains the right to deny, suspend, or revoke a temporary license for the causes listed in Section 30-14-412, Idaho Code. (3-20-20)T

086. AGENT TERMINATION.
Termination notice pursuant to the requirements of Section 30-14-408, Idaho Code, shall be given by filing within thirty (30) calendar days of termination, a completed Form U-5. For agents terminating registration with a FINRA member, such notice shall be filed with the CRD. For agents terminating registration with a non-FINRA member, such notice shall be filed with the Department. (3-20-20)T

087. NET CAPITAL REQUIREMENTS FOR BROKER-DEALERS.
Every registered broker-dealer shall have and maintain an adjusted net capital in compliance with 17 CFR 240.15c3-1 under the Securities Exchange Act of 1934, as currently amended. (3-20-20)T

088. RECORDS REQUIRED FOR BROKER-DEALERS.

01. Required Books and Records. Unless otherwise provided by order of the SEC, each broker-dealer registered or required to be registered under the Act shall make, maintain and preserve books and records in compliance with the SEC rules 17a-3 (17 CFR 240.17a-3), 17a-4 (17 CFR 240.17a-4), 15g-9 (17 CFR 240.15g-9) and 15c2-11 (17 CFR 240.15c2-11), which are adopted and incorporated by reference. (3-20-20)T

02. Compliance. To the extent that the SEC promulgates changes to the above referenced rules, broker-dealers in compliance with such rules as amended are not subject to enforcement action by the Department for violation of this rule to the extent that the violation results solely from the broker-dealer's compliance with the amended rule. (3-20-20)T

089. INVESTMENT ADVISER REGISTRATION -- APPLICATION/RENEWAL.

01. Initial Application. The application for initial registration as an investment adviser, pursuant to Section 30-14-406, Idaho Code, shall be made by completing Form ADV which can be found at 17 CFR 279.1 in accordance with the form instructions and by filing the form with IARD. The application for initial registration shall also include the following: (3-20-20)T

a. Proof of compliance by the investment adviser with the examination requirements of Section 103 of these rules; (3-20-20)T

b. A bond of a surety company duly authorized to transact business in this state, said bond to be in the sum of twenty-five thousand ($25,000) and conditioned upon faithful compliance with the provisions of the Act by the investment adviser such that upon failure to so comply by the investment adviser, the surety company shall be liable to any and all persons who may suffer loss by reason thereof. Except that an investment adviser that has its principal place of business in a state other than this state shall be excluded from these bonding requirements provided that such investment adviser is registered as an investment adviser in the state where it maintains its principal place of business and is in compliance with such state's bonding or minimum net worth requirements; (3-20-20)T

c. A copy of the investment advisory contract to be executed by Idaho clients; (3-20-20)T

d. A balance sheet, prepared substantially in accordance with Generally Accepted Accounting Principles, dated as of the investment adviser's prior fiscal year-end; however, if the investment adviser has not been in operation for an entire year, a balance sheet dated within ninety (90) days of filing shall be submitted; (3-20-20)T

e. The fee required by Section 30-14-410, Idaho Code; and; (3-20-20)T

f. Any other information the Department may reasonably require. (3-20-20)T

02. Incomplete Applications. After a period of six (6) months from the date of receipt by the Department, an incomplete application will automatically be considered abandoned and withdrawn if the requirements have not been fulfilled. (3-20-20)T

03. Annual Renewal. The application for annual renewal registration as an investment adviser shall be filed with IARD according to their policies and procedures. The application for annual renewal registration shall include the fee required by Section 30-14-410, Idaho Code. (3-20-20)T

04. Applications Prior to Expiration. An application for the renewal of the registration of an investment adviser must be filed with the Department before the registration expires, which is the thirty-first day of December next following such registration, per the provisions of Section 30-14-406(d), Idaho Code, unless an order is in effect under Section 30-14-412, Idaho Code. Any registration that is not renewed within that time limit will be deemed to have lapsed, thus requiring the investment adviser to reapply for registration with the Department in accordance with the requirements of the Act. (3-20-20)T

05. Updates and Amendments. (3-20-20)T

a. An investment adviser must file with IARD, in accordance with the instructions in Form ADV, any amendments to the investment adviser's Form ADV. All investment advisers must assure that current and accurate information is on file with the Department at all times. If information in an application for registration becomes inaccurate or incomplete, additional information must be submitted through updates on the Form ADV or by direct notice to the Department. An amendment will be considered to be filed promptly if the amendment is filed within thirty (30) days of the event that requires the filing of the amendment. (3-20-20)T

b. Within ninety (90) days of the end of the investment adviser's fiscal year, an investment adviser must file a copy of the investment adviser's balance sheet as of the prior fiscal year-end. (3-20-20)T

c. Litigation Notice. Any investment adviser shall notify the Administrator in writing or through the IARD of any civil, administrative, or criminal complaint, petition, or pleading issued or filed against him and of any bankruptcy proceeding filed by or against him within thirty (30) days of his receipt of the initial pleading. This requirement does not include minor traffic violations or minor civil actions unrelated to the registrant's business as an investment adviser. (3-20-20)T

d. Notice of Address. Every investment adviser shall provide the Department, through IARD, with an address sufficiently descriptive to allow service of process pursuant to the Idaho Rules of Civil Procedure. (3-20-20)T

06. Completion of Filing. An application for initial or renewal registration is not considered filed for purposes of Section 30-14-406, Idaho Code, until the required fee and all submissions have been received by the Administrator and until the investment adviser is registered in the jurisdiction where it maintains its principal place of business. (3-20-20)T

07. Deferral of Effectiveness. The Administrator may defer the effective date of any registration until noon on the forty-fifth day after the filing of any amendment completing the application. (3-20-20)T

090. INVESTMENT ADVISER REPRESENTATIVE REGISTRATION – APPLICATION/RENEWAL.

01. Initial Application. The application for initial registration as an investment adviser representative pursuant to Section 30-14-406, Idaho Code, shall be made by completing Form U-4 in accordance with the form instructions and by filing Form U-4 with CRD. The application for initial registration also shall include the following: (3-20-20)T

a. Proof of compliance by the investment adviser representative with the examination requirements of Section 103 of these rules; and (3-20-20)T

b. The fee required by Section 30-14-410, Idaho Code. (3-20-20)T

02. Incomplete Applications. After a period of six (6) months from the date of receipt by the Department, an incomplete application will automatically be considered abandoned and withdrawn if the requirements have not been fulfilled. (3-20-20)T

03. Annual Renewal. The application for annual renewal registration as an investment adviser representative shall be filed with CRD. The application for annual renewal registration shall include the fee required by Section 30-14-410, Idaho Code. (3-20-20)T

04. Updates and Amendments. (3-20-20)T

a. The investment adviser representative is under a continuing obligation to update information required by Form U-4 as changes occur. All investment adviser representatives must assure that current and accurate information is on file with the Department, through CRD, at all times. If information in an application for registration becomes inaccurate or incomplete, additional information must be submitted through updates on the Form U-4. (3-20-20)T

b. An investment adviser representative and the investment adviser must file promptly with CRD any amendments to the representative's Form U-4. An amendment will be considered to be filed promptly if the amendment is filed within thirty (30) days of the event that requires the filing of the amendment. (3-20-20)T

c. Litigation Notice. Any investment adviser representative shall notify the Administrator in writing, through CRD, of any civil, administrative, or criminal complaint, petition, or pleading issued or filed against him and of any bankruptcy proceeding filed by or against him within thirty (30) days of his receipt of the initial pleading. This requirement shall not include minor traffic violations or minor civil actions unrelated to the registrant's business as an investment adviser representative. (3-20-20)T

d. Change of Name. If a registered investment adviser representative changes his or her name, notice of such must be submitted to the CRD or this Department either before or within a reasonable time after the effective date of the change. The name change will not be effective in this state until the notice is received. (3-20-20)T

e. Notice of Address. Every investment adviser representative shall provide the Department, through CRD, with an address sufficiently descriptive to allow service of process pursuant to the Idaho Rules of Civil Procedure. (3-20-20)T

05. Completion of Filing. An application for initial or renewal registration is not considered filed for purposes of Section 30-14-406, Idaho Code, until the required fee and all submissions have been received by the Administrator. (3-20-20)T

06. Dual Registration Exemption. A person may transact business in this state as an investment adviser representative if he is registered as an agent pursuant to Section 30-14-402, Idaho Code, and is employed by a broker-dealer registered pursuant to Section 30-14-401, Idaho Code, and (3-20-20)T

a. The person's investment advisory activities are limited to recommending the investment advisory services of an investment adviser registered under Section 30-14-403, Idaho Code, or a federal covered adviser that has made a notice filing pursuant to Section 30-14-405, Idaho Code, and all such recommendations are made on behalf of the employing broker-dealer; (3-20-20)T

b. The person is not compensated directly for making such recommendations; and (3-20-20)T

c. The person provides written notice to the administrator that he is relying on this exemption from the requirement to be registered as an investment adviser representative. (3-20-20)T

07. Deferral of Effectiveness. The Administrator may defer the effective date of any registration until noon on the forty-fifth day after the filing of any amendment completing the application. (3-20-20)T

091. WITHDRAWAL OF INVESTMENT ADVISER AND INVESTMENT ADVISER REPRESENTATIVE REGISTRATION.

01. Application Withdrawal. Withdrawal from registration as an investment adviser or investment adviser representative becomes effective thirty (30) days after receipt of an application to withdraw or within such shorter period of time as the Administrator may determine, unless a revocation or suspension proceeding is pending when the application is filed or a proceeding to revoke or suspend or to impose conditions upon the withdrawal is instituted within sixty (60) days after the application is filed. If a proceeding is pending or instituted, withdrawal becomes effective at such time and upon such conditions as the Administrator by order determines. If no proceeding is pending or instituted and withdrawal automatically becomes effective, the Administrator may nevertheless institute a revocation or suspension proceeding under Section 30-14-412, Idaho Code, within one (1) year after withdrawal became effective and enter a revocation or suspension order as of the last date on which registration is effective. (3-20-20)T

02. Investment Adviser. The application for withdrawal of registration as an investment adviser shall be completed by following the instructions on Form ADV-W which can be found at 17 CFR 279.2 and filed upon Form ADV-W with IARD. (3-20-20)T

03. Investment Adviser Representative. The application for withdrawal of registration as an investment adviser representative shall be completed by following the instructions on Form U-5 and filed upon Form U-5 with CRD. (3-20-20)T

092. NOTICE FILING REQUIREMENTS FOR FEDERAL COVERED ADVISERS.

01. Notice Filing. The notice filing for a federal covered adviser pursuant to Section 30-14-405, Idaho Code, shall be filed with IARD on an executed Form ADV which can be found at 17 CFR 279.1. A notice filing of a federal covered adviser shall be deemed filed when the fee required by Section 30-14-410, Idaho Code, and the Form ADV are filed with and accepted by IARD on behalf of the state. (3-20-20)T

02. When Deemed Filed. The Administrator will deem filed Part 2 of Form ADV if a federal covered adviser provides, within five (5) days of a request, Part 2 of Form ADV to the Administrator. Because the Administrator deems Part 2 of the Form ADV to be filed, a federal covered adviser is not required to submit Part 2 of Form ADV to the Administrator unless requested. (3-20-20)T

03. Renewal. The annual renewal of the notice filing for a federal covered adviser pursuant to Section 30-14-405, Idaho Code, shall be filed with IARD. The renewal of the notice filing for a federal covered adviser shall be deemed filed when the fee required by Section 30-14-410(e), Idaho Code, is filed with and accepted by IARD on behalf of the state. (3-20-20)T

04. Updates and Amendments. A federal covered adviser must file with IARD, in accordance with the instructions in the Form ADV, any amendments to the federal covered adviser's Form ADV. (3-20-20)T

093. RECORDS REQUIRED OF INVESTMENT ADVISERS.
Pursuant to provisions of the Act, every investment adviser registered or required to be registered under the Act shall make and keep true, accurate and current books and records as listed in 17 CFR 275.204-2 under the Investment Advisers Act of 1940, as currently amended. (3-20-20)T

094. CLIENT CONTRACTS – INVESTMENT ADVISERS.

01. Contract. As used in this rule, "investment advisory contract" means any contract or agreement whereby a person agrees to act as investment adviser or to manage any investment or trading account for a person other than an investment company, as defined in the Investment Company Act of 1940, as amended. (3-20-20)T

02. Contents of Client Contract. No investment adviser shall enter into, extend, or renew any

investment advisory contract, or in any way perform any investment advisory contract entered into, extended, or renewed, after the effective date of this rule, unless such contract is in writing and contains the following: (3-20-20)T

a. Provides that an investment adviser shall not receive compensation based on a share of capital gains upon or capital appreciation of funds or any portion of the funds of the client, except as exempted in 17 CFR 275.205-3 under the Investment Adviser Act of 1940; (3-20-20)T

b. Provides that no assignment of the contract shall be made by the investment adviser without the written consent of the client; (3-20-20)T

c. Provides that if the investment adviser is a partnership, the investment adviser shall notify the client of any change in the membership of such partnership within a reasonable time after such change; (3-20-20)T

d. Provides the investment adviser's policy regarding termination of the contract, in compliance with 17 CFR 275.204-3(b). (3-20-20)T

e. Detailed description of the services to be provided; (3-20-20)T

f. Terms of the contract; (3-20-20)T

g. Amount of the advisory fee, the formula for computing the fee, and the amount of any prepaid fee to be returned in the event of contract termination or non-performance; (3-20-20)T

h. Discloses whether the contract grants discretionary power to the investment adviser; (3-20-20)T

i. A contract may not contain any provision that limits or purports to limit the liability of the investment adviser for conduct or omission arising from the advisory relationship that does not conform to the Act, applicable federal statutes, or common law fiduciary standard of care; or the remedies available to the client at law or equity or the jurisdiction where any action shall be filed or heard. (3-20-20)T

095. INVESTMENT ADVISER BROCHURE RULE.

An investment adviser registered or required to be registered under the Act shall, in accordance with 17 CFR 275.204-3 under the Investment Advisers Act of 1940, deliver to each advisory client and prospective advisory client with a written disclosure statement that may be either a copy of Part 2 of its Form ADV which complies with 17 CFR 275.204-1(b) of the Investment Advisers Act of 1940, or a written document containing at least the information then so required by Part 2 of Form ADV. (3-20-20)T

096. REQUIREMENTS FOR CUSTODY.

If an investment adviser registered or required to be registered under the Act maintains custody of client funds, it shall be done in accordance with the requirements and standards set forth in 17 CFR 275.206(4)-2 of the Investment Advisers Act of 1940. (3-20-20)T

097. INVESTMENT ADVISER AFFILIATION WITH BROKER-DEALERS/ISSUERS/AGENTS.

If an investment adviser becomes affiliated with a broker-dealer or issuer, he will be under a continuing obligation to make full disclosure of the affiliation to all parties to the affiliation, and must provide written notice to the Administrator of any material changes concerning any affiliation. Compliance with Part 2 of Uniform Form ADV and delivery of Part 2 of that form, or of a separate brochure or document containing substantially the same information that meets the requirements of the federal brochure rule, will be deemed to be in compliance with this rule. (3-20-20)T

098. NAMES USED BY BROKER-DEALERS AND INVESTMENT ADVISERS.

01. Unregistered Names. (3-20-20)T

a. Broker-dealers, Broker-dealer Agents. Upon written request, the Administrator, in his discretion, may allow use by a broker-dealer of the name of an entity which is not registered with the Department as a broker-dealer if, in all communications and advertising, a notation is prominently displayed indicating that all securities

transactions are made through a named registered broker-dealer. However, any and all payments received must be in the name of the registered broker-dealer. The Administrator may impose any further conditions or restrictions on the use of the nonregistered name that he deems appropriate for the protection of the public. Except as provided in this rule, the use of unregistered names by a broker-dealer is prohibited. (3-20-20)T

b. Investment Advisers, Investment Adviser Representatives. All advising, transactions, communications, and advertising regarding securities and the conducting of business as an investment adviser must be accomplished under the name of the investment adviser that is currently registered with the Department. Upon written request, the Administrator, in his discretion, may allow use by an investment adviser or investment adviser representative of the name which is not registered with the Department. (3-20-20)T

02. Change of Name. If a registered broker-dealer, investment adviser, investment adviser representative or agent desires a name change, notice of such an intent must be submitted through CRD or to the Department within thirty (30) days after the effective date of the change. The name change will not be effective in this state until the notice is received. Any notice of a name change must include a copy of the rider to be attached to the investment adviser's surety bond, if such bond is required, reflecting the name change. (3-20-20)T

099. CIRCUMVENTION OF ORDERS PROHIBITED.
A broker-dealer, investment adviser, agent, or investment adviser representative may not circumvent the imposition of an order denying registration or revoking registration by withdrawing the application through the CRD system after such order has been issued. Such action will not be recognized by the Administrator, and will have no effect on the outcome of the order. (3-20-20)T

100. WAIVER BY ADMINISTRATOR.
The Administrator may, either upon request or upon his own motion, waive or modify the application of any particular section to a particular agent, broker-dealer or investment adviser when, in his opinion, just and reasonable cause exists for such action and the waiving or modifying of such rule would not be contrary to the provisions of the Act or to the public interest. (3-20-20)T

101. NOTIFICATION OF OPENING, CLOSING OR RELOCATION OF BRANCH OFFICES.
Any broker-dealer or investment adviser, registered as such with the Department, shall notify the Administrator in writing or through CRD, no later than thirty (30) days after the opening, closing or relocation of any branch office. For purposes of this rule, "branch office" is defined by FINRA. (3-20-20)T

102. CANCELLATION OF REGISTRATION OR APPLICATION -- GROUNDS.
If the Administrator finds that any registrant or applicant for registration is no longer in existence or has ceased to do business as a broker-dealer, investment adviser, salesman or investment adviser representative, or is subject to an adjudication of mental incompetence or to the control of a committee, conservator or guardian, or cannot be located after reasonable search, the Administrator may by order cancel the registration or application. (3-20-20)T

103. EXAMINATION REQUIREMENTS.

01. Examination Required. The following examinations are required for the following applicants: (3-20-20)T

a. Broker-dealer agent application. General agents of securities broker-dealers are required to take and pass: (3-20-20)T

i. The applicable FINRA examinations; and (3-20-20)T

ii. Either the Series 63 or the Series 66 examination. (3-20-20)T

b. Investment adviser representative and investment adviser qualifying officer application. Applicants for registration as investment adviser representatives or as an investment adviser qualifying officer shall take and pass: (3-20-20)T

i. The Series 65; or (3-20-20)T

ii. The Series 66, the Series 7, and the Securities Industry Essentials examinations. (3-20-20)T

c. Specialized agent of a broker-dealer, issuer agent and qualifying officer for non-FINRA broker-dealer application. Specialized agents of broker-dealers, issuer agents and qualifying officers for non-FINRA broker-dealers application are required to take and pass: (3-20-20)T

i. The applicable FINRA examinations; and (3-20-20)T

ii. Either the Series 63 or the Series 66 examination. (3-20-20)T

d. Sales of Viaticals. Persons selling viatical investments are required to take and pass the Securities Industry Essentials and Series 7 examinations. (3-20-20)T

02. Specialized Examination Authority. Any registration granted pursuant to a specialized examination will be restricted, and the registrant will be authorized to effect securities transactions only in securities of the type specified by the conditions of the license. (3-20-20)T

03. Investment Adviser Representatives - Waiver. An applicant for investment adviser representative or investment adviser qualifying officer registration may qualify for a waiver of the examination requirement if the applicant currently holds one (1) of the following designations: (3-20-20)T

a. Certified Financial Planner (CFP) awarded by the Certified Financial Planner Board of Standards, Inc.; (3-20-20)T

b. Chartered Financial Consultant (ChFC) awarded by the American College, Bryn Mawr, Pennsylvania; (3-20-20)T

c. Chartered Financial Analyst (CFA) awarded by the Institute of Chartered Financial Analysts; (3-20-20)T

d. Personal Financial Specialist (PFS) awarded by the American Institute of Certified Public Accountants; (3-20-20)T

e. Chartered Investment Counselor (CIC) awarded by the Investment Counsel Association of America, Inc.; or (3-20-20)T

f. Such other professional designation as the Administrator may by rule or order recognize. (3-20-20)T

04. Waiver. The Administrator, in his sole discretion, may waive any examination required by this rule upon a sufficient showing of good cause and upon any conditions he may impose. (3-20-20)T

104. FRAUDULENT, DISHONEST AND UNETHICAL PRACTICES - BROKER-DEALER, BROKER-DEALER AGENTS, ISSUER AGENTS, INVESTMENT ADVISERS, INVESTMENT ADVISER REPRESENTATIVES.

01. Fraudulent, Dishonest and Unethical Practices. Any broker-dealer, agent, issuer agent, investment adviser or investment adviser representative who engages in one (1) or more of the practices identified in Subsections 104.02 through 104.47 of this rule shall be deemed to have engaged in one (1) or both of the following: (3-20-20)T

a. An "act, practice, or course of business that operates or would operate as a fraud or deceit" as used in Section 30-14-501 and Section 30-14-502, Idaho Code; (3-20-20)T

b. A dishonest and unethical practice as used in Section 30-14-412(d)(13), Idaho Code, and such conduct may constitute grounds for denial, suspension, or revocation of registration or such other action authorized

by statute. (3-20-20)T

c. This rule is not intended to be all-inclusive, and thus, acts or practices not enumerated herein may also be deemed fraudulent, or dishonest and unethical. (3-20-20)T

02. Delivery Delays. Engaging in a pattern of unreasonable and unjustifiable delays in the delivery of securities purchased by any of its customers and/or in the payment upon request of free credit balances reflecting completed transactions of any of its customers. (3-20-20)T

03. Churning. Inducing trading in a customer's account which is excessive in size or frequency in view of the financial resources and character of the account. (3-20-20)T

04. Unsuitable Recommendations. (3-20-20)T

a. Recommending to a customer the purchase, sale, or exchange of any security without reasonable grounds to believe that such transaction or recommendation is suitable for the customer based upon reasonable inquiry concerning the customer's investment objectives, financial situation and needs, and any other relevant information known by the broker-dealer, agent, or issuer agent. (3-20-20)T

b. Recommending to a customer, to whom investment advice is provided, the purchase, sale, or exchange of any security without reasonable grounds to believe that the recommendation is suitable for the customer on the basis of information furnished by the customer after reasonable inquiry concerning the customer's investment objectives, financial situation and needs, and any other information known by the investment adviser or investment adviser representative. (3-20-20)T

05. Unauthorized Transactions. Executing a transaction on behalf of a customer without authorization to do so. (3-20-20)T

06. Discretionary Authority. Exercising any discretionary power in effecting a transaction for a customer's account without first obtaining written discretionary authority from the customer, unless the discretionary power relates solely to the time and/or price for the executing of orders. (3-20-20)T

07. Margin Accounts. Executing any transaction in a margin account without securing from the customer a properly executed written margin agreement before or promptly after the initial transaction in the account. (3-20-20)T

08. Segregation of Client Securities. Failing to segregate customers' free securities or securities held in safekeeping. (3-20-20)T

09. Hypothecating Customer Securities. Hypothecating a customer's securities without having a lien thereon unless the broker-dealer secures from the customer a properly executed written consent before or promptly after the initial transaction, except as permitted by rules of the Securities and Exchange Commission. (3-20-20)T

10. Unreasonable Price, Commission. Entering into a transaction with or for a customer at a price not reasonably related to the current market price of the security or receiving an unreasonable commission or profit. (3-20-20)T

11. Failure to Supervise. Failure by a broker-dealer or investment adviser to exercise diligent supervision over the securities activities of all its broker-dealer agents, investment adviser representatives and employees as set forth in Section 105 of these rules. (3-20-20)T

12. Unreasonable Fees. Charging unreasonable and inequitable fees for services performed, including miscellaneous services such as collection of monies due for principal, dividends or interest, exchange or transfer of securities, appraisals, safekeeping, or custody of securities and other services related to its securities business. (3-20-20)T

13. Sales at the Market. Representing that a security is being offered to a customer “at the market” or

a price relevant to the market price unless such broker-dealer knows or has reasonable grounds to believe that a market for such security exists other than that made, created, or controlled by such broker-dealer, or by any such person for whom the broker-dealer is acting or with whom the broker-dealer is associated in such distribution, or any person controlled by, controlling, or under common control with such broker-dealer. (3-20-20)T

14. Manipulative, Deceptive or Fraudulent Practices. Effecting any transaction in, or inducing the purchase or sale of, any security by means of any manipulative, deceptive, or fraudulent device, practice, plan, program, design, or contrivance, which may include: (3-20-20)T

a. Effecting any transaction in a security which involves no change in the beneficial ownerships thereof; (3-20-20)T

b. Entering an order or orders for the purchase or sale of any security with the knowledge that an order or orders of substantially the same size, at substantially the same time and substantially the same price, for the sale of any such security, has been or will be entered by or for the same or different parties for the purpose of creating a false or misleading appearance of active trading in the security or a false or misleading appearance with respect to the market for the security. However, nothing in Subsection 104.14, of this rule, prohibits a broker-dealer from entering bona fide agency cross transactions for customers; or (3-20-20)T

c. Effecting, alone or with one (1) or more other persons, a series of transactions in any security creating actual or apparent active trading in such security or raising or depressing the price of such security, for the purpose of inducing the purchase or sale of such security by others. (3-20-20)T

15. Loss Guarantees. Guaranteeing a customer against loss in any securities account of such customer carried by the broker-dealer or in any securities transaction effected by the broker-dealer or in any securities transaction effected by the broker-dealer with or for such customer. (3-20-20)T

16. Bona Fide Price Reports. Publishing or circulating, or causing to be published or circulated, any notice, circular, advertisement, newspaper article, investment service, or communication of any kind which purports to report any transaction as a purchase or sale of any security unless such broker-dealer believes that such transaction was a bona fide purchase or sale of such security; or which purports to quote the bid price or asked price for any security, unless such broker-dealer believes that such quotation represents a bona fide bid for, or offer of, such security. (3-20-20)T

17. Deceptive or Misleading Advertising. Using any advertising or sales presentation in such a fashion as to be deceptive or misleading. (3-20-20)T

18. Disclosure of Control. Failing to disclose that the broker-dealer or investment adviser is controlled by, controlling, affiliated with, or under common control with the issuer of any security before entering into any contract with or for a customer for the purchase or sale of such security, the existence of such control to such customer, and if such disclosure is not made in writing, it shall be supplemented by the giving or sending of written disclosure at or before the completion of the transaction. (3-20-20)T

19. Bona Fide Distribution. Failing to make a bona fide public offering of all of the securities allotted to a broker-dealer for distribution, whether acquired as an underwriter, a selling group member, or from a member participating in the distribution as an underwriter or selling group member by, among other things, transferring securities to a customer, another broker-dealer or a fictitious account with the understanding that those securities will be returned to the broker-dealer or its nominees or parking or withholding securities. (3-20-20)T

20. Customer Communication. Failure or refusal to furnish a customer, upon reasonable request, information to which the customer is entitled, or to respond to a formal written request or complaint. (3-20-20)T

21. Loans from Customers. Borrowing money or securities from a customer, unless the customer is a broker-dealer, an affiliate, or a financial institution engaged in the business of loaning funds or securities, or immediate family. For purposes of this rule, the term "immediate family" means parents, mother-in-law, father-in-law, husband, wife, brother, sister, brother-in-law, sister-in-law, son-in-law, daughter-in-law, and children. (3-20-20)T

22. Loans to Customers. Loaning money to a customer, other than an immediate family member, unless the broker-dealer or investment adviser is a financial institution engaged in the business of loaning funds or the customer is an affiliate of the broker-dealer or investment adviser. (3-20-20)T

23. Unrecorded Transactions. Effecting securities transactions not recorded on the regular books or records of the broker-dealer which the agent represents, unless the transactions are authorized in writing by the broker-dealer prior to execution of the transaction. (3-20-20)T

24. Fictitious Accounts. Establishing or maintaining an account containing fictitious information in order to execute transactions which would otherwise be prohibited. (3-20-20)T

25. Profit/Loss Sharing. Sharing directly or indirectly in profits or losses in the account of any customer without the written authorization of the customer and the broker-dealer which the agent represents. (3-20-20)T

26. Splitting Commissions. Dividing or otherwise splitting the agent's commissions, profits, or other compensation from the purchase or sale of securities with any person not also registered in Idaho as an agent for the same broker-dealer, or for a broker-dealer under direct or indirect common control. (3-20-20)T

27. Unsolicited Transactions. Marking any order tickets or confirmations as unsolicited when in fact the transaction was solicited. (3-20-20)T

28. FINRA and NASD Rules Compliance. Failing to comply with any applicable provision of the NASD Conduct Rules and any other FINRA Rules or any applicable fair practice or ethical standard promulgated by the Securities and Exchange Commission or by a self-regulatory organization approved by the Securities and Exchange Commission. (3-20-20)T

29. Contradicting Prospectus Information. Contradicting or negating the importance of any information contained in a prospectus or other offering materials with intent to deceive or mislead. (3-20-20)T

30. Inside Information. In connection with the offer, sale, or purchase of a security, falsely leading a customer to believe that the broker-dealer, agent, investment adviser or investment adviser representative is in possession of material, non-public information which would impact the value of the security, or communicating to customers or other persons bona fide information not generally available to the public that may be used in the person's decision to buy, sell, or hold a security. (3-20-20)T

31. Contradictory Recommendations. In connection with the solicitation of a sale or purchase of a security, engaging in a pattern or practice of making contradictory recommendations to different investors of similar investment objective for some to sell and others to purchase the same security, at or about the same time, when not justified by the particular circumstance of each investor. (3-20-20)T

32. Prospectus Delivery. Failure to comply with any prospectus delivery requirement promulgated under federal law. (3-20-20)T

33. Penny Stock Sales. Effect any transaction in, or to induce or attempt to induce the purchase or sale of, any penny stock by any customer except in accordance with the requirements as set forth in the 1934 Securities Exchange Act, Section 15(h) and the rules and regulations prescribed thereunder. (3-20-20)T

34. Misrepresentations Concerning Advisory Services. To misrepresent to any advisory client, or prospective advisory client, the qualifications of the investment adviser, investment adviser representative or any employee of the investment adviser, or to misrepresent the nature of the advisory services being offered or fees to be charged for such service, or to omit to state a material fact necessary to make the statements made regarding qualifications, services, or fees, in light of the circumstances under which they are made, not misleading. (3-20-20)T

35. Unreasonable Advisory Fees. Charging a client an unreasonable advisory fee. (3-20-20)T

36. Conflicts of Interest. Failing to disclose to clients in writing before any advice is rendered any

material conflict of interest relating to the adviser or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice including: (3-20-20)T

a. Compensation arrangements connected with advisory services to clients which are in addition to compensation from such clients for such services; and (3-20-20)T

b. Charging a client an advisory fee for rendering advice when a commission for executing securities transactions pursuant to such advice will be received by the adviser or its employees. (3-20-20)T

37. Guaranteeing Specific Results. Guaranteeing a client that a specific result will be achieved (gain or no loss) with advice which will be rendered. (3-20-20)T

38. Advertising. Publishing, circulating, or distributing any advertisement that does not comply with 17 CFR 275.206(4)-1 under the Investment Advisers Act of 1940. (3-20-20)T

39. Disclosure of Private Information. Disclosing the identity, affairs, or investments of any client unless required by law to do so, or unless consented to by the client. (3-20-20)T

40. Advisory Contract Disclosures. Entering into, extending, or renewing any investment advisory contract unless such contract is in writing and discloses, in substance the services to be provided, the term of the contract, the advisory fee, the formula for computing the fee, the amount of prepaid fee to be returned in the event of contract termination or non-performance, whether the contract grants discretionary power to the adviser and that no assignment of such contract shall be made by the investment adviser without the consent of the other party to the contract. (3-20-20)T

41. Protection of Non-Public Information. Failing to establish, maintain, and enforce written policies and procedures reasonably designed to prevent the misuse of material nonpublic information, or that are contrary to the provisions of Section 204A, and rules associated with it, of the Investment Advisers Act of 1940. (3-20-20)T

42. Advisory Contract to Comply with Federal Law. To indicate, in an advisory contract, any condition, stipulation, or provisions binding any person to waive compliance with any provision of the Act or of the Investment Advisers Act of 1940, or any other practice contrary to the provisions of Section 215, and rules associated with it, of the Investment Advisers Act of 1940. (3-20-20)T

43. Waiver of State or Federal Law Prohibited. Engaging in any act, practice, or course of business which is fraudulent, deceptive, or manipulative in contrary to the provisions and associated rules of Section 206(4) of the Investment Advisers Act of 1940, notwithstanding the fact that such investment adviser is not registered or required to be registered under Section 203 of the Investment Advisers Act of 1940. (3-20-20)T

44. Fraudulent, Deceptive or Manipulative Acts. Engaging in any act, practice, or course of business which is fraudulent, deceptive, or manipulative in contrary to the provisions and associated rules of Section 206(4) of the Investment Advisers Act of 1940, notwithstanding the fact that such investment adviser is not registered or required to be registered under Section 203 of the Investment Advisers Act of 1940. (3-20-20)T

45. Outside Business Activities - Selling Away. Any agent or investment adviser representative associated with a broker-dealer or investment adviser registered under the Act shall not engage in business activities, for which he receives compensation either directly or indirectly, outside the scope of his regular employment unless he has provided prior written notice to his employer firm. (3-20-20)T

46. Third Party Conduct. Engaging in conduct or any act, indirectly or through or by any other person, which would be unlawful for such person to do directly under the provisions of the Act or any rules thereunder, or engaging in other conduct such as nondisclosure, incomplete disclosure, or deceptive practices shall be deemed an unethical business practice. The federal statutory and regulatory provisions referenced herein shall apply to investment advisers and federal covered advisers, to the extent permitted by the National Securities Markets Improvement Act of 1996 (Pub. L. No. 104-290). (3-20-20)T

47. Misleading Filings. For purposes of Section 30-14-505, Idaho Code, the term "proceeding"

includes, but is not limited to, any investigation, examination or other inquiry initiated by the Department. (3-20-20)T

105. SUPERVISION OF AGENTS, INVESTMENT ADVISER REPRESENTATIVES AND EMPLOYEES.

01. Supervision Required. Every broker-dealer, investment adviser, and designated supervisor shall exercise diligent supervision over the securities activities of all of his agents, investment adviser representatives and employees. (3-20-20)T

02. Broker-Dealer Procedures. Every agent and employee of the broker-dealer shall be subject to the supervision of a supervisor designated by such broker-dealer. The supervisor may be the broker-dealer in the case of a sole proprietor, or a partner, officer, office manager, or any other qualified person. (3-20-20)T

03. Written Compliance Procedure. Every broker-dealer shall establish, maintain and enforce written procedures and keep a copy in each business office, that set forth the procedures adopted by the broker-dealer to comply with the following duties imposed by this rule, and state at which business office or offices the broker-dealer keeps and maintains the records required by Section 30-14-411, Idaho Code: (3-20-20)T

a. The review and written approval by the designated supervisor of the opening of each new customer account; (3-20-20)T

b. The frequent examination of all customer accounts to detect and prevent irregularities or abuses, including a review for churning and switching of securities in customers' accounts, as well as unsuitable recommendations and sales of unregistered securities; (3-20-20)T

c. The prompt review and written approval by the designated supervisor of all securities transactions and all correspondence pertaining to the solicitation or execution of all securities transactions; (3-20-20)T

d. The review of back office operations, i.e., all systems and procedures, including the currency and accuracy of books and records, the status and causes of "Fails to Receive" and "Fails to Deliver." net capital, credit extensions and financial reports; (3-20-20)T

e. The review of form, content and filing of all correspondence related in any way to the purchase or sale or solicitation for the purchase or sale of securities; (3-20-20)T

f. The review and written approval by the designated supervisor of the delegation by any customer of discretionary authority with respect to his account to a stated agent or associate of the broker-dealer and the prompt written approval of each discretionary order entered on behalf of that account; and (3-20-20)T

g. The prompt review and written approval of the handling of all customer complaints. As used in these rules, "complaint" is considered to be any written statement by a customer or by any person acting for a customer which complains about the activities of the broker-dealer, agent or associate in connection with the solicitation or execution of a transaction or the disposition of funds of that customer. (3-20-20)T

04. Investment Adviser Procedures. Every investment adviser shall establish, maintain and enforce written procedures and keep a copy in each business office, that set forth procedures reasonably designed to prevent violation of the Idaho Uniform Securities Act and Rules and comply with the following duties as applicable to the business of the investment adviser: (3-20-20)T

a. The review and written approval by the designated supervisor of the opening of each new customer account; (3-20-20)T

b. The frequent examination of all customer accounts to detect and prevent irregularities or abuses, including a review for unsuitable recommendations and recommendations of unregistered securities; (3-20-20)T

c. The prompt review and written approval by the designated supervisor of all securities

recommendations and all correspondence pertaining to the solicitation or execution of all securities recommendations; (3-20-20)T

d. The review of form, content and filing of all correspondence related in any way to the recommendation of the purchase of any securities; (3-20-20)T

e. The prompt review and written approval of the handling of all customer complaints. As used in these rules, a "complaint" is considered to be any written statement by a customer, or by any person acting for a customer, questioning the activities of the investment adviser or representative in connection with recommendations concerning, or disposition of, funds in the account. (3-20-20)T

106. -- 999. (RESERVED)

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