**Section 130.810 Procedures for Registration as a Dealer Under Section 8.B of the Act**

No person shall be registered as a dealer unless satisfactory evidence shall have been furnished to the Secretary of the trustworthiness of the applicant and the applicant's officers, directors, partners, principal members or trustees. No person shall be registered as a dealer until that person shall have given evidence of competency to engage in the business of dealing in, buying or selling securities. Every person or officer who sells securities in this State shall be deemed to be a salesperson and must be registered as such in accordance with Section 8.B of the Act.

a) Each applicant for registration as a dealer shall deliver to FINRA Form BD as provided in Appendix C or, if already on file with FINRA, the requisite amendment that indicates that an application is on file in this State and pay to FINRA the registration fee specified in Section 130.110.

b) Each applicant for registration as a dealer shall file with the Securities Department a complete and current application and pay to the Securities Department the branch office fee, if any, specified in Section 130.110. The application shall consist of the following:

1) Schedule E of Form BD listing each branch office in this State, if any;

2) An unaudited balance sheet for the applicant verified by the chief financial officer of the dealer or other person who holds a similar position as of a date not more than 60 days prior to the date that the application is deemed to be filed with the Securities Department and applicable computations which demonstrate compliance with Section 130.826 as of the date of the balance sheet;

3) One copy of the Illinois Form designating each principal of the dealer;

4) One copy of the Illinois Form setting forth the dealer's minimum net capital requirement;

5) If the applicant will not have its principal office in this State and intends to keep the records required under Section 130.825 outside of this State, one copy of the Illinois Form requesting a waiver of the requirement to maintain its records in this State;

6) Page (2) of Form U4 for each officer and director of the dealer, except that for applicants that are members of FINRA, page (2) need only be submitted for those officers and directors for whom a Form U4 has not been filed with the Securities Department on the behalf of the applicant through the CRD; and

7) Any other information or document that the Securities Department may require to determine the dealer's business repute or to clarify statements made in the application for registration.

c) Each person applying for registration as a dealer shall give evidence of competency to engage in the business of dealing in, buying or selling securities by providing the Secretary of State with proof of obtaining a passing score onthe examinations listed in Section 130.822 , to demonstrate to the Secretary that the principal or principals have sufficient knowledge of the securities business and the laws relating to that business. In the case of a person, other than a natural person, filing an application for registration as a dealer, all of the principals who, on behalf of the applicant, participate in or are responsible for the sale of securities in this State are required to take such an examination on behalf of the applicant. Each registered dealer shall amend the list not later than 10 business days after any change of any principal or principals.

d) At or prior to registration of the dealer, there must be on file with the Securities Department, whether through the CRD or otherwise, the following:

1) Proof of passing one or more of the requisite examinations listed in Section 130.822 for each principal required to take the examinations required by subsection (c), unless the Secretary issues an Order waiving the examination requirements pursuant to Section 130.823 and Section 8.B(9) of the Act;

2) Form U4 for each officer and director or each other person performing a similar function of the applicant who is required to register as a salesperson as provided in this Section, and a page (2) of Form U4 for each other officer or director of the applicant;

3) Any and all amendments required to the application and documents filed pursuant to subsection (a), whether as the result of a change in the information provided since the date of filing or otherwise; and

4) In the case of a dealer that is not a member of FINRA, an application for registration of a salesperson on Form U4. The Securities Department shall grant concurrent registration of a salesperson pursuant to such application upon the registration of the dealer unless the dealer is ineligible for registration under Section 8.E(1) of the Act. At least one salesperson must have a registration pending on behalf of a dealer that is a FINRA member with the Securities Department prior to the grant of registration. Notwithstanding the foregoing, any dealer that effects trades solely as a clearing dealer on behalf of other dealers need not register any salesperson.

e) The application and documents on file with the Securities Department with respect to the dealer shall be amended from time to time whenever a change occurs that renders the information contained in the document not accurate in any material respect. The amendment shall be filed with FINRA if the dealer is a member of FINRA, or with the Securities Department if the dealer is not a member of FINRA, within 10 business days after the occurrence of the change.

f) For the limited purpose of this Section and solely to implement a supplemental procedure known as the CRD, a computer based registration system, for the registration and re-registration of dealers and salespersons, the term "in the Office of the Secretary of State", as used in Sections 8.B and 8.C of the Act, and "with the Secretary of State", as used in Section 8.H of the Act, and "with the Securities Department", as used in Section 130.820 of this Part, shall include a filing made with FINRA utilizing the single automated system referred to in this subsection as the CRD.

(Source: Amended at 36 Ill. Reg. 2852, effective February 8, 2012)