**Section 130.825 Records Required of Dealers and Customer Fees**

a) Every dealer registered by the Secretary of State shall keep the following books and records:

1) blotters (or other records of original entry) containing an itemized daily record of all purchases and sales of securities, all receipts and deliveries of securities (including certificate numbers), all receipts and disbursements of cash and all other debits and credits. The record shall show the account for which each transaction was effected, the name and amount of securities, the unit and aggregate purchase or sale price (if any), the trade date, and the name or other designation of the person from whom purchased or received or to whom sold or delivered;

2) ledgers (or other records) reflecting all assets and liabilities, income, and expense and capital accounts;

3) ledger accounts itemizing separately as to each cash and margin account of every customer and of the dealer and partners thereof, all purchases, sales, receipts and deliveries of securities and commodities for the account and all other debits and credits to the account;

4) ledgers (or other records) reflecting the following:

A) securities in transfer

B) dividends and interest received

C) securities borrowed and securities loaned

D) monies borrowed and monies loaned (together with a record of the collateral thereof and any substitutions in the collateral)

E) securities failed to receive and failed to deliver;

5) a securities record or ledger reflecting separately for each security as of the clearance dates, all "long" or "short" positions (including securities in safekeeping) carried by the dealer for its account or for the account of its customers or partners and showing the location of all securities long and offsetting position to all securities short and in all cases the name or designation of the account in which each position is carried;

6) a memorandum of each brokerage order, and of any other instruction, given or received for the purchase or sale of securities whether executed or unexecuted. The memorandum shall show the terms and conditions of the order or instructions and of any modification or cancellation thereof, the account for which entered, the time of entry, the price at which executed and, to the extent feasible, the time of execution or cancellation. Orders entered pursuant to the exercise of discretionary power by the dealer, or any employee thereof, shall be so designated. The term "instruction" shall be deemed to include instructions between partners and employees of a dealer. The term "time of entry" shall be deemed to mean the time when such dealer transmits the order or instruction for execution, or, if it is not so transmitted, the time when it is received;

7) a memorandum of each purchase and sale of securities for the account of the dealer showing the price and, to the extent feasible, the time of execution;

8) copies of confirmations of all purchases and sales of securities and copies of notices of all other debits and credits for securities, cash and other items for the account of customers and partners of the dealer;

9) a record in respect of each cash and margin account with the dealer containing the name and address of the beneficial owner; provided that, in the case of a joint account or an account of a corporation, the records are required only in respect of the person or persons authorized to transact business for the account;

10) a record of all puts, calls, spreads, straddles and other options in which the dealer has any direct or indirect interest or which the dealer has granted or guaranteed, containing, at least, an identification of the security and the number of units involved.

b) This Section shall not be deemed to require a member of a national securities exchange to make or keep records of transactions cleared for the member by another member as are customarily made and kept by the clearing member.

c) Every dealer registered by the Secretary of State shall preserve, for a period of not less than 3 years, the first 2 years in an easily accessible place:

1) all check books, bank statements, cancelled checks and cash reconciliations;

2) all bills receivable or payable (or copies thereof), paid or unpaid, relating to the business of the dealer;

3) originals of all communications received and copies of all communications sent by the dealer (including interoffice memoranda and communications) relating to the business of the dealer;

4) all trial balances, computation of aggregate indebtedness and net capital (and working papers in connection therewith), financial statements, branch office reconciliations and internal audit working papers relating to the business of the dealer;

5) all guarantees of accounts and all powers of attorney and other evidence of the granting of any discretionary authority given in respect of any account, and copies of the resolution empowering an agent to act on behalf of a corporation;

6) all written agreements (or copies thereof) entered into by a dealer relating to business of the dealer, including agreements with respect to any account.

d) For a period of not less than 3 years after the closing of any customer's account, any account cards or records which relate to the terms and conditions with respect to the opening and maintenance of the account shall be preserved by every registered dealer.

e) Every registered dealer shall preserve during the life of the enterprise and of any successor enterprise all partnership agreements, certificates or articles or, in the case of a corporation, all articles of incorporation or charter, minute books and stock certificate books.

f) After a record or other documents have been preserved for 2 years, a photograph thereof on film may be substituted therefor for the balance of the required time.

g) Every dealer registered by the Secretary of State shall maintain within this State, in an easily accessible place, all records required by this Section. A written request for the waiver of the provisions of this Section may be made to the Secretary of State to permit any registered dealer to maintain any of the records required by this Section, in some place other than the State of Illinois. In determining whether or not the provisions of this Section should be waived, the Secretary of State shall consider, among other things, whether the main office of the dealer is in a place outside the State of Illinois or whether the dealer clears all or some of its transactions and uses all or some of the bookkeeping facilities of some other dealer whose main office is outside the State of Illinois.

h) The records (or a copy thereof) required by this Section must be maintained in each office in this State, if any, from which the transaction with respect to those records occurred.

i) Every dealer shall disclose in writing to customers at the time of opening an account, any custody, service, maintenance or similar fee that may be charged to the customer and the basis upon which each charge is determined. Customers shall receive written notice at least 45 days prior to the imposition of any new custody, service, maintenance or similar fee, or any changes to existing fees of that nature.

(Source: Amended at 20 Ill. Reg. 14185, effective October 21, 1996)