Memorandum

To: **Broker-Dealer/Agent Applicants**

From: **Delaware Securities Division**

Re: **Broker-Dealer/Agent Registration**

This is in response to your recent inquiry regarding broker-dealer and/or agent registration in the State of Delaware:

I. Firm Registration

A. NASD Member Firms:

Pursuant to CRD Phase II, firms should submit the following items to the NASD Central Registration Depository, P.O. Box 9495, Gaithersburg, Maryland, 20898-9495, in order to register the firm as a broker-dealer:

1. An initial application on Form BD (obtainable from the NASD); or Page 1 and Page 2 of the Form BD requesting Delaware registration if an initial Form BD has been previously submitted; and
2. A $250.00 registration fee. Checks should be made payable to the "National Association of Securities Dealers."

The Delaware Securities Division still requires that firms submit the following items to the Division:

3. An original, fully-executed application on Form BD;
4. A copy of your firm's most recent audited financial statement, which sets forth the nature and amount of your firm's assets and liabilities, as well as your firm's net capital computation.

If the audited statement is not dated within 90 days of the date of your application, you must submit an unaudited statement dated within 90 days of the application, along with the audited statement.

B. Non-Member Firms:

Non-Member firms must submit the following items directly to the Delaware Securities Division in order to register the firm as a broker-dealer.

1. An original, fully-executed application on Form BD;
2. A copy of your firm's most recent audited financial statement (outlined above); and
3. A $250.00 registration fee. Check should be made payable to the "State of Delaware."

C. Annual Financial Statements:

The State of Delaware does NOT require registrants to file annual financial statements.

D. Principal Registration:

The registration of a broker-dealer firm's principal is not a pre-requisite to the registration of the broker-dealer firm in Delaware.

II. Agent Registrations

A. NASD Member Firms:

All NASD member firms register their agent(s) in Delaware through the CRD. DO NOT SEND ANY AGENT APPLICATIONS TO THE SECURITIES DIVISION. Once you have been notified of your firm's effective registration by the Securities Division, according to the instructions set forth above, you should then submit the following items in connection with all agent application to the NASD Central Registration Depository;

1. An original, fully-executed application Form U-4 (obtainable from the NASD); and
2. A registration fee in the amount of $50 per agent. Checks should be made payable to the "National Association of Securities Dealers" and must be drawn on the account of the applicant's employer. Personal checks and money orders will not be accepted by the CRD.

To avoid deficiencies, you should review NASD NOTICE TO MEMBERS 81-7 for all requirements regarding CRD compliance.

B. Non-Member Firms:

Non-Member firms must submit the following items directly to the Delaware Securities Division in order to register their agent(s):

1. An original, fully-executed application Form U-4 (obtainable from the NASD);
2. Proof of passage of S-63 examination;
3. A registration fee in the amount of $50 per agent. Checks should be made payable to the "State of Delaware" and must be drawn on the account of applicant's employer.