

STATE OF CALIFORNIA
THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
TITLE 10. INVESTMENT

1. Amend Section 260.217 to read:

§ Section 260.217. Qualifications of Broker-Dealers, Compliance Supervisors and Reported Agents.

(a) Every individual who is a broker-dealer, or a compliance supervisor or reported agent of a broker-dealer:

(1) shall have passed, within two years prior to the date of filing the application for, or the issuance of, a broker-dealer license, or becoming a compliance supervisor or reported agent of a licensed broker-dealer, the Series 63/Uniform Securities Agent State Law Examination ("Series 63 Examination") or the Series 66/Uniform Combined State Law Examination ("Series 66 Examination"), both of which are administered by the Financial Industry Regulatory Authority; and

(2) shall meet all applicable examination requirements of the Securities and Exchange Commission and the self-regulatory organizations of which the broker-dealer is a member.

(b) The provisions of subsection (a)(1) shall not apply to an individual:

(1) who was a broker-dealer licensed under the Code (or a compliance supervisor or reported agent of a broker-dealer licensed under the Code) on May 22, 1989, or

(2) who has been an active broker-dealer (or a compliance supervisor or reported agent of a broker-dealer) without an interruption of two or more years since passing the

Series 63 Examination or the Series 66 Examination or not being required to take the Series 63 Examination or the Series 66 Examination pursuant to subsection (b)(1).

~~(d)~~(c) The provisions of this section do not apply to a broker-dealer or a compliance supervisor or reported agent of a broker-dealer when acting within the scope of his or her affiliation with a broker-dealer:

(1) who is licensed by the ~~State Cemetery~~ and Funeral Bureau as a Cemetery Authority or as a Cemetery Broker under Sections ~~7651.9700~~ through ~~7653.99723.3~~ of the Business and Professions Code and who sells only the securities of one issuer in connection with arrangements for funerals or cemetery space; or

(2) who sells only evidences of indebtedness of issuers organized exclusively for religious purposes and not for pecuniary profit.

~~(e)~~(d) Definitions. For purposes of this section:

(1) "Compliance supervisor" of a broker-dealer means every individual who has responsibility of ensuring that reported agents comply with the Corporate Securities Law of 1968 and the rules thereunder.

(2) "Reported agent" means every agent employed by a broker-dealer and whose employment has been reported in accordance with Section 260.210 of these rules.

NOTE: Authority cited: Sections 25217(a) and 25610, Corporations Code.

Reference: Section 25217, Corporations Code.