

STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES



Mail Specified Documents to: PO Box 1768
Madison, WI 53701-1768
(608) 266-2139
TTY: (608) 266-8818
Internet: www.wdfi.org

WISCONSIN BROKER-DEALER REGISTRATION PROCEDURE

The following information is provided to assist you in preparing an application for a Wisconsin securities broker-dealer registration. Until this application is approved, neither the firm nor its agents are registered in Wisconsin. Therefore, they cannot solicit accounts, open accounts, receive any Wisconsin accounts from other brokerage firms or transact any other securities business with any Wisconsin residents.

AGENTS MUST BE REGISTERED IN WISCONSIN

Each person who wishes to represent your firm by effecting or attempting to effect securities transactions in this state must be registered as a securities agent for a Wisconsin registered broker-dealer. To become registered, each prospective registrant must file an application (see instructions below) and successfully complete the Uniform Securities Agent State Law Examination (Series 63) or the Uniform Combined State Law Examination (Series 66) and the examination administered by FINRA which is applicable to the business the applicant intends to transact in Wisconsin. Study materials for each exam and an explanation of the examination process can be obtained by writing to FINRA, Book Order Department, 9513 Key West Avenue, Rockville, MD 20850 or by visiting the FINRA website at <http://www.finra.org> and following the Registration & Qualification tab or calling (301) 590-6500.

AGENT APPLICATIONS MUST BE SUBMITTED TO CRD

All individuals who will act as agents of a firm that is or will be registered with FINRA must submit a Form U-4 and the registration application fee set forth below to the Central Registration Depository ("CRD"). Questions on using the CRD should be directed to the Gateway Call Center at (240) 386-4848.

NET CAPITAL REQUIREMENT

Pursuant to s. DFI-Sec 4.02(1), Wis. Adm. Code, every broker-dealer must maintain net capital as prescribed by its activities under rule 15c3-1 of the Securities Exchange Act of 1934. Financial reports are not required to be filed with the application or on an ongoing basis once registered. However, if the firm is deficient in its net capital or is subject to special net capital conditions by FINRA or the SEC, the firm must advise this Division at the time of application.

CLEARING BROKERS

If the applicant will use the services of a clearing broker for trading and/or customer account maintenance, the clearing broker must also be registered as a broker-dealer in Wisconsin.

BROKER-DEALERS PROVIDING INVESTMENT ADVISORY SERVICES

Beginning January 1, 2009, in Wisconsin, a broker-dealer that also provides investment advisory services must be separately registered or notice filed as an investment adviser. Broker-dealers who wish to provide advisory services in Wisconsin must make an initial registration or notice filing via the Investment Adviser Registration Depository ("IARD"). The broker-dealer must provide any additional documents required by the investment adviser filing requirements and will be charged the regular investment adviser registration or notice filing fees for this filing. (See the [Investment Adviser Guide](#))

Agents of the broker-dealer who will provide the advisory services must make a separate application under the investment adviser registration or notice filing for registration as an investment adviser representative. They must also have passed the Series 65 exam (post January 1, 2000), the combination of the Series 7 and 66 exams (post January 1, 2000) within two years of the date of the application, or have one professional designations listed in [section DFI-Sec 5.01\(4\)\(d\), Wis. Adm. Code](#). Examination waivers for investment adviser representatives listed in section DFI-Sec 5.01(4), Wis. Adm. Code may also apply.

SUMMARY OF WISCONSIN REQUIREMENTS TO REGISTER A SECURITIES BROKER-DEALER

1. Initial applications for broker-dealer registration in Wisconsin are accomplished with a two-stage filing. The following forms and fees must be filed directly with the CRD:
 - a. Form BD (including \$400 filing fee)
 - b. Form U-4 and \$80 for each agent to be registered in Wisconsin. (U-4s can be filed at the time of the firm's application or later, as long as one agent is registered before the firm begins to conduct business in Wisconsin.)
 - c. A Form BR for all offices in Wisconsin along with \$80 for each such office.
2. In addition, the following documents must be filed directly with this Division (no application will be considered complete without these additional documents):
 - a. A completed **WISCONSIN SECURITIES ACTIVITY QUESTIONNAIRE**. A blank form is enclosed.
 - b. Financials – Most applications **DO NOT** require financial information. If the broker-dealer is not delinquent in the filing of its annual financial statements with the U.S. Securities and Exchange Commission under Rule 17a-5 of the Securities Exchange Act of 1934, it is not necessary to file a financial statement with the Division. However, information on any deficiencies or special conditions must be reported to the Division in writing.
 - c. Information as to whether **ONLINE TRADING** will be available from the broker-dealer. If the firm has a **WEBSITE**, provide the URL address or samples of the front page and any pages relating to account opening, terms and conditions, agreements and disclosures.

FEES

Fees incident to filing broker-dealer and agent applications include the following:

- \$400** **FILING (\$200) and EXAMINATION FEES (\$200)** – For review of the application by this Division as prescribed by [sec. 551.614\(2\), Wis. Stats.](#) and [s. DFI-Sec 7.01\(3\)\(a\), Wis. Adm. Code](#), for a **BROKER-DEALER APPLICATION**. These fees are to be submitted directly to the CRD.
- \$80** **SECURITIES AGENT APPLICATION FILING FEE (\$80)** as prescribed by [sec. 551.614\(2\), Wis. Stats.](#) must be remitted for each securities agent application filed. These fees are to be submitted directly to the CRD.
- \$80** **BRANCH OFFICE FILING FEE (\$80)** as prescribed by [sec. 551.614\(2\), Wis. Stats.](#), for each branch office located in Wisconsin. These fees are to be submitted directly to the CRD.

REVIEW BY STAFF

After an application is received by the Division, it will be reviewed and you will be notified in writing of any deficiencies within 30 days. However, most deficiency letters are sent within 10 days. The date of filing is based upon the date the application is transferred from “No Status” to “Pending” on the records of the CRD.

Depending upon the information filed in the application and at the discretion of the staff, additional information may be requested. The filing of information with the CRD does not preclude a request that a hard copy be filed with the Division. The staff may also contact third parties such as clearing brokers and other regulatory agencies for information regarding the applicant or its principals. Wisconsin statutes require that a firm be advised of any deficiencies in its application within 30 days of filing. The applicant has 180 days from the filing date of its application to address all deficiencies and complete the application. The staff has 45 days from the receipt of new information requested as part of the review process to take action on the application or request further information.

A firm will not be approved until approval has been noticed via the CRD for the SEC, FINRA and the broker-dealer’s home state.

AMENDMENTS to Form BD, changes of address or principal office, changes to Schedules A through D or other related topics will be accepted as filed with the CRD. These amendments are not required to be filed directly with the Division.

All reports required by [s. DFI-Sec 4.04, Wis. Adm. Code](#) and copies of all civil suits must still be filed with the Division regardless of their inclusion with a Form BD amendment.

LAW AND RULES AVAILABLE

Copies of the Wisconsin Uniform Securities Law and Rules of the Division are available online at the DFI website at: <http://www.wdfi.org/fi/securities/statutes.htm>.

If you have questions about requirements for registering as a foreign corporation in Wisconsin, contact the
DFI Division of Corporate & Consumer Services
201 W. Washington Ave., Suite 300
Madison, Wisconsin 53703
Phone (608) 261-9555

If you have any additional questions concerning Wisconsin broker-dealer registration application requirements, you may call (608) 266-2139 for assistance.

Additional copies of this packet and forms are available online at:
<http://www.wdfi.org/fi/securities/securapps.htm>

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WISCONSIN BROKER-DEALER ACTIVITY OF APPLICANT

Pursuant to §551.401(1), Wis. Stats., it is unlawful for any person to transact business in Wisconsin as a broker-dealer unless so registered under Chapter 551, Wis. Stats., except that a person who effects transactions in this state exclusively for the account of or exclusively in offers to sell or sales as specified in §551.401(2) and (4), Wis. Stats., or section DFI-Sec 4.10(1), Wis. Adm. Code, is not required to be so registered.

Transacting business includes effecting or attempting to effect transactions in securities and/or soliciting any person in the state to become a customer of the broker-dealer.

The fact that a person may have transacted business as a broker-dealer in Wisconsin in violation of §551.401(1), Wis. Stats., does not mean that a person's Wisconsin registration application will automatically be denied.

As part of the Wisconsin Broker-Dealer Registration Application, the applicant must respond as to whether or not the applicant has engaged in broker-dealer business in Wisconsin without being properly registered. To facilitate your response, please complete the questionnaire below and return the completed form to this Division.

NO, this applicant is not now transacting and has never transacted broker-dealer business in Wisconsin.

YES, this applicant has transacted broker-dealer business in Wisconsin prior to this application.
The applicant agrees to stop transacting such business immediately, until properly registered.

If **yes**, list all transactions effected in Wisconsin:

Name & Address of Customer	Date of Transaction	Description of Transaction	Date of Client Agreement	Name of Agent	Total Commissions Charged
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(Attach additional pages if space provided is insufficient.)

Name of Applicant _____

Firm's Authorized Signatory

Typed Name and Title of Signatory

Date _____ Firm CRD Number _____

This document can be made available in alternate formats upon request to qualifying individuals with disabilities.