

## **BD Application**

Applying for registration as a Broker-Dealer involves, at a minimum, making application with the SEC, NASD, and the home state. Generally, the Broker-Dealer and an agent will have to register with each state in which its customers reside.

Although the SEC, NASD and states do provide instruction on how to apply, most applicants elect to use a consultant familiar with the terms, paperwork and method of filing particular to each entity or jurisdiction.

If you prepare the application yourself, you will spend a lot of time learning exactly what the SEC, NASD and states need, the proper format, the method of submission, and the submission deadlines, but will incur few additional costs. Conversely, if you retain someone to assist you in these efforts, you will save time and effort, but will need to pay for these services.

NASD Application rules require the application be completed within 180 days. If you enlist National Compliance Consultants to assist, you can complete the application in as little as three (3) months, though most applications take between four (4) and six (6) months to complete and secure registration.

Whether you elect to do it yourself, or to hire someone to assist you, the first things you will need to do are:

1. Decide the structure (corporation, partnership, LLC, sole proprietor)
2. Decide on the name
3. Verify name availability with the NASD
4. Verify name availability in the firm's home state
5. Verify name availability in additional states in which you wish to conduct business
6. File organization papers (corporation, partnership, LLC, sole proprietor)
7. Get a Federal Employer Identification Number (FEIN)
8. Start a banking relationship (checking and savings accounts)

NCCI has the experience and knowledge to make the application process as quick and problem free as possible. We provide a "turnkey" Broker-Dealer product, including:

- Forms for filing
  - SEC
  - NASD
  - State of corporate domicile
  - Lost and Stolen Securities
  - Fidelity Bond
  - Auditor Designation
- Examination and qualifications
- Requests for exemptions

- Continuing Education Procedures
- Insider Trading Procedures
- "Penny Stock" procedures
- Cold Calling procedures
- Written Supervisory Procedures manual
- Financial statements
- Net capital computations
- Responses to inquiries from regulators
- Assistance with locating a clearing firm
- Preparation for the Pre Membership Meeting with the NASD

NCCI remains available to provide client support and assistance for three (3) full months after your Broker-Dealer registration becomes effective and will assist you in preparation for your firm's first onsite review by a regulator (SEC, NASD, or state).