

**FREEFELLOW**

LIMITS & THRESHOLDS

# SERIES 63

NASAA · Uniform Securities Agent

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LIMITS

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TOPICS

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## LIMITS &amp; THRESHOLDS

## REGULATION OF INVESTMENT ADVISERS

4 items

Pension consultants with **\$200M** + AUM and advisers in **15+** states may register with the SEC regardless of AUM.

Investment advisers register with the SEC at **\$110M** + AUM (federal covered) and with the state under **\$100M** AUM, with a **\$10M** buffer between.

USA §410 imposes up to **3 years** imprisonment and **\$5,000** in penalties for willful registration violations.

USA registration becomes effective at **noon** on the **30th** day after a complete application is filed, absent Administrator action.

## REGULATION OF INVESTMENT ADVISER REPRESENTATIVES

4 items

The customer must sign the options agreement within **15 days** after options account approval by a **ROP**.

Under USA §402(b)(9), a private placement is limited to **10** noninstitutional offerees in **12 months**, with no general solicitation or retail commissions.

Communications to **25** or fewer retail investors in **30 days** count as correspondence; more than that becomes retail communication needing pre-approval.

Commercial paper is exempt if maturing within **9 months**, denominations of **\$50,000** +, with a top-**3** NRSRO rating.

## REGULATION OF BROKER-DEALERS

4 items

A state-registered adviser with custody must maintain a minimum net worth of **\$35,000** or post an equivalent surety bond.

Civil liability under USA Section 410 must be brought within the earlier of **2 years** from discovery or **3 years** from sale.

The NASAA vulnerable-adult act applies at age **65**, allowing firms to delay disbursements up to **15 business days** (extendable to **25**).

Willful USA violations carry up to a **\$5,000** fine and/or **3 years** imprisonment, with a **5-year** criminal statute of limitations.