

§16408. Termination of employment or association of agent and investment adviser representative and transfer of employment or association

1. Notice of termination. If an agent licensed under this chapter terminates employment by or association with a broker-dealer or issuer, or if an investment adviser representative licensed under this chapter terminates employment by or association with an investment adviser or federal covered investment adviser, or if either licensee terminates activities that require licensing as an agent or investment adviser representative, the broker-dealer, issuer, investment adviser or federal covered investment adviser shall promptly file a notice of termination. If the licensee learns that the broker-dealer, issuer, investment adviser or federal covered investment adviser has not filed the notice, the licensee shall promptly file it.

[PL 2005, c. 65, Pt. A, §2 (NEW).]

2. Transfer of employment or association. If an agent licensed under this chapter terminates employment by or association with a broker-dealer licensed under this chapter and begins employment by or association with another broker-dealer licensed under this chapter, or if an investment adviser representative licensed under this chapter terminates employment by or association with an investment adviser licensed under this chapter or a federal covered investment adviser that has filed a notice under section 16405 and begins employment by or association with another investment adviser licensed under this chapter or a federal covered investment adviser that has filed a notice under section 16405, upon the filing by or on behalf of the licensee, within 30 days after the termination, of an application for licensing that complies with the requirement of section 16406, subsection 1 and payment of the filing fee required under section 16410, the license of the agent or investment adviser representative is:

A. Immediately effective as of the date of the completed filing if the agent's Central Registration Depository record or successor record or the investment adviser representative's Investment Adviser Registration Depository record or successor record does not contain a new or amended disciplinary disclosure within the previous 12 months; or [PL 2005, c. 65, Pt. A, §2 (NEW).]

B. Temporarily effective as of the date of the completed filing if the agent's Central Registration Depository record or successor record or the investment adviser representative's Investment Adviser Registration Depository record or successor record contains a new or amended disciplinary disclosure within the previous 12 months. [PL 2005, c. 65, Pt. A, §2 (NEW).]

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3. Withdrawal of temporary license. The administrator may withdraw a temporary license if there are or were grounds for discipline as specified in section 16412 and the administrator does so within 30 days after the filing of the application. If the administrator does not withdraw the temporary license within the 30-day period, licensing becomes automatically effective on the 31st day after filing. [PL 2005, c. 65, Pt. A, §2 (NEW).]

4. Power to prevent licensing. The administrator may prevent the effectiveness of a transfer of an agent or investment adviser representative under subsection 2, paragraph A or B based on the public interest and the protection of investors or based upon a request for other information pursuant to section 16406, subsection 1, paragraph B.

[PL 2005, c. 65, Pt. A, §2 (NEW).]

5. Termination of license or application for licensing. If the administrator determines that a licensee or applicant for licensing is no longer in existence or has ceased to act as a broker-dealer, agent, investment adviser or investment adviser representative, or is the subject of an adjudication of incapacity or is subject to the control of a committee, conservator or guardian, or can not reasonably be located, a rule adopted or order issued under this chapter may require the license be canceled or terminated or the application denied. The administrator may reinstate a canceled or terminated license, with or without hearing, and may make the license retroactive. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

[PL 2005, c. 65, Pt. A, §2 (NEW).]

SECTION HISTORY

PL 2005, c. 65, §A2 (NEW).

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