

TITLE 660. DEPARTMENT OF SECURITIES
CHAPTER 11. OKLAHOMA UNIFORM SECURITIES ACT OF 2004

SUBCHAPTER 5. BROKER-DEALERS AND AGENTS
PART 3. LICENSING PROCEDURES

660:11-5-25. Registration relief for military service members and their spouses [NEW]

(a) Definitions. For purposes of this Section:

(1) “Military Service Member” means any member of the Armed Forces or Reserves of the United States, National Guard of any state, the Military Reserves of any state, or the Naval Militias of any state.

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(2) “Military Spouse” means a person who is the current spouse of a Military Service Member who is on active duty in this state or claims residency in this state for the six months prior to assignment to active duty or during the period of active duty.

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(b) Inactive status of currently registered persons

(1) If a registered person of a broker-dealer or issuer volunteers for or is called into active duty as a Military Service Member, that person shall be placed, after proper notification to the Administrator, on inactive status and that registration will be reactivated by the broker-dealer or issuer upon his or her return to active association with the broker-dealer or issuer. Such person shall remain eligible to receive transaction-related compensation, including continuing commissions. The associated broker-dealer or issuer also may allow such person to enter into an arrangement with another registered person of the broker-dealer or issuer to take over and service the person’s accounts and to share transaction-related compensation based upon the business generated by such accounts. However, because such persons are inactive, they may not perform any of the functions and responsibilities performed by a registered person.

(2) A registered person who is placed on inactive status under subsection (b)(1) of this rule shall not be required to pay the fee provided for in Section 1-406 of the Act during the time of that person’s inactive status and for one year thereafter or until the next renewal period, whichever is longer.

(3) The relief provided in subsection (b) of this rule shall be available to a registered person who is placed on inactive status under subsection (b)(1) of this rule during the period that such person remains registered with the broker-dealer or issuer with which the person was registered at the beginning of active duty, regardless of whether the person returns to active association with another broker-dealer or issuer upon completion of the person’s active duty.

(4) The relief described in subsection (b) of this rule shall be provided only to a person registered as an agent under the Securities Act and only with respect to the period specified in connection with that person’s service on active military duty. Further, the broker-dealer or issuer with whom such person is registered shall within 30 (thirty) days notify the Administrator, in writing, of such person’s return to active association with the broker-dealer or issuer.

(c) Inactive status of sole proprietorships

(1) A broker-dealer that is a sole proprietor who temporarily closes his or her business by reason of volunteering for or being called into active military duty, shall be placed, after proper notification to the Administrator, on inactive status while the Military Service Member remains on active military duty.

(2) A sole proprietor Military Service Member placed on inactive status as set forth in subsection (c)(1) of this rule shall not be required to pay the fee as provided in Section 1-406 of the Act during the pendency of such inactive status and for one year thereafter or until the next renewal period, whichever is longer.

(3) The relief described in subsection (c)(1) of this rule shall be provided only to a sole proprietor Military Service Member and only with respect to the period specified in connection with that person's service on active military duty. Further, the sole proprietor shall within 30 (thirty) days notify the Administrator, in writing, of his or her return to active participation in the investment banking or securities business.

(d) Status of formerly registered persons

(1) If a person who was formerly registered with a broker-dealer or issuer volunteers for or is called into active duty at any time within two years after the date the person ceased to be registered with a broker-dealer or issuer, the Administrator shall defer the lapse of registration requirements set forth in Section 1-411(D)(14) of the Act (i.e., toll the standard expiration periods for qualification examinations). The Administrator shall defer the lapse of registration requirements commencing on the date the person begins actively serving as a Military Service Member, provided that the Administrator is properly notified of the person's period of active military service within one (1) year following the agent's completion of active service or upon the agent's activation with a broker-dealer or issuer, whichever occurs first. The deferral will terminate one (1) year following the person's completion of active service as a Military Service Member. Accordingly, if such person does not become activated with a broker-dealer or issuer within one (1) year following his or her completion of active service, the amount of time in which the person must become activated with a broker-dealer or issuer without being subject to a qualification examination shall consist of the standard periods for qualification examinations as provided in Section 1-411(D)(14) of the Act reduced by the period of time between the person's termination of registration and beginning of active service.

(2) If a person placed on inactive status while serving as a Military Service Member ceases to be registered with a broker-dealer or issuer, the Administrator shall defer the lapse of registration requirements set forth in Section 1-411(D)(14) of the Act (i.e., toll the standard expiration periods for qualification examinations) during the pendency of the agent's active service. The Administrator shall defer the lapse of registration requirements based on existing information in the CRD system, provided that the Administrator is properly notified of the person's period of active military service within two years following his or her completion of active service or upon the person's activation with a broker-dealer or issuer, whichever occurs first. The deferral shall terminate one (1) year following the person's completion of active service. Accordingly, if such person does not become activated with a broker-dealer or issuer within one (1) year following the agent's completion of active service, the amount of time in which the person must become activated with a broker-dealer or issuer without being subject to a qualification examination shall consist of the standard periods for qualification examinations as provided in Section 1-411(D)(14) of the Act.

(3) A person becoming activated with broker-dealer or issuer following the completion of the agent's completion of active service shall not be required to pay the fee provided for in Section 1-406 of the Act for one year after activation or the until the next renewal period, whichever is longer.

(e) Status of a military spouse

(1) A Military Spouse who meets the following requirements may apply to the Administrator for expedited review for registration under the Act. An applicant shall:

(A) Submit a complete application for registration on the forms prescribed by the Administrator;

(B) Notify the Administrator in writing that the Military Spouse is seeking expedited review of the application;

(C) Submit evidence of passing scores on examinations equivalent to those required by 660:11-5-16;

(D) Submit the filing fee required by Section 1-406 of the Securities Act;

(E) Be qualified on the basis of factors such as training, experience, and knowledge of the securities business;

(F) Establish that there are no current investigations being conducted by the Administrator, FINRA, the SEC, or another jurisdiction; and

(G) Provide any other documentation as required by the Administrator.

(2) No applicant for admission under this section shall be admitted if the applicant is or has been the subject of disqualifying disciplinary action as set forth in Section 1-411(D) of the Act or has been discharged for cause from a broker-dealer or investment adviser.

(3) This section does not apply to a Military Spouse who does not claim residence in the state of Oklahoma.