

Sec. 36b-31-9b. Net capital requirements for broker-dealers

(a) Each broker-dealer applicant and registrant shall have and maintain the minimum net capital required by Securities and Exchange Commission Rule 15c3-1, 17 C.F.R. § 240.15c3-1, as amended, and shall comply with Securities and Exchange Commission Rule 15c3-3, 17 C.F.R. § 240.15c3-3, governing customer protection, reserves and custody of securities.

(b) Each broker-dealer applicant and registrant whose net capital at any time is less than the minimum required by Securities and Exchange Commission Rule 15c3-1, or whose total outstanding principal amounts of satisfactory subordination agreements exceed the maximum allowable for a period in excess of 90 days in accordance with Securities and Exchange Commission Rule 15c3-1 (d), shall (1) give telegraphic notice to the commissioner as required by Securities and Exchange Commission Rule 17a-11(a) (1), 17 C.F.R. § 240.17a-11(a) (1), and (2) within 24 hours thereafter, file with the commissioner an up-to-date statement of financial condition and such supplemental schedules and reports which are reasonably necessary to accurately reflect the total financial position of the broker-dealer applicant or registrant. Such statement shall include, without limitation, a statement of revenues and expenses and a statement of sources and uses of funds. Such statement shall be signed and sworn to by the person making it and shall state that the facts it contains are true to that person's own knowledge.

(c) If the computations specified in subsection (a) of this section show, at any point during the month, that the broker-dealer applicant or registrant's net capital is less than the minimum required, the broker-dealer applicant or registrant shall file with the commissioner within 10 business days after the end of each month thereafter all of the information required by subsection (b) (2) of this section until three successive months, or such longer period as the commissioner deems appropriate and necessary, have elapsed.

(d) Upon written application, the commissioner may exempt from subsection (a) of this section, either unconditionally or on specified terms and conditions, any broker-dealer applicant or registrant not registered with the United States Securities and Exchange Commission or a member of a self-regulatory organization, which satisfies the commissioner that, because of the special nature of its business, its financial position and the safeguards it has established for the protection of customer funds and securities, it is not necessary in the public interest or for the protection of investors to subject the applicant or registrant to the provisions of subsection (a) of this section.

(Effective August 22, 1994; Transferred July 3, 1995)