

**Sec. 36b-31-14a. Record keeping requirements for registered broker-dealers**

(a) Every registered broker-dealer shall keep and maintain, open to inspection by the commissioner, the books and records required to be kept by the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder. Such books and records shall be kept true, accurate and current and shall be preserved for such periods of time and in such places as specified by the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder. Compliance with the requirements of the United States Securities and Exchange Commission concerning preservation of records in an electronic medium is deemed compliance with this subsection.

(b) In addition to the items required by subsection (a) of this section, every registered broker-dealer shall keep and maintain the following records, open to inspection by the commissioner:

(1) A separate file containing all written complaints submitted by customers to the broker-dealer or its agents or a separate record clearly referencing the files connected to such complaints together with the final disposition thereof, if applicable. For purposes of this subdivision, "complaint" means any written statement or record of an oral statement of a customer or any person acting on behalf of a customer alleging a grievance involving the activities of person under the control of the broker-dealer in connection with the solicitation or execution of any securities transaction or the disposition of securities or funds of that customer;

(2) A completed customer information document for each customer account opened on or after January 1, 1995 where at least one beneficial owner of the account is a natural person and such natural person is located in Connecticut or the account is serviced by an agent employed at a Connecticut office of the broker-dealer. Each such document shall contain (A) the name, address, telephone number and age of each beneficial owner of the account as of the date the account is opened, and all subsequent changes to the address and telephone number of each beneficial owner; (B) information on whether the account was solicited; (C) the current approximate annual income and net worth (exclusive of home, furnishings and automobiles) of each beneficial owner; (D) the investment objective of each beneficial owner and whether there was any prior investment activity by each beneficial owner; and (E) whether the account was opened in connection with an order to purchase or sell a security;

(3) If the broker-dealer is a partnership, all partnership agreements and, if the broker-dealer is a corporation, all articles of incorporation, amendments thereto, bylaws, minute books and stock certificate books of the broker-dealer. Such partnership and corporate records shall be preserved until at least three years after termination of the enterprise; and

(4) A separate file containing copies of all advertising published, circulated or broadcast in or from Connecticut by the broker-dealer in the conduct of its securities business.

(c) The records specified in subsection (b) of this section shall be kept true, accurate and current and shall be preserved in an easily accessible place for a period of not less than five years from the end of the fiscal year during which the last entry was made on such record, unless otherwise specified. Compliance with the requirements of the United States Securities and Exchange Commission concerning preservation of records in an electronic medium is deemed compliance with this subsection.

(d) Every registered broker-dealer shall keep and maintain at every Connecticut branch office, open to inspection by the commissioner, the following records relating to the operations of that branch office:

(1) For each agent employed at that office, a securities holding record for each customer whose account is serviced by such agent. The securities holding record shall include the customer's name, address, account number, and a chronological listing of the names and amount of all securities purchased or sold for the account of the customer, including the date of each transaction, the unit purchase or sales price;

(2) A litigation file documenting all criminal, civil, administrative and arbitration actions, including the disposition thereof, filed against the broker-dealer or any of its personnel relating to the securities activities of that office;

(3) The information contained in the confirmations of purchases and sales of securities sent to each customer of that office;

(4) Commission reports showing the amount of commissions earned by each agent located at that office or under the control or supervision of that office;

(5) A list of the names and positions of every employee, independent contractor or other person providing securities-related or clerical services in or from that office, and the employee identification number for each agent;

(6) Documentation reflecting the broker-dealer's compliance with Rule 15g, 17 C.F.R. § 240.15g, promulgated under the Securities Exchange Act of 1934 for each account serviced by that office;

(7) A copy of the broker-dealer's compliance and supervisory procedures, including documentation that every agent located at that office or under the control or supervision of that office has been provided with a copy of such procedures;

(8) A file containing any and all correspondence disseminated to or received from the public in connection with the business of that office;

(9) A memorandum of each brokerage order originating from that office, and of any other instruction, given or received for the purchase or sale of securities, whether executed or unexecuted. Such memorandum shall show the terms and conditions of the order or instructions and of any modification or cancellation thereof, the account for which entered, the time of entry, the price at which executed and, to the extent feasible, the time of execution or cancellation and whether the transaction was solicited or unsolicited. Orders entered pursuant to the exercise of discretionary power by such broker-dealer, or any employee thereof, shall be so designated. As used in this subdivision, "instruction" includes instructions between partners and employees of a broker-dealer, and "time of entry" means the time when such broker-dealer transmits the order or instruction for execution or, if it is not transmitted, the time when it is received;

(10) A list or other record of all accounts of customers of that office in which the broker-dealer is vested with any discretionary power with respect to the funds, securities or transactions of such customers;

(11) Copies of all powers of attorney and other evidence reflecting the grant of discretionary authority with respect to accounts of customers of that office;

(12) Copies of all written agreements entered into by such broker-dealer with respect to accounts of customers of that office, including, but not limited to, margin, lending, options

and investment advisory agreements;

(13) A separate file containing copies of all advertising published, circulated or broadcast upon the initiative of that office which relates to the securities business conducted from that office; and

(14) Those records specified in subdivisions (1) and (2) of subsection (b) of this section which relate to the business of that office.

(e) The records described in subsection (d) of this section shall be kept true, accurate and current and shall be (1) preserved in the branch office for a period of not less than five years from the end of the fiscal year during which the last entry was made on such record or (2) kept and maintained, open to inspection by the commissioner, at the principal place of business of each registered broker-dealer without a Connecticut branch office if such principal place of business is located within Connecticut, for a period of not less than five years from the end of the fiscal year during which the last entry was made on such record. After a period of three years from the end of the fiscal year during which the last entry was made, such records may be preserved in an easily accessible place. Compliance with the requirements of the United States Securities and Exchange Commission concerning preservation of records in an electronic medium is deemed compliance with this subsection.

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