

830-X-3-.05 Statement Of Financial Condition.

(1) An applicant filing a new application for registration as a dealer or investment adviser shall file a balance sheet prepared in accordance with generally accepted accounting principles, dated not more than ninety days prior to the date of filing. Such balance sheet shall be in compliance with Rule 830-X-3-.05(4) or audited in accordance with generally accepted auditing standards accompanied by an unqualified opinion of an independent certified public accountant registered with the Alabama State Board of Public Accountancy or a similar board of the state in which the certifying accountant resides.

(2) If an applicant is registered with the United States Securities and Exchange Commission, National Association of Securities Dealers, Inc., or a recognized stock exchange, the filing with the Commission of financial reports prepared in accordance with the rules and requirements of that organization shall satisfy the requirements of this rule; however, should such a report be submitted, it shall be accompanied by a balance sheet attested to by an officer of the applicant, unless said report contains an opinion as set forth in paragraph (1) of this rule.

(3) ~~Except as otherwise ordered by the Commission, all registered dealers and investment advisers shall file a balance sheet audited in accordance with generally accepted auditing standards accompanied by an unqualified opinion of an independent certified public accountant registered with the Alabama State Board of Public Accountancy or a similar board of the state in which the certifying accountant resides, within sixty (60) days after the close of the registrant's fiscal period.~~

(a) Except as otherwise ordered by the Commission, all persons required to be registered as investment advisers in this state shall file a balance sheet audited in accordance with generally accepted auditing standards accompanied by an unqualified opinion of an independent certified public accountant registered with the Alabama State Board of Public Accountancy or a similar board of the state in which the certifying accountant resides, within sixty (60) days after the close of the registrant's fiscal period.

(b) For the purposes of satisfying the provisions of Code of Alabama 1975, §8-6-3(g), relating to the filing of yearly audited financial statements of broker-dealers, the filing of financial reports with the U.S. Securities and Exchange Commission

(“SEC”) pursuant to SEC Rule 17a-5 (17 C.F.R. 240.17a-5 (1991)) as amended will be deemed to satisfy the provisions of the section.

(c) All persons required to be registered as investment advisers or dealers in this state shall file with the Commission, within 15 days of a written request of the Commission staff, their most recent financial statements audited in accordance with generally accepted auditing standards accompanied by an unqualified opinion of an independent certified public accountant registered with the Alabama State Board of Public Accountancy or a similar board of the state in which the certifying accountant resides.

(d) Any financial statements submitted to the Commission staff for the purposes of satisfying a request made pursuant to subdivision (3)(c) of this rule must accurately represent the financial condition of the dealer or investment adviser as of a date within twelve months of the date of such request.

(4) Attached to every balance sheet or financial statement which may be required to be submitted to the Commission shall be an oath or affirmation that such statement is true and correct to the best knowledge, information, and belief, after a diligent inquiry, of the person making such oath or affirmation. The oath or affirmation shall be made before a person authorized to administer such oath or affirmation. If the dealer or investment adviser is a sole proprietorship, the oath or affirmation shall be made by the proprietor; if a partnership, by a general partner; if a corporation, by a duly authorized officer; and if a trust, by a trustee.

(5) Securities in which an applicant has an interest disclosed in the balance sheet or financial statement shall be listed in a separate schedule and valued at cost. Market value of such securities shall be shown parenthetically as of a date within thirty (30) days of the date of filing any application.

Author: Alabama Securities Commission

Statutory Authority: Code of Ala. 1975, §8-6-23.

History: Filed September 30, 1982. **Readopted:** Filed November 9, 1983. **Emergency rule** filed December 22, 1983. **Amended:** Filed September 28, 1990. **Ed. Note:** Formerly Rule 830-X-3-.03.

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