

STATE OF NORTH DAKOTA

SECURITIES DEPARTMENT

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In the Matter of:)	ORDER REQUIRING
)	INVESTMENT ADVISER
Investment Adviser Representative)	REPRESENTATIVE CONTINUING
Continuing Education)	EDUCATION
)	
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WHEREAS, the North Dakota Securities Commissioner (the “Securities Commissioner”) is charged with the administration of the North Dakota Securities Act, Chapter 10-04 of the North Dakota Century Code, (the “Act”); and

WHEREAS, Section 10-04-03(2) of the Act provides that the Securities Commissioner may make, amend, and rescind such rules, forms and orders as are necessary or appropriate to carry out the provisions of the Act; and

WHEREAS, Section 10-04-10(5) of the Act was amended to require investment adviser representatives to “comply with any continuing education requirements as prescribed by the commissioner”; and

WHEREAS, the Commissioner finds that the issuance of this order is necessary and appropriate, in the public interest, for the protection of investors and consistent with the purposes fairly intended by the policies and provisions of the Act.

IT IS HEREBY ORDERED that:

(1) Definitions. As used in this order, the following terms mean:

(A) “Act” means the North Dakota Securities Act.

- (B) "Approved IAR Continuing Education Content" means the materials, written, oral, or otherwise that have been approved by NASAA or its designee and which make up the educational program provided to an investment adviser representative under this order.
- (C) "Authorized Provider" means a person that NASAA or its designee has authorized to provide continuing education content required by this order.
- (D) "Credit" means a unit that has been designated by NASAA or its designee as at least 50 minutes of educational instruction.
- (E) "FINRA" means the Financial Industry Regulatory Authority.
- (F) "Home State" means the state in which the investment adviser representative has its principal office and place of business.
- (G) "IAR Ethics and Professional Responsibility Content" means Approved IAR Continuing Education Content that addresses an investment adviser representative's ethical and regulatory obligations.
- (H) "IAR Products and Practice Content" means Approved IAR Continuing Education Content that addresses an investment adviser representative's continuing skills and knowledge regarding financial products, investment features, and practices in the investment advisory industry.
- (I) "Investment adviser representative" or "IAR" means an individual who meets the definition of "investment adviser representative" under the Act.
- (J) "NASAA" means the North American Securities Administrators Association or a committee designated by its Board of Directors.

(K) "Reporting Period" means one twelve month (12) period as determined by NASAA. An investment adviser representative's initial Reporting Period with this state commences the first day of the first full Reporting Period after the individual is registered or required to be registered with this state.

(2) IAR Continuing Education. Every investment adviser representative registered under Section 10-04-10(5) of the Act must complete the following IAR continuing education requirements each Reporting Period:

(A) **IAR Ethics and Professional Responsibility Requirement.** An investment adviser representative must complete six (6) Credits of IAR Regulatory and Ethics Content offered by an Authorized Provider, with at least three (3) hours covering the topic of ethics; and

(B) **IAR Products and Practice Requirement.** An investment adviser representative must complete six (6) Credits of IAR Products and Practice Content offered by an Authorized Provider.

(3) Agent of FINRA-Registered Broker-Dealer Compliance. An investment adviser representative who is also registered as an agent of a FINRA member broker-dealer and who complies with FINRA's continuing education requirements is considered to be in compliance with the subsection (2)(B) IAR Products and Practice Requirement for each applicable Reporting Period so long as FINRA continuing education content meets all of the following baseline criteria as determined by NASAA:

(A) The continuing education content focuses on compliance, regulatory, ethical, and sales practices standards;

- (B) The continuing education content is derived from state and federal investment advisory statutes, rules and regulations, securities industry rules and regulations, and accepted standards and practices in the financial services industry; and
- (C) The continuing education content requires that its participants demonstrate proficiency in the subject matter of the educational materials.

(4) Credentialing Organization Continuing Education Compliance. Credits of continuing education completed by an investment adviser representative who was awarded and currently holds a credential that qualifies for an examination waiver under Section 10-04-10(5) comply with subsections (2)(A) and (2)(B) of this order provided all of the following are true:

- (A) The investment adviser representative completes the credits of continuing education as a condition of maintaining the credential for the relevant Reporting Period;
- (B) The credits of continuing education completed during the relevant Reporting Period by the investment adviser representative are mandatory to maintain the credential; and
- (C) The continuing education content provided by the credentialing organization during the relevant Reporting Period is Approved IAR Continuing Education Content.

(5) IAR Continuing Education Reporting. Every investment adviser representative is responsible for ensuring that the Authorized Provider reports the investment adviser

representative's completion of the applicable IAR continuing education requirements.

(6) No Carry-Forward. An investment adviser representative who completes Credits of continuing education in excess of the amount required for the Reporting Period may not carry forward excess credits to a subsequent Reporting Period.

(7) Failure to Complete or Report.

(A) An investment adviser representative who fails to comply with this order by the end of a Reporting Period will renew as "CE Inactive."

(B) The registration of an investment adviser representative who is CE Inactive, but otherwise qualifies for renewal, shall be renewed in this state at the end of the calendar year in which the investment adviser representative becomes CE Inactive.

(C) An investment adviser representative shall remain CE Inactive until the investment adviser representative completes and reports all required IAR continuing education credits for all reporting periods as required by this order.

(D) An investment adviser representative who is CE Inactive at the close of the next calendar year is not eligible for investment adviser representative registration or renewal of an investment adviser representative registration.

(8) Discretionary Waiver by the Commissioner. The Securities Commissioner may, in their discretion, waive any requirements of this order.

(9) Home State. An investment adviser representative registered or required to be registered in this state who is registered as an investment adviser representative in


the individual's Home State is considered to be in compliance with this order provided that both of the following are true:

- (A) The investment adviser representative's Home State has continuing education requirements that are at least as stringent as those set forth in this order; and
- (B) The investment adviser representative is in compliance with the Home State's investment adviser representative continuing education requirements.

(10) Unregistered Periods. An investment adviser representative who was previously registered under the Act and became unregistered must complete IAR continuing education for all reporting periods that occurred between the time that the investment adviser representative became unregistered and when the person became registered again under the Act unless the investment adviser representative takes and passes the examination under Section 10-04-10(5) or receives an examination waiver as required by Section 10-04-10(5), in connection with the subsequent application for registration.

IN TESTIMONY WHEREOF, witness my hand and seal this 10th day of October, 2023.





Karen J. Tyler, Securities Commissioner
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