Secretary of State
State of Indiana
Securities Division

Connie Lawson
Secretary of State

Alex Glass
Securities Commissioner

COMPLIANCE ALERT

TO: All Broker-Dealers Registered in Indiana
FROM: Alex Glass, Securities Commissioner
DATE: July 13, 2020
RE: Temporary Relief from Branch Examination Regulation

The Indiana Secretary of State, Securities Division ("Division") has continued to monitor developments arising out of the COVID-19 pandemic and determined it is appropriate and in the public interest to issue a Statement of Policy providing relief from the annual compliance examination required by 710 Ind. Admin. Code 4-7-6(d)(9). For further information, registrants should review the full Statement of Policy at the following link: Current Policy Statements.

A brief summary of the Statement of Policy:

- 710 IAC 4-7-6(d)(9) provides that a broker-dealer must conduct an annual compliance examination of each of its branch offices located in Indiana.
- The restrictions on travel caused by the pandemic have made conducting branch office examinations impractical and/or unlawful for a significant portion of 2020. These disruptions have the potential to continue for the remainder of the year.
- As a result, the Division will not initiate an enforcement action for a broker-dealer's failure to conduct a branch office examination during calendar year 2020.
- Registrants are reminded that failure to properly supervise agents and employees remains a dishonest and unethical practice in violation of Indiana securities laws which the Division will enforce pursuant to 710 IAC 4-10-1(22).
- Any firm with the ability to conduct a remote branch examination during calendar year 2020 is encouraged to do so.
- Failure to conduct an annual in-person compliance examination in calendar year 2021 will be treated as a violation that may subject a registrant to an enforcement action unless the Commissioner specifically orders otherwise.

Questions regarding this Alert or Statement of Policy should be directed to securities@sos.in.gov.