

Chapter Eight: Transitioning Investment Adviser Representatives (RAs) and Individual Non-Filing Information

About this Section

This section contains information pertaining to transitioning existing investment adviser representatives (RAs).

Completion Objectives

At the completion of this section the user will be able to:

- Explain the purpose of transitioning for RAs
- Create a transition filing for existing RAs

In this Section

This section contains the following topics:

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About Transitioning for Existing Investment Adviser Representatives (RAs)

The 4.0 release of CRD in March 2002 enabled Investment Adviser firms to electronically register their RAs through CRD using the Form U4. IA firms will be able to register RAs electronically on a voluntary basis or as directed/mandated by state(s). However, before an IA-only firm files its first electronic Form U4 filing for an existing RA, the firm must update CRD to reflect the states with which RA is currently registered. This process is called submitting a "transition filing." Transitioning is for existing RAs who are already registered or licensed in states through paper filings. By submitting a transition filing the firm ensures that they are not charged for state registration fees previously paid before implementation of RA functionality in CRD. The Initial Set-Up Fee of \$30, which is currently waived, is charged per individual when a firm either transitions a currently registered RA or submits a Form U4 filing for a new applicant.

Therefore, before submitting an electronic Form U4 for an existing RA, IA-only firms or Joint Firms should submit data, through the Non-Filing Information function in CRD. This transition filing will:

- Identify the states with which the RA is currently registered. **NOTE:** Only California, Florida, Kentucky, South Carolina, and West Virginia will accept transition filings.
- Provide the employment start date.

Submitting the transition filing will pre-populate CRD with the RA's record of all existing state registrations. At this time, the RA's registration status is TRANS_RQST (Transition Requested). The transition filing will appear in the state's Individual Transition Approval Queue where the state(s) will validate the registration and enter the date the individual first became registered in that state. Subsequently, the RA's registration status in CRD will reflect the RA's current registration status in each state.

Once a transition filing has been submitted, a Form U4 Amendment should typically be submitted for the individual within 30 days of the transition filing if no current Form U4 is on file in CRD. The jurisdiction(s) with which the RA transitioned should be contacted for specific time guidelines. The firm does not have to wait for the state to approve the transition filing before submitting the Form U4 Amendment filing. However, if you are submitting the Form U4 Amendment filing in conjunction with the RA Transition Process, it is recommended to complete the amendment in its entirety and submit it immediately to Web CRD/IARD. Partially completed amendments saved as Pending Filings become "read-only" filings if a jurisdiction updates the RA's status before the Form U4 Amendment has been submitted. To create a Form U4 filing, see Steps for Creating a Form U4 Filing, page 9-4.

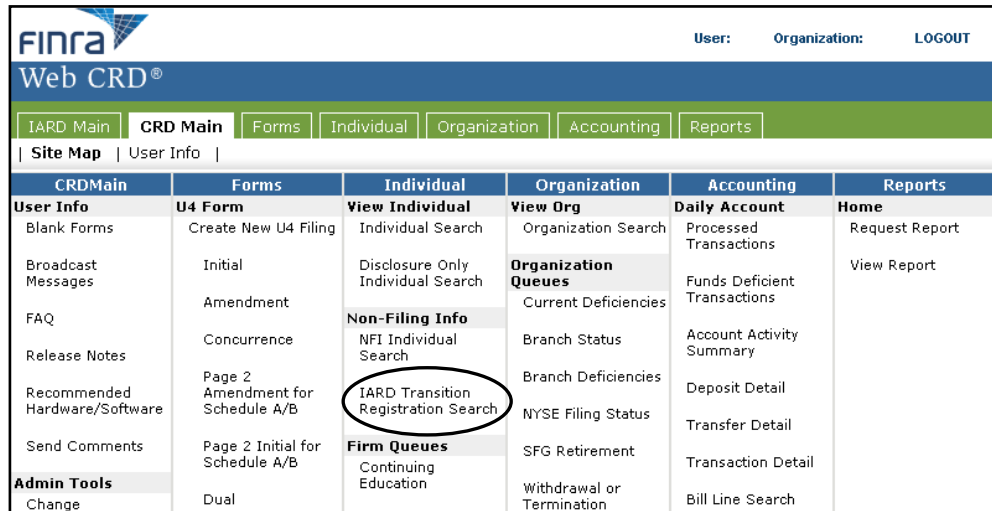
The Non-Filing Information (NFI) Individual Search in CRD is not applicable to RAs.

Steps for Creating a Transition Filing for an Existing Investment Adviser Representative (RA):

Access IARD Transition Registration

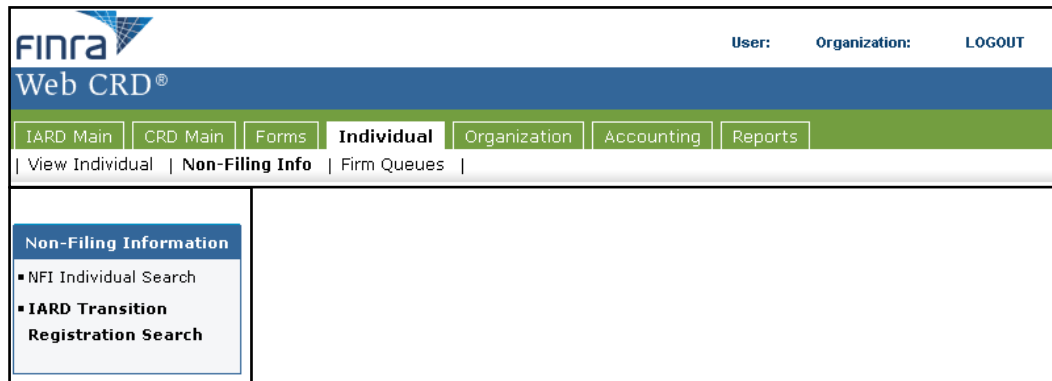
There are two ways to access IARD Transition Registration:

1. From the CRD Site Map, click the **IARD Transition Registration Search** hyperlink in the Individual column under Non-Filing Info.



OR

- 1a. Click the **Individual** Tab from the Tool Bar, choose **Non-Filing Info** from the Sub-Menu and click **IARD Transition Registration Search** from the Navigation Bar.



NOTE: To access CRD from IARD, see Steps for Accessing CRD from IARD, page 3-3.

**Transition
Registration
Search**

[Result:] The *IARD Transition Registration Search Criteria* screen opens.

2. Type a combination or one of the following: individual's **CRD Number**, **Last Name**, and/or **Social Security Number**. For a more specific search, type a **First Name**, **Middle Name**, **Birth Date** and/or **Number of Rows** per page.
3. Click the **Search** button.

[Result:] The *Transition Registration Search Results* screen opens providing a list of names that you can page through to find the individual.

Name	CRD	Birth Date
DOE, JOHN, A	1111111	01/04/1975
DOE, JOHN, B	2222222	06/15/1968

4. If the individual exists in CRD, click the **Name** hyperlink.

Create a New Individual

OR

4a. If the individual does not exist in CRD, type the individual's **Social Security Number** twice and **Birth Date** in the **Create a New Individual** fields and click the **Create New CRD** button. If you searched by Social Security Number in step 2, also type the individual's **Last Name** and **First Name**.

NOTE: The Suffix and Middle Name are optional fields. The entry of a SSN is mandatory. If the Individual does not have a SSN, call the IARD Hotline at 240-386-4848 to receive a CRD Number.

NOTE: Your firm's financial account must have an Account Status of Sufficient to submit an RA transition filing. If your firm's Account Status is Deficient, the following error message appears after step 4 or 4a: "Transition Registrations Cannot Be Submitted When Your Account Status is Deficient."

[Result:] The *NFI Transition Registration Request* screen opens.

NFI Transition Registration Request	
Individual CRD#: 1111111	Individual Name: DOE, JOHN A
Firm CRD # : 0000	Firm Name : SECURITIES FIRM
<input type="button" value="Submit Request"/>	
When you submit the U4 amendment as part of the RA Transition Process, you should complete the amendment in its entirety and submit it immediately to Web CRD/IARD. A partially completed amendment, saved as a "Pending Filing", will be stored as a read only version if a jurisdiction updates the RA's status before you have submitted the completed filing. If this happens, you can't continue processing the saved filing and would need to restart the entire amendment process.	
Employment Information	
Individual SSN:	XXX-XX-XXXX
Employment Start Date:	<input type="text"/>
JURISDICTION	RA
California	<input type="checkbox"/>
Florida	<input type="checkbox"/>
Kentucky	<input type="checkbox"/>
Michigan	<input type="checkbox"/>
South Carolina	<input type="checkbox"/>
West Virginia	<input type="checkbox"/>
Wisconsin	<input type="checkbox"/>

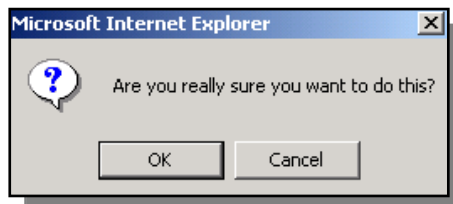
Complete the NFI Transition Registration Request

5. Type the **Employment Start Date**.
6. Place a check mark in the RA box(es) for each state where the individual is currently registered.

NOTE: If your firm does not have an active registration or notice filing status with a state, or if the individual has already transitioned for that state, the corresponding RA box is disabled which prohibits you from checking that box.

Complete the NFI Transition Registration Request (Continued)

7. Click the **Submit Request** button.
8. Click the **OK** button once you have confirmed that the correct states are marked and employment information is accurate. If the states are marked incorrectly or employment information is not accurate, click the **Cancel** button and return to step 7.



[Result:] A message appears on the *NFI Transition Registration Request* screen (beneath the **Submit Request** button) indicating that the transition registration request has been submitted successfully.

The transition registration request has been submitted successfully.

JURISDICTION	RA
California	<input type="checkbox"/>
Florida	<input checked="" type="checkbox"/>
Kentucky	<input type="checkbox"/>
Michigan	<input type="checkbox"/>
South Carolina	<input type="checkbox"/>
West Virginia	<input type="checkbox"/>
Wisconsin	<input type="checkbox"/>



Tips for Transitioning Investment Adviser Representatives (RAs)

- Be sure that your Account Administrator has entitled you with the following privilege: Web CRD – Individual – Individual Non-Filing Information – IARD Transition Registrations
- You can submit a Form U4 Amendment filing for an RA before a state approves the transition filing, i.e., while the RA's registration status is TRANS_RQST (Transition Requested.) You do not have to wait for the state to approve the transition filing. However, if you are submitting the Form U4 Amendment filing in conjunction with the RA Transition Process, it is recommended to complete the amendment in its entirety and submit it immediately to Web CRD/IARD. Partially completed amendments saved as Pending Filings become "read-only" filings if a jurisdiction updates the RA's status before the Form U4 Amendment has been submitted.
- Be sure that your financial account status is Sufficient before attempting to submit a transition filing.
- Check the IARD website www.iard.com for information pertaining to states that exempt RAs from registration due to an AG status in the state.
- An RA transition filing cannot be saved as a "pending" filing. If you start a transition filing and do not complete and submit the filing, any data you have entered will be lost and a new transition filing must be created and submitted.

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