



## MEMBERSHIP CONTINUANCE APPLICATION ("MC-400 Application")

Pursuant to FINRA's Rule 9520 Series ("Eligibility Proceedings"), the MC-400 Application should be completed by the Member Firm ("Member" or "Firm") and filed on behalf of the Disqualified Person ("Individual" or "Disqualified Person") who is subject to disqualification.

Typewrite, print, or fill electronically. Complete and accurate answers to all questions listed will eliminate delay and assist in prompt handling of the application. If there is not sufficient space to answer any question, please attach a separate sheet noting the number of the section and question being answered.

Please indicate which of the following applies to the **Disqualified Person**:

- Currently associated with the Firm but not registered with FINRA (e.g., Non-Registered Fingerprint Person);<sup>1</sup>
- Currently associated with the Firm and registered with FINRA,<sup>2</sup>
- A Disqualified Person who intends to register with FINRA through a member firm (a Form U4 must be filed electronically with FINRA before the MC-400 Application is submitted and the individual must qualify for the registration prior to the submission of the MC-400 Application); or
- A Disqualified Person not currently associated with the Firm who intends to associate with the Firm but not register with FINRA (e.g., Non-Registered Fingerprint Person).

**The MC-400 Application must be made by the Member on behalf of the Disqualified Person to FINRA in pdf format and sent to [SDGroup@finra.org](mailto:SDGroup@finra.org).**

### **Member Information**

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(Firm Full Name and Central Registration Depository ("CRD") Number)

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(Firm Contact Name, Email Address, and Phone Number)

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(Firm Home Office Address)

### **Disqualified Person Information**

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(Disqualified Person Full Name and (if applicable) CRD Number of the Disqualified Person)

<sup>1</sup> Effective June 1, 2021, under newly adopted amendments to FINRA Rule 9520 Series, an MC-400 Application to continue associating with a statutory disqualified individual must include an interim plan of heightened supervision as further noted in Section Three Part II below.

<sup>2</sup> *Id.*



## Section One: Nature of the Disqualifying Event

1. Provide a detailed description of the event that is the basis for the Disqualified Person's statutory disqualification.

2. Attach copies of all documents related to any final determination rendered by any disciplinary body or court that is the basis for the statutory disqualification. *See* Article III, Section 4, FINRA By-Laws. If the individual was subject to a foreign statutory disqualification event, attach a certified translation of any non-English language document.

3. Does the Firm or Disqualified Person have any reason to believe that the event does not constitute a statutory disqualification under Article III, Section 4 of FINRA By-Laws?  Yes  No

If yes, explain briefly below.

4. If the statutory disqualification is based upon a **criminal conviction**, please answer the following:

- a. Is the Disqualified Person currently on probation?  Yes  No  N/A
- b. Was any form of post-conviction relief granted?  Yes  No  N/A

Submit copies of all documents related to the Disqualified Person's probation and/or post-conviction relief.

5. Submit a **signed statement from the Disqualified Person** that addresses the facts and circumstances surrounding the underlying statutory disqualification event.
6. Provide a detailed outline of the Disqualified Person's experience/background in the investment banking or securities business.

7. Submit a **signed statement from the Disqualified Person** as to why the person should be approved to associate in the capacity(s) requested.



**Section Two: Information About the Disqualified Person and the Proposed Association with the Firm**

1. Is the Disqualified Person currently, or is it contemplated will become, a partner, executive officer, or direct or indirect owner of the Applicant?  Yes  No

If yes, describe the Disqualified Person's current and contemplated relationship(s) to the Applicant.

2. Will the Disqualified Person have any supervisory duties?  Yes  No

If yes, describe in detail.

3. Please indicate the **specific capacity**, registered or non-registered, in which the Disqualified Person will function.

**Reminder: For Disqualified Persons who intend to register with FINRA through a member firm, the Disqualified Person must qualify for the registration prior to the submission of the MC-400 Application.**

4. Fully describe the duties contemplated for the Disqualified Person as well as any limitations and restrictions that will be placed upon the Disqualified Person.

5. Describe the proposed compensation method for the Disqualified Person.



6. Provide the address of the office in which the Disqualified Person is/will be employed.

a. Is this a  home office  branch office?

b. Is this an Office of Supervisory Jurisdiction (“OSJ”)? See FINRA Rule 3110.  Yes  No

If "yes" state name of person designated to carry out supervisory procedures for the OSJ.

c. If the Disqualified Person is not to be employed in an OSJ, what OSJ of the Firm has/would have ultimate jurisdiction over the person? Provide the name and title of the individual in that office designated to carry out supervisory procedures over the Disqualified Person.

**Section Three – Part I: Proposed Supervision of the Disqualified Person**

Please answer the following questions regarding the proposed supervision of the Disqualified Person.

1. Provide the name, title and CRD number of the individual who will provide **direct supervision** over the Disqualified Person.

2. Provide the name, title and CRD number of the individual who will provide direct supervision over the Disqualified Person and serve as **alternate supervisor** should the direct supervisor be unavailable.

3. Are there any familial relationships between the prospective employee and the **proposed supervisor** and the **alternative supervisor** (e.g., related by blood or marriage, domestic partner)?

Yes  No

If yes, describe the nature of the relationship(s).



4. Does the Disqualified Person have any business or financial relationship with the proposed supervisors that is distinct from the proposed employment?

Yes  No

If yes, describe the nature of the relationship(s).

5. Are the proposed supervisors a partner, executive officer, direct or indirect owner of the Applicant?

Yes  No

If yes, describe the supervisors' relationship to the Applicant.

6. Submit a schedule showing the days and hours that the proposed supervisors and the Disqualified Person will work in the same office location.

7. Describe the business experience of and the principal registrations held by, the proposed supervisors. Also list their other duties.

8. Do the proposed supervisors currently supervise any other employees of the Firm?  Yes  No

a. If so, how many individuals do the proposed supervisors currently supervise? \_\_\_\_\_

b. What are the job functions of the supervised individuals?

9. Describe in specific detail, on separate sheet(s), the proposed plan of supervision for the Disqualified Person. Attached is a link which describes a checklist of items to consider when submitting a plan of heightened supervision. [\(An example of a plan of heightened supervision\).](#)



**Section Three – Part II: Interim Plans of Heightened Supervision for Individuals Continuing Association with Member Firm**

**Effective June 1, 2021**, under newly adopted amendments to FINRA Rule 9520 Series and Funding Portal Rule 900, an MC-400 Application to **continue associating with a statutory disqualified individual** must include:

1. **An interim plan of heightened supervision** which:
  - i. Identifies an **appropriately registered principal** responsible for carrying out the interim plan of heightened supervision, who has signed the plan and acknowledged his or her responsibility for implementing and maintaining such plan.
  - ii. **Complies with the provisions of Rule 3110 or Funding Portal Rule 300**, and be reasonably designed and tailored to include specific supervisory policies and procedures that address any regulatory concerns related to the nature of the disqualification, the nature of the sponsoring member's business, and the disqualified person's current and proposed activities during the review process.
2. **A written representation from the sponsoring member** that the disqualified person is currently subject to an interim plan of heightened supervision.

**The interim plan will be in effect throughout the entirety of the application review process and shall be considered concluded only upon the final resolution of the eligibility proceeding.**

**[See FINRA’s Eligibility Page for a Sample of an Interim Plan of Heightened Supervision](#)**

1. Provide the name, title, and CRD Number of the **designated principal** who will be responsible for carrying out the interim plan of heightened supervision over the Disqualified Person.

2. Provide a **written representation from the sponsoring member** that the disqualified person is currently subject to an interim plan of heightened supervision.

3. Attach a copy of the **Interim Plan of Heightened Supervision**, signed by the above **designated principal**.



**Section Four: Background Information About the Firm (General)**

1. Please answer the following questions regarding the background information about the Firm:

- a. Number of years the Applicant has been in securities business. \_\_\_\_\_
- b. Effective date of membership in FINRA. \_\_\_\_\_
- c. Number of Offices of Supervisory Jurisdiction. \_\_\_\_\_
- d. Number of branch offices. \_\_\_\_\_
- e. Number of employees. \_\_\_\_\_
- f. Number of registered principals. \_\_\_\_\_
- g. Number of registered representatives. \_\_\_\_\_
- h. Type(s) of business[es] in which the Applicant is engaged. \_\_\_\_\_

2. Please indicate whether the Applicant is a member of any Self-Regulatory Organization, and for each please provide the effective dates of memberships.

3. Does the Applicant currently employ any other individuals who are subject to a statutory disqualification?

Yes  No

If yes, please identify those individuals, and for each, identify the supervisor and provide the address of the office at which they are located.

4. Will the Disqualified Person be permitted to participate, directly or indirectly, in the ownership of the Applicant through stock purchases, capital contributions or otherwise?  Yes  No

If yes, submit complete facts.



5. Does the Applicant, or any officer, partner, direct or indirect owner of the Applicant, have or contemplate loans to the Disqualified Person either directly or indirectly? Loans contemplated would include, but are not limited to, those of fixed assets, cash, securities, advances, promissory notes and subordinated loans.

Yes  No

If yes, submit complete facts. The response should take into account any oral or written agreements. If the arrangement is based on a written agreement, please supply copies of the relevant documentation.

7. Does the Disqualified Person have or contemplate loans to the Applicant, or any officer, partner, direct or indirect owner of the Applicant, either directly or indirectly? Loans would include, but are not limited to those of fixed assets, cash, securities, advances, promissory notes and subordinated loans.

Yes  No

If yes, provide a detailed description of each such loan. The response should take into account any oral or written agreements. If the arrangement is based on a written agreement, please supply copies of the relevant documentation.

8. Are there any personal relations between the Disqualified Person and any officer, partner, or direct or indirect owner of the Applicant? (This statement should include any marriage, blood relations, or domestic partner relationships.)

Yes  No

If yes, please describe the relationship(s).

9. Are there any business or financial relations between the Disqualified Person and any officer, partner, or direct or indirect owner of the Applicant?  Yes  No

If yes, please describe the relationship(s).





***If yes to any of the questions below, please attach a separate sheet with the response noting the number of the section and question being answered:***

10. Within the past 5 years, has the Applicant, its registered principals (in the employing office), or the proposed supervisor, ever been:

- a. the subject of any proceeding which has resulted in the imposition of disciplinary sanctions by FINRA, the U.S. Securities and Exchange Commission, the Commodity Futures Trading Commission, any federal or regulatory agency, foreign financial regulatory authority, any self-regulatory organization or commodities exchange, or any court or state agency?

Yes  No

If yes, describe the proceeding and include in the description the following: nature of such proceeding; by whom it was initiated; the date it became final; and the penalties or remedial actions imposed, including any provision for restitution, rescission or disgorgement or any undertaking (i.e. to review a supervisory system or hire an independent consultant). Attach a copy of any order, decisions or document issued by the court or agency involved, if available.

- b. Are any such proceedings presently pending against the Applicant?  Yes  No

If yes, describe fully.

10. Has the Applicant or proposed supervisor(s) ever been found to have failed to supervise conduct which was similar in nature to the disqualifying conduct of the Disqualified Person?  Yes  No

If yes, state details.

11. Has the Applicant, at any time within the past 5 years, been involved in any litigation where it was alleged that any person associated with the Applicant engaged in conduct similar in nature to the disqualifying conduct in which the Disqualified Person was engaged?  Yes  No

If yes, state details.

### **Section Five: Additional Information**

1. Submit an explanation of the Firm's basis for sponsoring the Disqualified Person. Specifically speak to the fitness and character of the individual as it relates to the investing public and why the person should be permitted to become or remain associated in the capacity requested.
2. Submit duplicate copies of Applicant's balance sheet or trial balance as of a date within thirty days of the date on which this application is filed.
3. Submit a current copy of the Applicant's written supervisory procedures.



**APPLICANT'S CERTIFICATION**

I hereby certify, on behalf of the above-named Firm, that I have read and understand the questions and statements contained in this Application and that each of the responses hereto is true and complete. I have taken the appropriate steps to verify the accuracy and completeness of the information contained in and with this MC-400 Application, including information in the Form U4 submitted on behalf of the Disqualified Person.

I hereby certify, on behalf of the above-named Firm, that the Firm's Form BD is current in all respects as provided in Article IV, section 1(c) of FINRA By-Laws.

I swear or affirm that I have read and understand the items and instructions on this application and that the answers (including attachments) are true and complete to the best of my knowledge.

I understand that the Firm and I are subject to the imposition of sanctions under FINRA Rules or Section 32 of the Securities Exchange Act of 1934, as amended, in the event false information is provided on this application or there are omissions of material facts. I further certify that I will at all times keep the information called for herein accurate and up-to-date by supplementary written notices to the Secretary of the Corporation or designee.

I agree that at all times if there are any material and relevant changes which may affect the outcome of this Application, that information will be submitted immediately to FINRA.

I hereby authorize, on behalf of the above-named Firm, for FINRA to deduct the non-refundable MC-400 Application processing fee of \$5,000, and if required, the eligibility hearing fee of \$2,500 from the Firm's CRD Flex-Funding Account.

I confirm that the non-refundable MC-400 Application processing fee is available in the Firm's CRD Flex-Funding Account

\_\_\_\_\_  
[Date]                      [Executive Representative or Registered Principal of Applicant as Authorized Signatory] [Print Name]

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[Date]                      [Executive Representative or Registered Principal of Applicant as Authorized Signatory] [Electronic/Manual Signature]