

HOUSE BILL No. 1336

DIGEST OF INTRODUCED BILL

Citations Affected: IC 23-19-4; IC 23-19-4.3.

Synopsis: Securities and investment adviser representatives. Exempts a merger and acquisition broker from registering as a broker-dealer under certain circumstances. Requires an applicant seeking to register as an agent of a broker-dealer in Indiana to pass financial industry regulatory authority (FINRA) examinations unless certain exceptions apply. Requires an applicant seeking to register as an investment adviser representative in Indiana to pass FINRA examinations unless certain exceptions apply. Provides that under certain circumstances an agent of a broker-dealer or an investment adviser representative may have the validity of the individual's FINRA qualifying examinations extended. Requires an investment adviser representative to participate in a continuing education program.

Effective: July 1, 2026.

Carbaugh

January 6, 2026, read first time and referred to Committee on Financial Institutions.



Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

HOUSE BILL No. 1336

A BILL FOR AN ACT to amend the Indiana Code concerning business and other associations.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 23-19-4-1, AS ADDED BY P.L.27-2007,
2 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 1. (a) It is unlawful for a person to transact
4 business in this state as a broker-dealer unless the person is registered
5 under this article as a broker-dealer or is exempt from registration as
6 a broker-dealer under **section 1.5 of this chapter** or subsection (b) or
7 (d).
8 (b) The following persons are exempt from the registration
9 requirement of subsection (a):
10 (1) A broker-dealer without a place of business in this state if its
11 only transactions effected in this state are with:
12 (A) the issuer of the securities involved in the transactions;
13 (B) a broker-dealer registered as a broker-dealer under this
14 article or not required to be registered as a broker-dealer under
15 this article;
16 (C) an institutional investor;
17 (D) a nonaffiliated federal covered investment adviser with



investments under management in excess of one hundred million dollars (\$100,000,000) acting for the account of others under discretionary authority in a signed record;

(E) a bona fide preexisting customer whose principal place of residence is not in this state, and the person is registered as a broker-dealer under the Securities Exchange Act of 1934 or not required to be registered under the Securities Exchange Act of 1934 and is registered under the securities act of the state in which the customer maintains a principal place of residence;

(F) a bona fide preexisting customer whose principal place of residence is in this state but who was not present in this state when the customer relationship was established, if:

(i) the broker-dealer is registered under the Securities Exchange Act of 1934 or not required to be registered under the Securities Exchange Act of 1934 and is registered under the securities laws of the state in which the customer relationship was established and where the customer had maintained a principal place of residence; and

(ii) within forty-five (45) days after the customer's first transaction in this state, the person files an application for registration as a broker-dealer in this state and a further transaction is not effected more than seventy-five (75) days after the date on which the application is filed, or, if earlier, the date on which the commissioner notifies the person that the commissioner has denied the application for registration or has stayed the pendency of the application for good cause;

(G) not more than three (3) customers in this state during the previous twelve (12) months, in addition to those customers specified in clauses (A) through (F) and under clause (H), if the broker-dealer is registered under the Securities Exchange Act of 1934 or not required to be registered under the Securities Exchange Act of 1934 and is registered under the securities act of the state in which the broker-dealer has its principal place of business; and

(H) any other person exempted by rule adopted or order issued under this article.

(2) A person that deals solely in United States government securities and is supervised as a dealer in government securities by the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, or the Office of Thrift Supervision.



(c) It is unlawful for a broker-dealer, or for an issuer engaged in offering, offering to purchase, purchasing, or selling securities in this state, directly or indirectly, to employ or associate with an individual to engage in an activity related to securities transactions in this state if the registration of the individual is suspended or revoked or the individual is barred from employment or association with a broker-dealer, an issuer, an investment adviser, or a federal covered investment adviser by an order of the commissioner under this article, the Securities and Exchange Commission, or a self-regulatory organization. A broker-dealer or issuer does not violate this subsection if the broker-dealer or issuer did not know and in the exercise of reasonable care could not have known, of the suspension, revocation, or bar. Upon request from a broker-dealer or issuer and for good cause, an order under this article may modify or waive, in whole or in part, the application of the prohibitions of this subsection to the broker-dealer.

(d) A rule adopted or order issued under this article may permit:

(1) a broker-dealer that is registered in Canada or another foreign jurisdiction and that does not have a place of business in this state to effect transactions in securities with or for, or attempt to effect the purchase or sale of any securities by:

(A) an individual from Canada or another foreign jurisdiction who is temporarily present in this state and with whom the broker-dealer had a bona fide customer relationship before the individual entered the United States;

(B) an individual from Canada or another foreign jurisdiction who is present in this state and whose transactions are in a self-directed tax advantaged retirement plan of which the individual is the holder or contributor in that foreign jurisdiction; or

(C) an individual who is present in this state, with whom the broker-dealer customer relationship arose while the individual was temporarily or permanently resident in Canada or the other foreign jurisdiction; and

(2) an agent who represents a broker-dealer that is exempt under this subsection to effect transactions in securities or attempt to effect the purchase or sale of securities in this state as permitted for a broker-dealer described in subdivision (1).

SECTION 2. IC 23-19-4-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 1.5. (a) As used in this section, "business combination related shell company" has the meaning set forth in 15 U.S.C. 78o(b)(13)(E)(i), as in effect on July 1, 2026.**



(b) As used in this section, "eligible privately held company" has the meaning set forth in 15 U.S.C. 78o(b)(13)(E)(iii), as in effect on July 1, 2026.

(c) As used in this section, "merger and acquisition broker" has the meaning set forth in 15 U.S.C. 78o(b)(13)(E)(iv), as in effect on July 1, 2026.

(d) As used in this section, "passive buyer" means a person or a group of people that acquire ownership of an eligible privately held company, but does not direct the management or policies of the eligible privately held company after the transaction.

(e) As used in this section, "shell company" has the meaning set forth in 15 U.S.C. 78o(b)(13)(E)(v), as in effect on July 1, 2026.

(f) Except as provided in subsections (g) and (h), a merger and acquisition broker shall be exempt from registration as a broker-dealer under this article.

(g) A merger and acquisition broker is not exempt from registration under subsection (f) if the merger and acquisition broker does any of the following:

(1) Directly or indirectly, in connection with the transfer of ownership of an eligible privately held company, receives, holds, transmits, or has custody of the funds or securities to be exchanged by the parties to the transaction.

(2) Engages on behalf of an issuer in a public offering of any class of securities that is registered, or is required to be registered, with the Securities and Exchange Commission under 15 U.S.C. 78l.

(3) Engages on behalf of an issuer in a public offering of any class of securities that the issuer files, or is required to file, periodic information, documents, and reports under 15 U.S.C. 78o(d).

(4) Engages on behalf of any party in a transaction involving a shell company other than a business combination related shell company.

(5) Directly or indirectly, through any of its affiliates, provides financing related to the transfer of ownership of an eligible privately held company.

(6) Assists any party in obtaining financing from an unaffiliated third party without:

(A) complying with all applicable laws in connection with providing the assistance described in this subdivision, including, if applicable, Regulation T (12 CFR 220 et seq.); and



- 1 (B) disclosing any compensation received by the merger
- 2 and acquisition broker in writing to the party.
- 3 (7) Represents both the buyer and the seller in the same
- 4 transaction without providing a clear written disclosure
- 5 describing who the merger and acquisition broker represents
- 6 and obtaining written consent from the buyer and the seller
- 7 to the joint representation.
- 8 (8) Facilitates a transaction with a group of buyers formed
- 9 with the assistance of the merger and acquisition broker to
- 10 acquire an eligible privately held company.
- 11 (9) Engages in a transaction involving the transfer of
- 12 ownership of an eligible privately held company to a passive
- 13 buyer or a group of passive buyers.
- 14 (10) Binds a party to a transfer of ownership of an eligible
- 15 privately held company.
- 16 (h) A merger and acquisition broker or an officer, director,
- 17 member, manager, partner, or employee of the merger and
- 18 acquisition broker is not exempt from registration under
- 19 subsection (f) if the merger and acquisition broker or an officer,
- 20 director, member, manager, partner, or employee of the merger
- 21 and acquisition broker:
- 22 (1) has been barred from association with a broker-dealer by
- 23 the Securities and Exchange Commission, any state, or any
- 24 self-regulatory organization; or
- 25 (2) is suspended from association with a broker-dealer.
- 26 SECTION 3. IC 23-19-4-6, AS AMENDED BY P.L.114-2010,
- 27 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 28 JULY 1, 2026]: Sec. 6. (a) A person shall register as a broker-dealer,
- 29 agent, investment adviser, or investment adviser representative by
- 30 filing an application and a consent to service of process complying with
- 31 IC 23-19-6-11, **satisfying the examination requirements of**
- 32 **IC 23-19-4.3**, and paying the fee specified in section 10 of this chapter
- 33 and any reasonable fees charged by the designee of the commissioner
- 34 for processing the filing. The application must contain:
- 35 (1) the information or record required for the filing of a uniform
- 36 application; and
- 37 (2) upon request by the commissioner, any other financial or other
- 38 information or record that the commissioner determines is
- 39 appropriate.
- 40 (b) If the information or record contained in an application filed
- 41 under subsection (a) is or becomes inaccurate or incomplete in a
- 42 material respect, the registrant shall promptly file a correcting



1 amendment.

2 (c) At the time of application for an initial registration as an
3 investment adviser representative under this article, the commissioner
4 shall require each applicant to submit fingerprints for a national
5 criminal history background check (as defined in IC 10-13-3-12) by the
6 Federal Bureau of Investigation, for use by the commissioner in
7 determining whether the applicant should be denied registration under
8 this chapter for any reason set forth in section 12(d) of this chapter. The
9 applicant shall pay any fees or costs associated with the fingerprints
10 and background check required under this subsection.

11 (d) If an order is not in effect and a proceeding is not pending under
12 section 12 of this chapter, registration becomes effective at noon on the
13 forty-fifth day after a completed application is filed, unless the
14 registration is denied. A rule adopted or order issued under this article
15 may set an earlier effective date or may defer the effective date until
16 noon on the forty-fifth day after the filing of any amendment
17 completing the application.

18 (e) A registration is effective until midnight on December 31 of the
19 year for which the application for registration is filed. Unless an order
20 is in effect under section 12 of this chapter, a registration may be
21 automatically renewed each year by filing such records as are required
22 by rule adopted or order issued under this article, by paying the fee
23 specified in section 10 of this chapter, and by paying costs charged by
24 the designee of the commissioner for processing the filings.

25 (f) A rule adopted or order issued under this article may impose
26 other conditions, not inconsistent with the National Securities Markets
27 Improvement Act of 1996. An order issued under this article may
28 waive, in whole or in part, specific requirements in connection with
29 registration as are in the public interest and for the protection of
30 investors.

31 SECTION 4. IC 23-19-4-11, AS AMENDED BY P.L.1-2010,
32 SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JULY 1, 2026]: Sec. 11. (a) Subject to Section 15(h) of the Securities
34 Exchange Act of 1934 (15 U.S.C. 78o(h)) or Section 222 of the
35 Investment Advisers Act of 1940 (15 U.S.C. 80b-18a), a rule adopted
36 or order issued under this article may establish minimum financial
37 requirements for broker-dealers registered or required to be registered
38 under this article and investment advisers registered or required to be
39 registered under this article.

40 (b) Subject to Section 15(h) of the Securities Exchange Act of 1934
41 (15 U.S.C. 78o(h)) or Section 222(b) of the Investment Advisers Act
42 of 1940 (15 U.S.C. 80b-18a(b)), a broker-dealer registered or required



1 to be registered under this article and an investment adviser registered
 2 or required to be registered under this article shall file such financial
 3 reports as are required by a rule adopted or order issued under this
 4 article. If the information contained in a record filed under this
 5 subsection is or becomes inaccurate or incomplete in a material
 6 respect, the registrant shall promptly file a correcting amendment.

7 (c) Subject to Section 15(h) of the Securities Exchange Act of 1934
 8 (15 U.S.C. 78o(h)) or Section 222 of the Investment Advisers Act of
 9 1940 (15 U.S.C. 80b-18a):

10 (1) a broker-dealer registered or required to be registered under
 11 this article and an investment adviser registered or required to be
 12 registered under this article shall make and maintain the accounts,
 13 correspondence, memoranda, papers, books, and other records
 14 required by rule adopted or order issued under this article;

15 (2) broker-dealer records required to be maintained under
 16 subdivision (1) may be maintained in any form of data storage
 17 acceptable under Section 17(a) of the Securities Exchange Act of
 18 1934 (15 U.S.C. 78q(a)) if they are readily accessible to the
 19 commissioner; and

20 (3) investment adviser records required to be maintained under
 21 subdivision (1) may be maintained in any form of data storage
 22 required by rule adopted or order issued under this article.

23 (d) The records of a broker-dealer registered or required to be
 24 registered under this article and of an investment adviser registered or
 25 required to be registered under this article are subject to such
 26 reasonable periodic, special, or other audits or inspections by a
 27 representative of the commissioner, within or outside this state, as the
 28 commissioner considers necessary or appropriate in the public interest
 29 and for the protection of investors. An audit or inspection may be made
 30 at any time and without prior notice. The commissioner may copy, and
 31 remove for audit or inspection copies of, all records the commissioner
 32 reasonably considers necessary or appropriate to conduct the audit or
 33 inspection. The commissioner may assess a reasonable charge for
 34 conducting an audit or inspection under this subsection.

35 (e) Subject to Section 15(h) of the Securities Exchange Act of 1934
 36 (15 U.S.C. 78o(h)) or Section 222 of the Investment Advisers Act of
 37 1940 (15 U.S.C. 80b-18a), a rule adopted or order issued under this
 38 article may require a broker-dealer or investment adviser that has
 39 custody of or discretionary authority over funds or securities of a
 40 customer or client to obtain insurance or post a bond or other
 41 satisfactory form of security in an amount not to exceed fifty thousand
 42 dollars (\$50,000). The commissioner may determine the requirements



1 of the insurance, bond, or other satisfactory form of security. Insurance
 2 or a bond or other satisfactory form of security may not be required of
 3 a broker-dealer registered under this article whose net capital exceeds,
 4 or of an investment adviser registered under this article whose
 5 minimum financial requirements exceed, the amounts required by rule
 6 or order under this article. The insurance, bond, or other satisfactory
 7 form of security must permit an action by a person to enforce any
 8 liability on the insurance, bond, or other satisfactory form of security
 9 if instituted within the time limitations in IC 23-19-5-9(g).

10 (f) Subject to Section 15(h) of the Securities Exchange Act of 1934
 11 (15 U.S.C. 78o(h)) or Section 222 of the Investment Advisers Act of
 12 1940 (15 U.S.C. 80b-18a), an agent may not have custody of funds or
 13 securities of a customer except under the supervision of a broker-dealer
 14 and an investment adviser representative may not have custody of
 15 funds or securities of a client except under the supervision of an
 16 investment adviser or a federal covered investment adviser. A rule
 17 adopted or order issued under this article may prohibit, limit, or impose
 18 conditions on a broker-dealer regarding custody of funds or securities
 19 of a customer and on an investment adviser regarding custody of
 20 securities or funds of a client.

21 (g) With respect to an investment adviser registered or required to
 22 be registered under this article, a rule adopted or order issued under
 23 this article may require that information or other records be furnished
 24 or disseminated to clients or prospective clients in this state as
 25 necessary or appropriate in the public interest and for the protection of
 26 investors and advisory clients.

27 ~~(h) A rule adopted or order issued under this article may require an~~
 28 ~~individual registered under section 2 or 4 of this chapter to participate~~
 29 ~~in a continuing education program approved by the Securities and~~
 30 ~~Exchange Commission and administered by a self-regulatory~~
 31 ~~organization or, in the absence of such a program, a rule adopted or~~
 32 ~~order issued under this article may require continuing education for an~~
 33 ~~individual registered under section 4 of this chapter.~~

34 ~~(i)~~ (h) Subject to section 11.5 of this chapter, the commissioner may
 35 annually select as many as twenty-five percent (25%) of all Indiana
 36 home and branch offices of registered broker-dealers for completion of
 37 compliance reports. Subject to section 11.5 of this chapter, each
 38 broker-dealer office that is selected shall file its compliance report
 39 according to rules adopted by the commissioner under this article not
 40 later than forty-five (45) days after being notified of selection under
 41 this subsection. No charges or other examination fees may be assessed
 42 against a registered broker-dealer as a result of the examination of a



1 compliance report filed under this subsection unless the examination
2 results in an investigation or examination made under IC 23-19-6-2(a).

3 SECTION 5. IC 23-19-4-11.5, AS ADDED BY P.L.149-2009,
4 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2026]: Sec. 11.5. (a) As used in this section, "office of
6 supervisory jurisdiction" has the meaning set forth in the National
7 Association of Securities Dealers Conduct Rule 3010(g) (as in effect
8 on January 1, 2009).

9 (b) A broker-dealer registered or required to be registered under this
10 article may not be selected for completion of a compliance report under
11 section ~~11(i)~~ **11(h)** of this chapter in consecutive years unless the
12 commissioner has reason to believe that the broker-dealer has
13 committed a violation of this article.

14 (c) The commissioner may not select for completion of a
15 compliance report under section ~~11(i)~~ **11(h)** of this chapter any office
16 that:

17 (1) reports to an office of supervisory jurisdiction located within
18 Indiana;

19 (2) reflects the address of the office of supervisory jurisdiction
20 described in subdivision (1) on all of the office's business cards,
21 stationery, advertisements, and other communications to the
22 public; and

23 (3) is included in the definition of branch office under the
24 National Association of Securities Dealers Conduct Rule 3010(g)
25 because the office:

26 (A) handles funds or securities as described under the National
27 Association of Securities Dealers Conduct Rule
28 3010(g)(2)(A)(ii)(c); or

29 (B) uses the residential address on all business cards,
30 stationery, advertisements, or other communications to the
31 public under the National Association of Securities Dealers
32 Conduct Rule 3010(g)(2)(A)(ii)(d).

33 SECTION 6. IC 23-19-4-12, AS AMENDED BY P.L.205-2021,
34 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 JULY 1, 2026]: Sec. 12. (a) If the commissioner finds that the order is
36 in the public interest and subsection (d) authorizes the action, an order
37 issued under this article may deny an application, or may condition or
38 limit registration, of an applicant to be a broker-dealer, agent,
39 investment adviser, or investment adviser representative and, if the
40 applicant is a broker-dealer or investment adviser, of a partner, officer,
41 director, or person having a similar status or performing similar
42 functions, or a person directly or indirectly in control of the



1 broker-dealer or investment adviser.

2 (b) If the commissioner finds that the order is in the public interest
3 and subsection (d) authorizes the action, an order issued under this
4 article may revoke, suspend, condition, or limit the registration of a
5 registrant and, if the registrant is a broker-dealer or investment adviser,
6 of a partner, officer, director, or person having a similar status or
7 performing similar functions, or a person directly or indirectly in
8 control of the broker-dealer or investment adviser. However, the
9 commissioner may not:

10 (1) institute a revocation or suspension proceeding under this
11 subsection based on an order issued under a law of another state
12 that is reported to the commissioner or a designee of the
13 commissioner more than one (1) year after the date of the order on
14 which it is based; or

15 (2) under subsection (d)(5)(A) and (d)(5)(B), issue an order on
16 the basis of an order issued under the securities act of another
17 state unless the other order was based on conduct for which
18 subsection (d) would authorize the action had the conduct
19 occurred in this state.

20 (c) If the commissioner finds that the order is in the public interest
21 and subsection (d)(1), (d)(2), (d)(3), (d)(4), (d)(5), (d)(6), (d)(8), (d)(9),
22 (d)(11), (d)(12), or (d)(13) authorizes the action, an order under this
23 article may censure, impose a bar, or impose a civil penalty in an
24 amount not to exceed a maximum of ten thousand dollars (\$10,000) per
25 violation on a registrant, and, if the registrant is a broker-dealer or
26 investment adviser, a partner, officer, director, or person having a
27 similar status or performing similar functions, or a person directly or
28 indirectly in control of the broker-dealer or investment adviser.

29 (d) A person may be disciplined under subsections (a) through (c)
30 if the person:

31 (1) has filed an application for registration in this state under this
32 article or the predecessor act within the previous ten (10) years,
33 which, as of the effective date of registration or as of any date
34 after filing in the case of an order denying effectiveness, was
35 incomplete in any material respect or contained a statement that,
36 in light of the circumstances under which it was made, was false
37 or misleading with respect to a material fact;

38 (2) knowingly violated or knowingly failed to comply with this
39 article or the predecessor act or a rule adopted or order issued
40 under this article or the predecessor act within the previous ten
41 (10) years;

42 (3) has been convicted of a felony or within the previous ten (10)



years has been convicted of a misdemeanor involving a security, a commodity future or option contract, or an aspect of a business involving securities, commodities, investments, franchises, insurance, banking, or finance;

(4) is enjoined or restrained by a court with jurisdiction in an action instituted by the commissioner under this article or the predecessor act, a state, the Securities and Exchange Commission, or the United States from engaging in or continuing an act, practice, or course of business involving an aspect of a business involving securities, commodities, investments, franchises, insurance, banking, or finance;

(5) is the subject of an order, issued after notice and opportunity for hearing, by:

(A) the securities, depository institution, insurance, or other financial services regulator of a state or by the Securities and Exchange Commission or other federal agency denying, revoking, barring, or suspending registration as a broker-dealer, agent, investment adviser, federal covered investment adviser, or investment adviser representative;

(B) the securities regulator of a state or the Securities and Exchange Commission against a broker-dealer, agent, investment adviser, investment adviser representative, or federal covered investment adviser;

(C) the Securities and Exchange Commission or a self-regulatory organization suspending or expelling the registrant from membership in the self-regulatory organization;

(D) a court adjudicating a United States Postal Service fraud order;

(E) the insurance regulator of a state denying, suspending, or revoking registration as an insurance agent;

(F) a depository institution regulator suspending or barring the person from the depository institution business; or

(G) any state regulatory body or organization governing real estate brokers or sales persons denying, suspending, or revoking a person's registration or license in the real estate industry;

(6) is the subject of an adjudication or determination, after notice and opportunity for hearing, by the Securities and Exchange Commission, the Commodity Futures Trading Commission, the Federal Trade Commission, a federal depository institution regulator, or a depository institution, insurance, or other financial



1 services regulator of a state that the person willfully violated the
2 Securities Act of 1933, the Securities Exchange Act of 1934, the
3 Investment Advisers Act of 1940, the Investment Company Act
4 of 1940, or the Commodity Exchange Act, the securities or
5 commodities law of a state, or a federal or state law under which
6 a business involving investments, franchises, insurance, banking,
7 or finance is regulated;

8 (7) is insolvent, either because the person's liabilities exceed the
9 person's assets or because the person cannot meet the person's
10 obligations as they mature, but the commissioner may not enter an
11 order against an applicant or registrant under this subdivision
12 without a finding of insolvency as to the applicant or registrant;
13 (8) refuses to allow or otherwise impedes the commissioner from
14 conducting an audit or inspection under section 11(d) of this
15 chapter or refuses access to a registrant's office to conduct an
16 audit or inspection under section 11(d) of this chapter;

17 (9) has failed to reasonably supervise an agent, investment adviser
18 representative, or other individual, if the agent, investment
19 adviser representative, or other individual was subject to the
20 person's supervision and committed a violation of this article or
21 the predecessor act or a rule adopted or order issued under this
22 article or the predecessor act within the previous ten (10) years;
23 (10) has not paid the proper filing fee within thirty (30) days after
24 having been notified by the commissioner of a deficiency, but the
25 commissioner shall vacate an order under this subdivision when
26 the deficiency is corrected;

27 (11) after notice and opportunity for a hearing, has been found
28 within the previous ten (10) years:

29 (A) by a court with jurisdiction to have willfully violated the
30 laws of a foreign jurisdiction under which the business of
31 securities, commodities, investment, franchises, insurance,
32 banking, or finance is regulated;

33 (B) to have been the subject of an order of a securities
34 regulator of a foreign jurisdiction denying, revoking, or
35 suspending the right to engage in the business of securities as
36 a broker-dealer, agent, investment adviser, investment adviser
37 representative, or similar person; or

38 (C) to have been suspended or expelled from membership by
39 or participation in a securities exchange or securities
40 association operating under the securities laws of a foreign
41 jurisdiction;

42 (12) is the subject of a cease and desist order issued by the



Securities and Exchange Commission or issued under the securities, commodities, investment, franchise, banking, finance, or insurance laws of a state;

(13) has engaged in dishonest or unethical practices in the securities, commodities, investment, franchise, banking, finance, or insurance business within the previous ten (10) years;

(14) is not qualified on the basis of factors such as training, experience, and knowledge of the securities business. However, in the case of an application by an agent for a broker-dealer that is a member of a self-regulatory organization or by an individual for registration as an investment adviser representative, a denial order may not be based on this subdivision if the individual has successfully completed all examinations required by subsection (e). The commissioner may require an applicant for registration under section 2 or 4 of this chapter who has not been registered in a state within the two (2) years preceding the filing of an application in this state to successfully complete an examination; (15) is on the most recent tax warrant list supplied to the commissioner by the department of state revenue;

(16) is an individual who is:

(A) an applicant for registration as an agent for a broker-dealer or as an investment adviser representative; or

(B) registered as an agent for a broker-dealer or as an investment adviser representative;

and has failed to comply with a court order imposing a child support obligation; or

(17) fails to comply with the disclosure requirements set forth under IC 24-4.9-3.

(e) **Subject to IC 23-19-4.3**, a rule adopted or order issued under this article may require that an examination, including an examination developed or approved by an organization of securities regulators, be successfully completed by a class of individuals or all individuals. An order issued under this article may waive, in whole or in part, an examination as to an individual and a rule adopted under this article may waive, in whole or in part, an examination as to a class of individuals if the commissioner determines that the examination is not necessary or appropriate in the public interest and for the protection of investors.

(f) The commissioner may suspend or deny an application summarily; restrict, condition, limit, or suspend a registration; or censure, bar, or impose a civil penalty on a registrant before final determination of an administrative proceeding. Upon the issuance of



an order, the commissioner shall promptly notify each person subject to the order that the order has been issued, the reasons for the action, and that within fifteen (15) days after the receipt of a request in a record from the person the matter will be scheduled for a hearing. If a hearing is not requested and none is ordered by the commissioner within thirty (30) days after the date of service of the order, the order becomes final by operation of law. If a hearing is requested or ordered, the commissioner, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend the order until final determination.

(g) An order may not be issued under this section, except under subsection (f), without:

- (1) appropriate notice to the applicant or registrant;
- (2) opportunity for hearing; and
- (3) findings of fact and conclusions of law in a record.

(h) A person that controls, directly or indirectly, a person not in compliance with this section may be disciplined by order of the commissioner under subsections (a) through (c) to the same extent as the noncomplying person, unless the controlling person did not know, and in the exercise of reasonable care could not have known, of the existence of conduct that is a ground for discipline under this section.

(i) The commissioner may not institute a proceeding under subsection (a), (b), or (c) based solely on material facts actually known by the commissioner unless an investigation or the proceeding is instituted within one (1) year after the commissioner actually acquires knowledge of the material facts.

(j) All fines and penalties collected under this section shall be deposited into the securities division enforcement account as established by IC 23-19-6-1(f).

SECTION 7. IC 23-19-4.3 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

Chapter 4.3. Examination Requirements and Continuing Education

Sec. 1. The following definitions apply throughout this chapter:

- (1) "Authorized provider" means a person that NASAA or its designee has authorized to provide continuing education content.
- (2) "Credit" means a unit that has been designated by NASAA as at least fifty (50) minutes of educational instruction.
- (3) "Ethics and professional responsibility continuing



education content" means NASAA approved investment adviser representative continuing education content that addresses an investment adviser representative's ethical and regulatory obligations.

(4) "FINRA" refers to the Financial Industry Regulatory Authority.

(5) "Home state" means the state where the principal office and place of business of an investment adviser representative is located.

(6) "NASAA" refers to the North American Securities Administrators Association or a committee designated by its board of directors.

(7) "Products and practice continuing education content" means NASAA approved investment adviser continuing education content that addresses an investment adviser representative's continuing skills and knowledge regarding:

- (A) financial products;
- (B) investment features; and
- (C) practices;

in the investment advisory industry.

(8) "Reporting period" means one (1) twelve (12) month period as determined by NASAA.

(9) "Series 7 examination" means the general securities representative examination administered by FINRA.

(10) "Series 63 examination" means the uniform securities agent state law examination administered by FINRA.

(11) "Series 65 examination" means the uniform investment adviser law examination administered by FINRA.

(12) "Series 66 examination" means the uniform combined state law examination administered by FINRA.

Sec. 2. (a) This section applies to an applicant seeking to register as an agent of a broker-dealer under IC 23-19-4.

(b) Except as provided in subsections (c) through (e), an applicant must pass:

- (1) the Series 63 or Series 66 examination; and
- (2) any other examination required by the commissioner;

within the two (2) years preceding the date of application.

(c) An applicant is in compliance with the examination requirement under subsection (b) if the:

- (1) applicant has not been registered as an agent in any state for more than two (2) years but less than five (5) years;
- (2) applicant is a participant in the Maintaining Qualifications



Program administered by FINRA;

(3) applicant's FINRA qualifying examinations are valid through the applicant's participation in the Maintaining Qualifications Program administered by FINRA; and

(4) applicant is a participant in the Examination Validity Extension Program for agents of broker-dealers administered by NASAA within two (2) years of agent registration termination.

(d) An applicant is in compliance with the examination requirement in subsection (b)(2) if the:

(1) applicant has not been registered as an agent in any state for more than two (2) years but less than five (5) years;

(2) applicant is a participant in the Maintaining Qualifications Program administered by FINRA; and

(3) applicant's FINRA qualifying examinations are valid through the individual's participation in the Maintaining Qualifications Program administered by FINRA.

(e) The commissioner may waive any of the examination requirements under subsection (b).

(f) For purposes of investment adviser representative registration, the validity of an applicant's investment adviser representative portion of the Series 66 examination may not be extended through participation in the Maintaining Qualifications Program administered by FINRA.

Sec. 3. (a) This section applies to an applicant seeking to register as an investment adviser representative.

(b) Except as provided in subsections (c) through (e), an applicant under this section must pass the:

(1) Series 65 examination within the two (2) years preceding the date of application or the Series 7 and Series 66 examination within the two (2) years preceding the date of application; and

(2) Securities Industry Essentials Examination within the four (4) years preceding the date of application, if the applicant did not take the Series 65 examination within the two (2) years preceding the date of application.

(c) If:

(1) an applicant under this section has been designated as:

(A) a Certified Financial Planner;

(B) a Chartered Financial Consultant;

(C) a Masters of Science and Financial Services;

(D) a Chartered Financial Analyst;



- 1 (E) a Personal Financial Specialist;
 2 (F) a Chartered Investment Counselor; or
 3 (G) any other designation that the commissioner considers
 4 to be equivalent to the Series 65 examination; and
 5 (2) the applicant's designation in subdivision (1) is current
 6 and in good standing with the organization that awarded the
 7 designation;
 8 the examination requirement in subsection (b) does not apply.
 9 (d) An applicant is in compliance with the examination
 10 requirement in subsection (b)(1) if the:
 11 (1) applicant has not been registered as an investment adviser
 12 representative in any state for more than two (2) years but
 13 less than five (5) years;
 14 (2) applicant is a participant in the Maintaining Qualifications
 15 Program administered by FINRA;
 16 (3) applicant's FINRA qualifying examinations are valid
 17 through the individual's participation in the Maintaining
 18 Qualifications Program administered by FINRA; and
 19 (4) applicant is a participant in the Examination Validity
 20 Extension Program for investment adviser representatives
 21 administered by NASAA within two (2) years of agent
 22 registration termination.
 23 (e) An applicant is in compliance with the examination
 24 requirement in subsection (b)(2) if the:
 25 (1) applicant has not been registered as an investment adviser
 26 representative in any state for more than two (2) years but
 27 less than five (5) years;
 28 (2) applicant is a participant in the Maintaining Qualifications
 29 Program administered by FINRA; and
 30 (3) applicant's FINRA qualifying examinations are valid
 31 through the individual's participation in the Maintaining
 32 Qualifications Program administered by FINRA.
 33 (f) The commissioner may waive any of the examination
 34 requirements under subsection (b).
 35 Sec. 4. (a) An individual who terminates the individual's
 36 registration as an investment adviser representative may have the
 37 validity of the individual's Series 65 examination and the
 38 investment adviser representative portion of the Series 66
 39 examination extended for a period of five (5) years, if the
 40 individual meets all of the following requirements:
 41 (1) The individual previously passed the examination for
 42 which the individual seeks to maintain validity under this



subsection.

(2) The individual was registered as an investment adviser representative for at least one (1) year immediately preceding the termination of the investment adviser representative registration.

(3) The individual was not subject to a statutory disqualification as defined in Section 3(a)(39) of the Securities Exchange Act of 1934.

(4) The individual does not have a deficiency under the investment adviser representative continuing education program described in section 6 of this chapter at the time the individual terminates the individual's investment adviser representative registration.

(5) The individual completes annually on or before December 31 of each calendar year that elapses after the individual's investment adviser representative registration is terminated:

(A) six (6) credits of ethics and professional responsibility continuing education content offered by an authorized provider, including at least three (3) hours covering the topic of ethics; and

(B) six (6) credits of products and practice continuing education content offered by an authorized provider.

(b) An individual who complies with the Maintaining Qualification Program administered by FINRA is in compliance with subsection (a)(5)(B).

Sec. 5. (a) Except as provided in subsections (b) and (c), an investment adviser representative registered under IC 23-19-4 shall complete the following investment adviser representative continuing education requirements each reporting period:

(1) Six (6) credits of investment adviser representative ethics and professional responsibility continuing education content offered by an authorized provider, with at least three (3) hours covering the topic of ethics.

(2) Six (6) credits of investment adviser representative products and practice continuing education content offered by an authorized provider.

(b) An investment adviser representative who is registered as an agent of a FINRA member broker-dealer and complies with FINRA's continuing education requirements is in compliance with subsection (a)(2) for each applicable reporting period if the FINRA continuing education content meets all of the following criteria as determined by NASAA:



(1) The content of the program focuses on:

- (A) compliance;
- (B) regulatory;
- (C) ethical; and
- (D) sales practice;

standards.

(2) The content of the program is derived from:

- (A) state and federal investment advisory statutes;
- (B) rules and regulations;
- (C) securities industry rules and regulations; and
- (D) accepted standards and practices in the financial services industry.

(3) The program requires that its participants demonstrate proficiency in the subject matter of the educational materials.

(c) If an investment adviser representative who holds a designation that qualifies the individual for an examination waiver under section 3(c) of this chapter completes continuing education content as a condition of maintaining the individual's designation, the individual complies with subsection (a) if the continuing education content:

- (1) completed during the relevant reporting period by the investment adviser representative is mandatory to maintain the designation; and
- (2) provided by the designating organization during the relevant reporting period is NASAA approved investment adviser representative continuing education content.

(d) An investment adviser representative who fails to comply with this section by the end of a reporting period will renew as "CE Inactive" at the close of the calendar year until the investment adviser representative completes and reports all required investment adviser representative continuing education credits. 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 under IC 23-19-4.

Sec. 6. If an investment adviser representative's registration is terminated, the individual shall complete the investment adviser representative continuing education requirements for all reporting periods that occurred between the time that the investment adviser representative's registration is terminated and when the individual became registered again under IC 23-19-4 unless the investment adviser representative:



- 1 (1) passes the applicable examination described in section 3(b)
 2 of this chapter; or
 3 (2) receives an examination waiver under section 3(c) through
 4 3(e) of this chapter.

5 **Sec. 7.** An authorized provider shall report the completion of an
 6 investment adviser representative's applicable investment adviser
 7 representative continuing education requirements to FINRA not
 8 more than thirty (30) days after the investment adviser
 9 representative completes the applicable investment adviser
 10 representative continuing education requirements.

11 **Sec. 8.** An investment adviser representative registered or
 12 required to be registered in Indiana who is registered as an
 13 investment adviser representative in the individual's home state
 14 satisfies the requirements of section 5(a) of this chapter if:

- 15 (1) the investment adviser representative's home state has
 16 continuing education requirements that are at least as
 17 stringent as the continuing education requirements of this
 18 chapter; and
 19 (2) the investment adviser representative is in compliance
 20 with the home state's investment adviser representative
 21 continuing education requirements.

22 **Sec. 9.** An investment adviser representative who completes
 23 more than twelve (12) credits of continuing education for the
 24 reporting period may not carry forward the excess credits of
 25 continuing education.

26 **Sec. 10.** The commissioner may waive any of the requirements
 27 in sections 5 through 9 of this chapter.

28 **SECTION 8.** [EFFECTIVE JULY 1, 2026] (a) The securities
 29 division of the office of the secretary of state shall amend its
 30 administrative rules to conform with IC 23-19-4.3, as added by this
 31 act.

32 (b) This SECTION expires July 1, 2029.

