South Carolina Code of Regulations 13-405. Broker-Dealer Recordkeeping, Minimum Financial Reporting and Bonding Requirements.

A. Broker-Dealer Recordkeeping Requirements.

(1) Unless otherwise provided by order of the United States Securities and Exchange Commission ("SEC"), each broker-dealer registered or required to be registered under the South Carolina Uniform Securities Act of 2005 shall make, maintain and preserve books and records in compliance with SEC Rules 17a-3 (17C.F.R. 240.17a-3 (1996)), 17a-4 (17 C.F.R. 240.17a-4 (1996)), 15c2-6 (17 C.F.R. 240.15c2-6 (1996)) and 15c2-11 (17 C.F.R. 240.15c2-11 (1996)).

(2) To the extent that the SEC promulgates changes to the above-referenced rules, broker-dealers in compliance with such rules as amended shall not be subject to enforcement action by the Securities Commissioner for violation of this rule to the extent that the violation results solely from the broker-dealer's compliance with the amended rule.

B. Broker-Dealer Minimum Financial and Financial Reporting Requirements.

(1) Each broker-dealer registered or required to be registered under the South Carolina Uniform Securities Act of 2005 shall comply with SEC Rules 15c3-1 (17 C.F.R. 240. 15c3-1 (1996)), 15c3-2 (17 C.F.R. 240.15c3-2(1996)), and 15c3-3(17C.F.R. 240.15c-3(1996)).

(2) Each broker-dealer registered or required to be registered under the South Carolina Uniform Securities Act of 2005 shall comply with SEC Rule 17a-11 (17C.F.R. 240.17a-11) and shall file with the Securities Commissioner upon request copies of notices and reports required under Rules 17a-5, 17a-10, and 17a-11.

(3) To the extent that the SEC promulgates changes to the above-referenced rules, broker-dealers in compliance with such rules as amended shall not be subject to enforcement action by the securities division for violation of this rule to the extent that the violation results solely from the broker-dealer's compliance with the amended rule.

C. Intrastate Broker-Dealer Bonding Requirements.

Every broker-dealer registered or required to be registered under the South Carolina Uniform Securities Act of 2005 whose business is exclusively intrastate, who does not make use of any facility of a national securities exchange and who is not registered under section 15 of the Securities Exchange Act of 1934, shall be bonded in an amount of not less than fifty thousand ($50,000.00) dollars by a bonding company qualified to do business in this State. The bond so posted must require the broker-dealer to comply with the provisions of the South Carolina Uniform Securities Act of 2005 and those orders and regulations as the Securities Commissioner may from time to time prescribe.