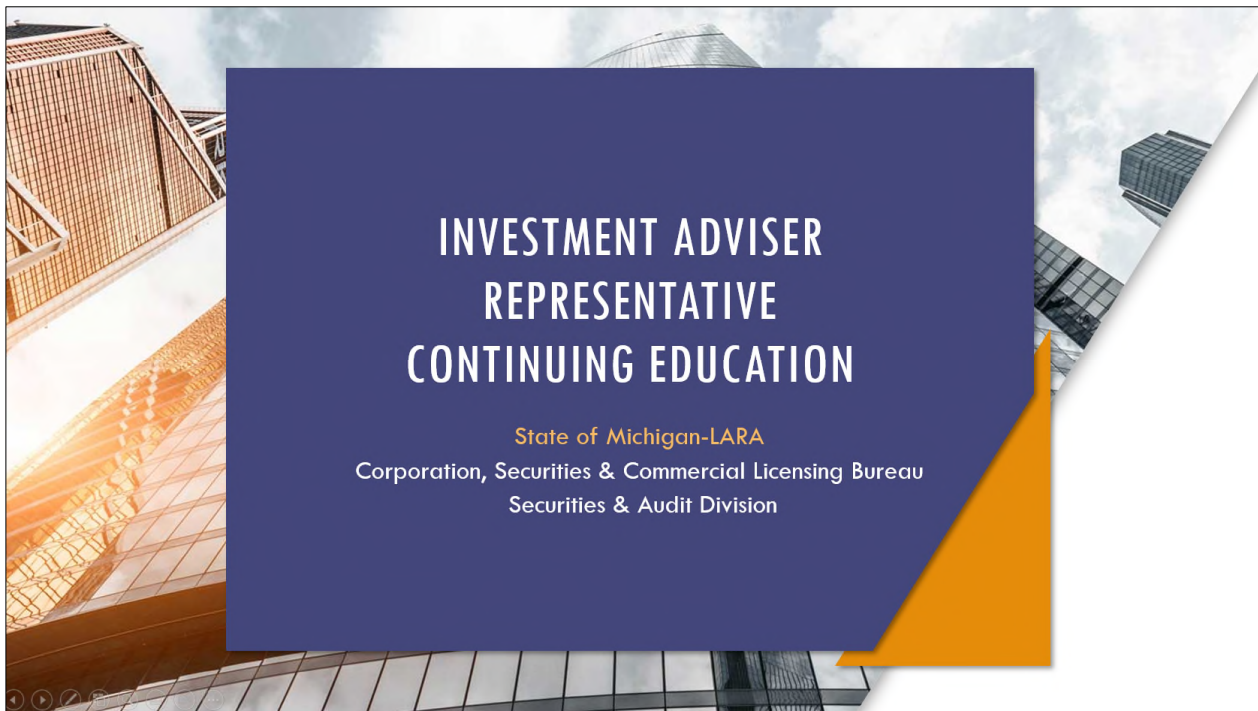


Michigan CE Webinar for IARs Slides and Transcript

IAR CE Presentation



Slide 1: Welcome to today's webinar regarding the new IAR CE program for investment adviser representatives or as abbreviated, IARs. We're happy you could join us. My name is Kit Murphy, and I am the Departmental Analyst for the State of Michigan, Securities Division.

Michigan CE Webinar for IARs Slides and Transcript



The slide features a background image of a man in a blue shirt working on a laptop, with various financial charts and graphs overlaid. The text 'TODAY'S TOPICS' is prominently displayed on the left, accompanied by a target icon. A list of three topics is enclosed in a yellow-bordered box on the right.

TODAY'S TOPICS

- Overview of CE rules
- Where to find CE courses
- How to report/monitor CE completion

2

Slide 2: IARs play an important role in the financial lives of millions of Americans by providing advice on significant investment decisions. However, until recently, IARs were not required to complete continuing education to maintain their registered status. By comparison, most other financial professionals, such as broker-dealer agents, insurance agents, and certified financial planners, participate in continuing education. In 2022 the State of Michigan, adopted Administrative Rule 451.4.29 for continuing education requirement for IARs registered in our state.

In this webinar we are going to describe the requirements of the CE rules, let you know how and where to find courses, how to report your completion of CE courses, and what happens to the registration status of any IAR who fails to complete CE. There are many resources on NASAA's website so during the presentation, we will reference the website at [nasaa.org](https://www.nasaa.org), as well as our State of Michigan, Securities Division's website.

Michigan CE Webinar for IARs

Slides and Transcript

NASAA: NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION



nasaa.org

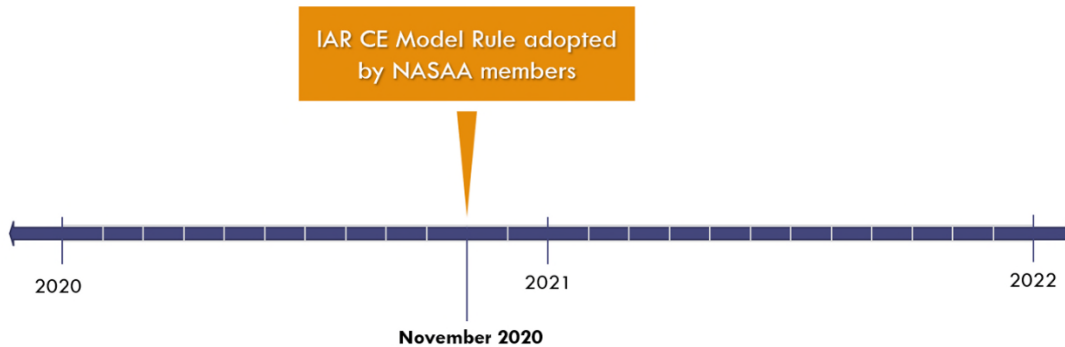
- Organized in 1919, NASAA is the oldest international organization devoted to investor protection
- Membership includes the securities regulators in the 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands; the provinces and territories of Canada; and Mexico
- State and provincial securities regulators have protected investors from fraud and abusive sales practices since Kansas passed the first “blue sky” law in 1911 and, the following year, Manitoba enacted the first Canadian securities legislation



Slide 3: If you’re not familiar with NASAA, that’s the North American Securities Administrators Association. All states and provinces in the United States, Canada and Mexico are members of NASAA. NASAA members are the closest securities regulators to local communities, the investing public, and businesses such as state-registered investment advisers. For more information about NASAA, feel free to check out its website at www.nasaa.org. Over the last several years, the manager of LARA's Securities Division was a member of the NASAA IAR CE committee. It was the goal of NASAA's IAR CE committee to develop a continuing education program for IARs that is relevant, informative, and works well in conjunction with the existing FINRA CE program for broker-dealer agents. The committee drafted an IAR CE Model Rule that was adopted by NASAA's membership in November 2020.

Michigan CE Webinar for IARs Slides and Transcript

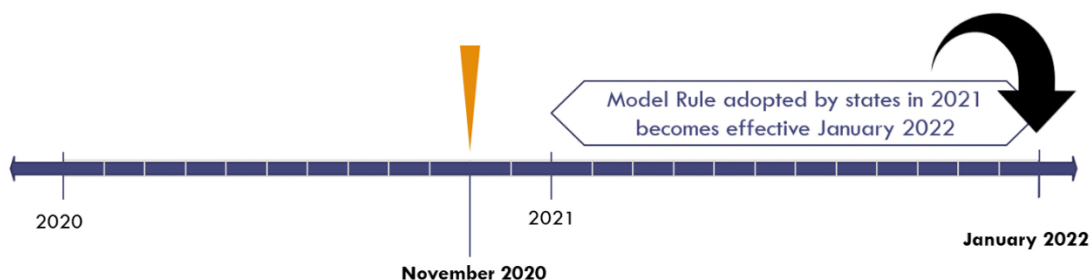
IAR CE MODEL RULE ADOPTION AND EFFECTIVE DATES



4

Slide 4: Thereafter, NASAA member states began adopting the Model Rule.

IAR CE MODEL RULE ADOPTION AND EFFECTIVE DATES



5

Slide 5: For several, the IAR CE rule was effective beginning on January 1st of 2022. When a jurisdiction adopts the IAR CE requirement, it applies to **all IARs registered** within that state. This includes IARs of both state-registered investment advisers and federal covered investment advisers registered with the SEC.

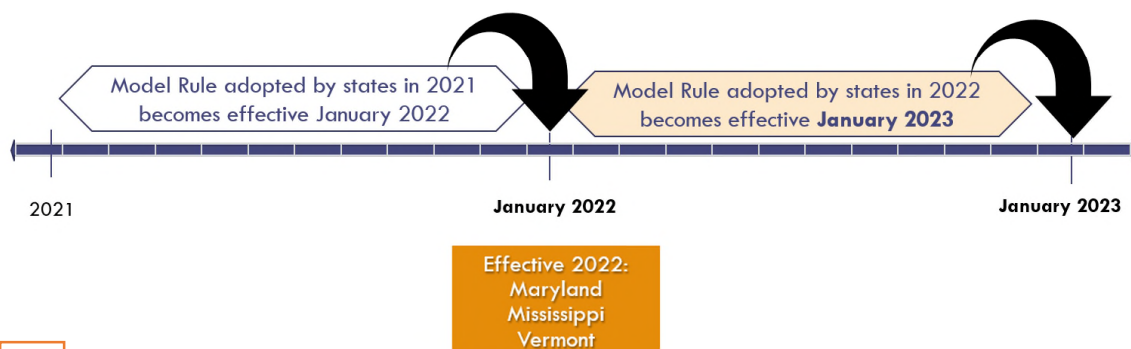
Michigan CE Webinar for IARs Slides and Transcript

IAR CE MODEL RULE ADOPTION AND EFFECTIVE DATES



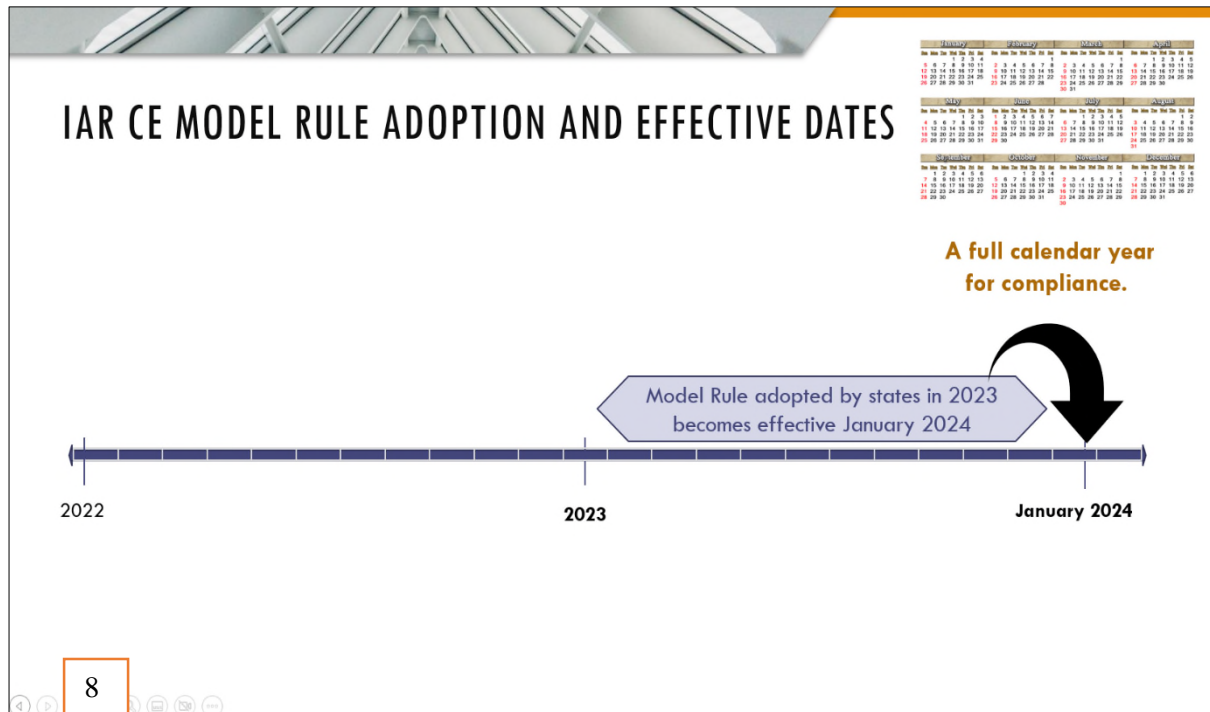
Slide 6: There is a list on NASAA's website under IAR CE Resources of the states that have adopted the IAR CE Model Rule. So far, three states adopted the CE Rule in 2021 to become effective for 2022. If you are registered in Maryland, Mississippi and/or Vermont, you would have had to acquire the requisite number of CE credits prior to the end of 2022.

IAR CE MODEL RULE ADOPTION AND EFFECTIVE DATES

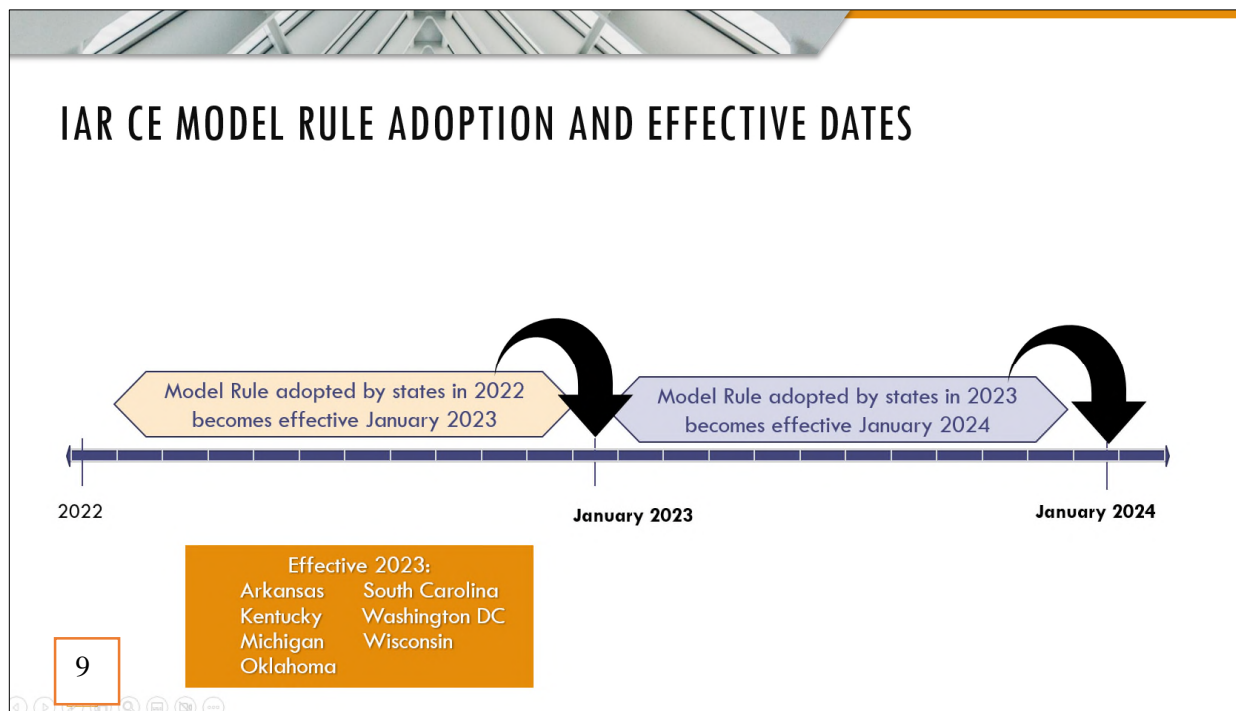


Slide 7: The State of Michigan adopted the IAR CE Rule in (2022) with an effective date of January 1, 2023, so compliance will begin with the 2023 calendar year. Other jurisdictions adopting the rule in 2022 will also have an effective date of January 1, 2023.

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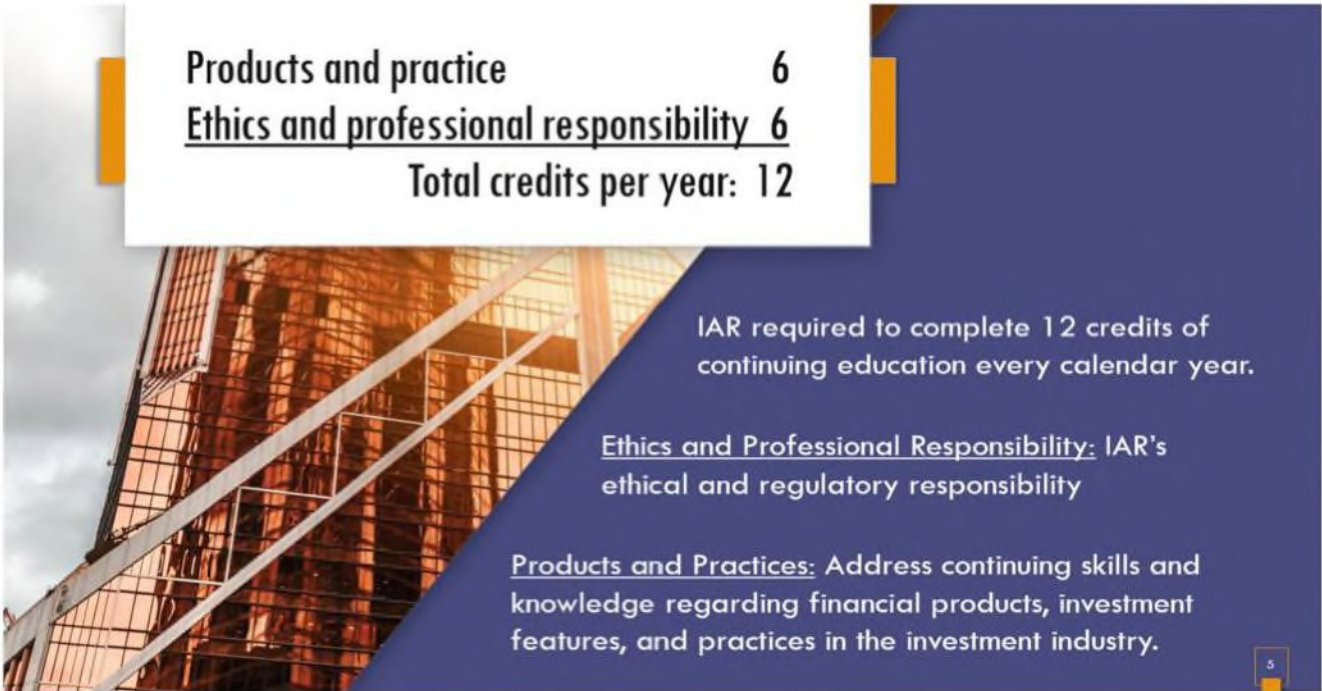


Slide 8: Any jurisdiction adopting the rule in 2023 will have an effective date of January 1, 2024, so there's always a full calendar year for compliance with the CE requirements.



Slide 9: Currently, 7 states have adopted the CE rule to become effective in 2023, including Michigan the other states are Arkansas, Kentucky, Oklahoma, South Carolina, Washington D.C., and Wisconsin. Other states in progress, as disclosed on NASAA's website are Nevada, and Rhode Island. We encourage Representatives to check with States where they maintain registration to determine if CE requirements apply.

Michigan CE Webinar for IARs Slides and Transcript



Products and practice 6
Ethics and professional responsibility 6
Total credits per year: 12

IAR required to complete 12 credits of continuing education every calendar year.

Ethics and Professional Responsibility: IAR's ethical and regulatory responsibility

Products and Practices: Address continuing skills and knowledge regarding financial products, investment features, and practices in the investment industry.

5

Slide 10: As adopted in the State of Michigan, the new IAR CE rule is substantively consistent with the NASAA model. Let's look at the basic requirements of the CE program. The Michigan CE rule requires the IAR to complete 12 credits of continuing education every calendar year, which is also referred to as the reporting period.

As defined, a credit equals at least 50 minutes of instruction. The 12 credits must fall into 2 categories: 6 credits of Products and Practice and 6 credits of IAR Ethics and Professional Responsibility. Products and Practice courses address an IAR's continuing skills and knowledge regarding financial products, investment features, and practices in the investment advisory industry.

Ethics and Professional Responsibility refers to an IAR's ethical and regulatory responsibilities. Course descriptions will identify the type of credit available. There are no mandatory courses. IARs may select courses based on their interests and business model. Currently there are enough courses for more than 240 credits.

An IAR can complete more than 12 credits of IAR CE if they desire and all courses will appear in their IAR CE records. However, for purposes of the IAR CE program, they will only be given credit for the current year's requirements and will not carry credits forward to a subsequent year. Lastly, the courses offered for IAR CE credit must be approved and offered by an authorized provider -we will cover more on that in a minute.

Michigan CE Webinar for IARs Slides and Transcript

HOW DO IAR CE REQUIREMENTS APPLY TO:

Professional designations
CFP • ChFC • CFA • CIC • PFS



An IAR who takes a course to maintain a professional designation that is also approved for purposes of IAR CE will receive IAR CE credit for the professional designation course

Dually registered broker-dealer agents



An IAR who is also registered as an agent of a FINRA member broker-dealer, and who complies with FINRA's continuing education requirements, is considered to be in compliance with the Products and Practice requirement

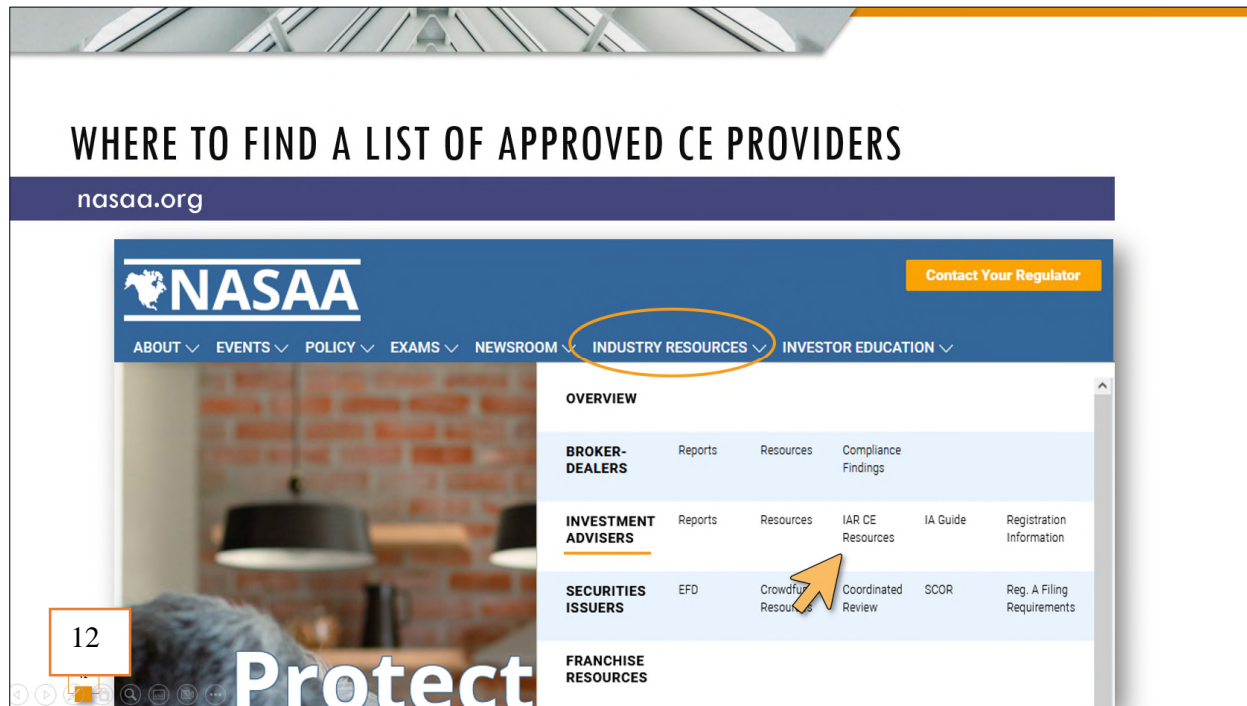
11

Slide 11: IARs are not exempt from CE requirements based on factors such as length of experience and/or professional designations. The model rule does not contemplate any automatic exemptions.

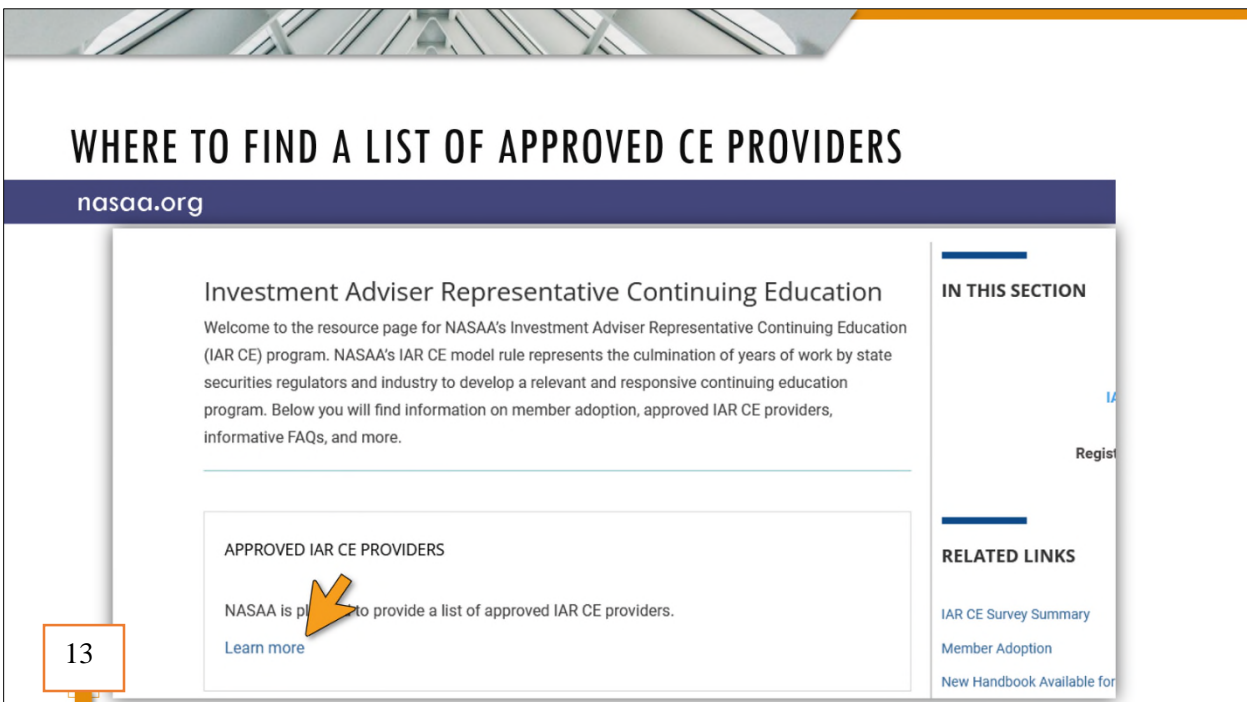
However, there are some benefits to holding certain professional designations or being dually registered. An investment adviser representative who is also registered as an agent of a FINRA member broker-dealer and who complies with FINRA's Regulatory Element continuing education requirements is considered to be in compliance with the Products and Practice requirement for each reporting period so long as 1) the FINRA continuing education content meets certain baseline criteria as determined and monitored by NASAA and 2) a nominal roster reporting fee of \$3 per credit is paid. For those with a professional designation, if an IAR takes a course to maintain the designation that is also approved for purposes of IAR CE, the IAR will receive CE credit for the professional designation course. The key is that the course needs to be specifically approved for IAR CE. I'll be talking later about the course approval process.

Each course will be followed by a brief assessment to verify the IAR's understanding of the material. In general, the required pass rate for CE assessments is 100% with unlimited attempts. However, for professional designation courses, the expected pass rate may be 70% with 3 attempts as to be consistent with what is required for those credentialing organizations.

Michigan CE Webinar for IARs Slides and Transcript



Slide 12: NASAA's website has an IAR CE page under Industry Resources for Investment Advisers with a number of resources including FAQs and a list of approved CE providers. First, click on "Industry Resources," then under "Investment Advisers," select "IAR CE Resources."



Slide 13: Under "Approved IAR CE Providers," select "Learn More," and you will have a list of available providers with hyperlinks to their websites.

Michigan CE Webinar for IARs Slides and Transcript

APPROVED CE PROVIDERS

- [4Thought Financial Group Inc.](#)
- [Affordable-Success-First Choice-ClieTell](#)
- [Innova Learning](#) and [Bates Group](#)
- [Kitces](#)
- [Mtradecraft](#)
- [Quest CE](#)
- [RegEd](#)
- [RIA Compliance Consultants](#)
- [RIA in a Box](#)
- [Securities Training Corporation](#)
- [Sheltowee Foundation, Inc.](#)
- [Solomon Exam Prep](#)
- [WebCE](#)

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Go to "[Approved IAR CE Providers - NASAA](#)" for the most recent list.

As of 10/31/22

Slide 14: As mentioned earlier, IARs must take 6 credits of Products and Practice and 6 credits of Ethics and **Professional** Responsibility. Again, the rule does not require any specific courses. An IAR is free to select courses that appeal to his or her interests and the scope of the firm. The courses just need to be approved courses, offered by authorized CE providers. CE providers may be referred to as either "authorized" or "approved" but both have the same meaning.

To assist with the approval process, NASAA contracted with Prometric, a leading provider of technology-enabled testing and assessment solutions to many of the world's most recognized licensing and certification organizations, academic institutions, and government agencies. Prometric was chosen based on its experience and reputation in professional education.

Approved providers are listed on NASAA's website under IAR CE resources and are routinely updated as new providers are added. There are numerous providers listed on the website.

Michigan CE Webinar for IARs

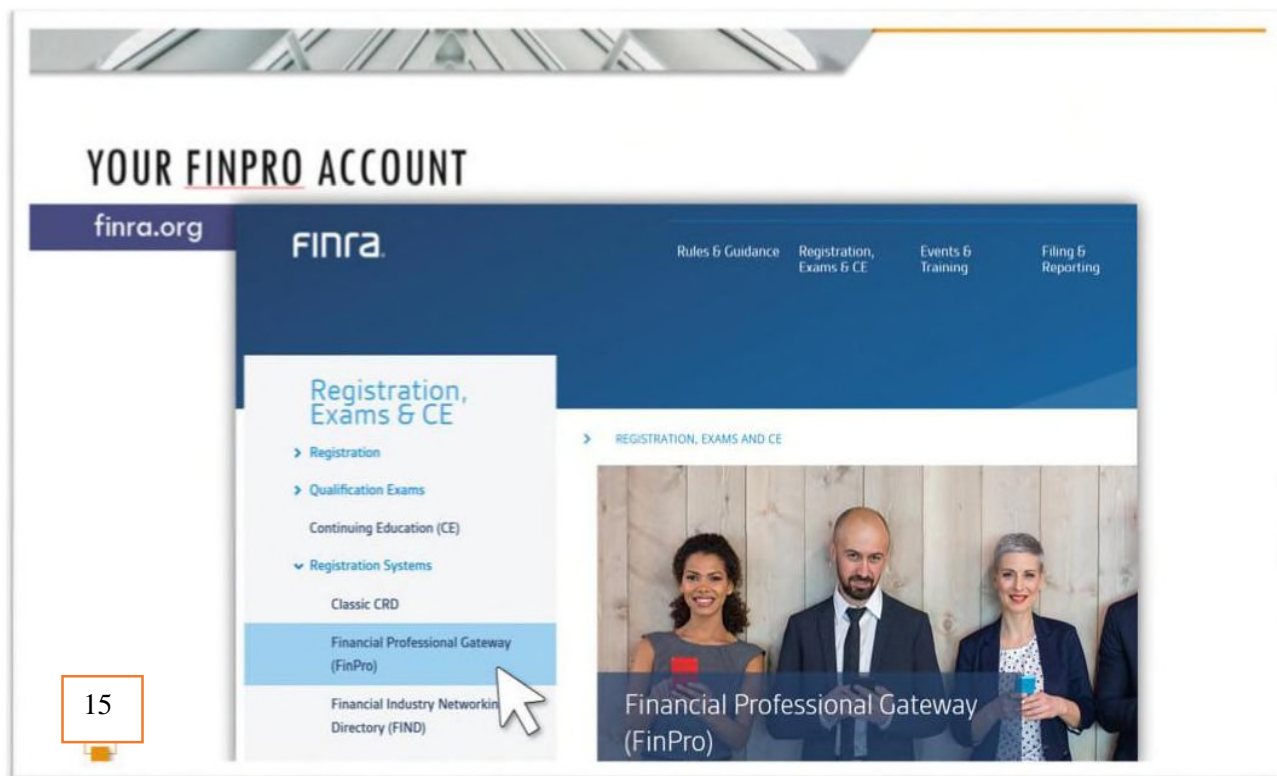
Slides and Transcript

Each provider name is hyper-linked to their respective websites. On their websites is where you will find more information regarding the courses that the provider has been approved to offer for IAR CE credit and whether the course is eligible for Ethics and Professional Responsibility credit or for Products and Practices credit. The CE provider sites will also indicate what the course costs and the number of credits available. The providers offer a range of options, including single courses or courses that are bundled together to provide all 12 credits at once.

You will notice that NASAA is an approved provider and expects to offer numerous courses, including an Ethics course. Individual states may also offer IAR CE courses approved for credit. In general, as IAR CE requirements expand to new states, we expect the number of available courses to significantly increase. Some of the NASAA or state courses may be offered at no cost.

Anyone can become an approved IAR CE provider, including an investment adviser. The IAR CE Program Handbook standardizes the criteria under which potential IAR CE content providers, instructors and individual CE courses will be approved. It can be found on NASAA's website under IAR CE resources.

Michigan CE Webinar for IARs Slides and Transcript



Slide 15: Since IARs register with the states through CRD, NASAA has arranged for IAR CE reporting and tracking to be accomplished through CRD and through the FinPro system which is already in use by broker-dealer agents. FinPro is FINRA's Financial Professional Gateway to provide registered representatives direct access and ability to manage their CE requirements.

IARs registered in states with IAR CE requirements now have access to FinPro so they can easily monitor their CE progress. New FinPro users will need to create an account and can do so from the FinPro page on FINRA's website, as shown on this slide. Throughout the year, IARs can log into FinPro to view their completed CE courses and overall CE status in terms of whether they **have fully completed CE for the year. We'll be showing you some screen shots of FinPro in just a minute.**

Michigan CE Webinar for IARs Slides and Transcript

REPORTING IAR CE

- Courses will be identified by a unique course ID number
- Duplicate courses will not count toward the IAR CE requirement, even if completed in another year
- A course that has been updated and received a new course number will provide the IAR with CE credit for that course
- The course provider will report to CRD a roster of IARs successfully completing the course
- Dually registered IARs may submit their FINRA Regulatory Element for credit for the IAR CE Products and Practice component

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Slide 16: All courses approved for continuing education will be identified by a unique course ID number and completed courses will be listed in the IAR's CE record. It is important to note that CRD tracking will include duplicate courses in the course transcript section if reported, however, duplicate courses will not count toward the IAR CE requirement, even if completed in another year. So, as you'd expect, you cannot take the same one credit course six years in a row and get credit again and again.

However, a course that has been updated and received a new course number will provide the IAR with CE credit for that course. An example of this could be regulatory courses in an area where government rules and regulations change frequently and support a course regarding annual updates. In that instance, the course will be submitted again for approval and receive a new course ID number. So, the key here is the course ID number – the course will be counted for credit if it has an ID number different from previously reported courses.

Following a course completion, the course provider will report to CRD a roster of IARs successfully completing the course. Although the rule identifies the IAR as responsible for monitoring their CE status and verifying all courses were reported, the CE provider is the entity that submits the completed course rosters, along with a \$3 per credit roster reporting fee to FINRA as NASAA's vendor for program tracking.

Michigan CE Webinar for IARs

Slides and Transcript

Once a course provider submits a course roster, each state participating in the CE program will be able to view the IAR's CE course records on the state's CRD Regulator Workspace platform. State regulators can also run reports to see IAR CE status and total credits. Along with running these reports, we may communicate with investment advisory firms to remind them of the CE deadline for their IARs.

If an IAR is dually registered and wants to submit their FINRA Regulatory Element for credit for their Products and Practice component, the IAR or their firm, whichever they mutually decide, will submit that request in CRD and pay the \$3 per credit roster reporting fee. This amounts to a total cost of \$18 per IAR to satisfy and process the entire 6 credit Products and Practice requirement.

FINRA has developed technology that allows firms to opt-in to automatically submit and pay the roster fee for all their IARs. In this instance, no manual intervention will be required. The system will always apply the individual's Reg Element to their IAR CE Products and Practice component and deduct the fee. This option to opt in to automatically apply the Reg Element to IAR CE is entirely at the firm's discretion.

Michigan CE Webinar for IARs Slides and Transcript

TRACKING IAR CE: STATUS

Using the FinPro system

17

finra.org/registration-exams-ce/finpro

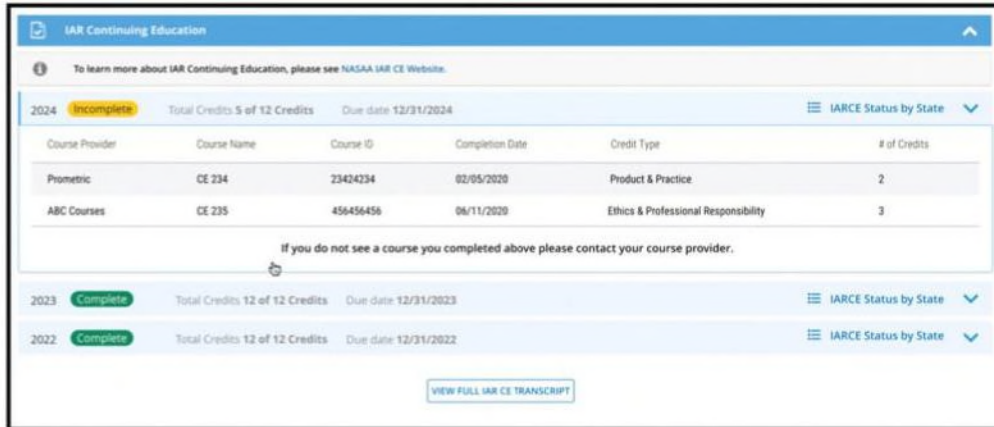
Slide 17: Now we are going to show you a few screenshots of what IAR CE looks like in the various systems. The data within the screenshots is all dummy data. We will first look at FinPro. As mentioned, FinPro is the platform that the investment adviser representatives themselves will use to self-monitor their progress. In addition to using FinPro, IARs are advised to retain proof of course completions for their own records.

You will immediately notice the multicolored fields on the screen. As you see, the fields are broken out to allow a dually registered individual the ability to distinguish compliance between their FINRA required CE and their IAR required CE. The yellow field represents that the IAR is required to complete IAR CE but hasn't yet fulfilled the requirement. The green field displays that the IAR is required to do IAR CE and has already satisfied the requirement for that reporting period. Lastly, the blue field at the bottom shows the IAR was required to do IAR CE, but failed to do so for 2 reporting periods, causing the IAR to fail to renew.

Michigan CE Webinar for IARs Slides and Transcript

TRACKING IAR CE: COURSES TAKEN

Using the FinPro system



IAR Continuing Education

To learn more about IAR Continuing Education, please see NASAA IAR CE Website.

2024 **Incomplete** Total Credits: 5 of 12 Credits Due date: 12/31/2024 IARCE Status by State

Course Provider	Course Name	Course ID	Completion Date	Credit Type	# of Credits
Prometric	CE 234	23424234	02/05/2020	Product & Practice	2
ABC Courses	CE 235	456456456	06/11/2020	Ethics & Professional Responsibility	3

If you do not see a course you completed above please contact your course provider.

2023 **Complete** Total Credits: 12 of 12 Credits Due date: 12/31/2023 IARCE Status by State

2022 **Complete** Total Credits: 12 of 12 Credits Due date: 12/31/2022 IARCE Status by State

[VIEW FULL IAR CE TRANSCRIPT](#)

18

finra.org/registration-exams-ce/finpro

Slide 18: This next screenshot displays what FinPro will look like when the IAR is viewing courses submitted to their records. You will see the yellow “incomplete” field immediately jumps out notifying the IAR that they haven’t yet completed their required 12 credits. In this instance, the IAR has completed 5 credits. Two classes were taken, you see the provider’s name, course name, course ID number, the date the course was taken, which CE bucket it falls in, and how many credits it counted for. You will also notice the green “complete” fields below which shows the IAR that he or she successfully completed their IAR CE for the years of 2022 and 2023.

Michigan CE Webinar for IARs Slides and Transcript

TRACKING IAR CE: COURSES TAKEN

Using the FinPro system

IAR Continuing Education

To learn more about IAR Continuing Education, please see [NASAA IAR CE Website](#).

2024 **Incomplete** Total Credits 3 of 12 Credits Due date 12/31/2024 IARCE Status by State

Course Provider	Course Name	Course ID	Completion Date	Credit Type	# of Credits
Prometric	CE 234	23424234	02/05/2020	Product & Practice	0
ABC Courses	CE 235	456456456	06/11/2020	Ethics & Professional Responsibility	

If you do not see a course you completed above please contact your course provider.

You have completed this course previously and credits have already been applied.

2023 **Complete** Total Credits 12 of 12 Credits Due date 12/31/2023 IARCE Status by State

19

Slide 19: This next screen is a similar screen but informs the IAR that a class that was submitted for the IAR had already been taken. Therefore, credit cannot be applied a second time.

TRACKING IAR CE: TRANSCRIPTS

Using the FinPro system

Full Transcript of IAR CE

Print Transcript

Course Provider	Course Name	Course ID	Completion Date	Credit Type	# of Credits
Prometric	CE 234	23424234	11/22/2023	Product & Practice	3
ABC Courses	CE 123	12345678	09/20/2023	Ethics & Professional Responsibility	5
Prometric	CE 44343	09876541	08/15/2023	Product & Practice	2
ABC Courses	CE 901	76109467	07/05/2022	Ethics & Professional Responsibility	3
Prometric	CE 098	09812340	06/11/2021	Ethics & Professional Responsibility	6

1 to 5 of 10 << < Page 1 of 2 >> >

If you do not see a course you completed above please contact your course provider.

CLOSE

20

Slide 20: The final FinPro screen that we are showing is the transcript screen. This screen allows the IAR to pull a full transcript of the courses that were submitted on their behalf. Also, as the note on the screenshot mentions, if an IAR takes a course and after 10 days he or she doesn't see it listed on their transcript, they are encouraged to reach out to the CE vendor to verify if the roster was submitted. Courses will only appear here if the course provider submits them.

Michigan CE Webinar for IARs Slides and Transcript

TRACKING IAR CE: IA FIRM VIEW

Using the FinPro system

Summary	
Rep Identifiers	
SSN	*** ** * View SSN
DOB	04/01/1973
Alternate Names	Gerald Broker Jr L.G. Broker +1 More Alternate Names
Rep Status	
RR CE	Satisfied on 03/12/2021
IAR CE	Required by 12/01/2023
Other Business Activity	No
Statutory Disqualification Status	YES (Willful - Tier 3) as of 01/15/2018
Current Work Information	
Firm	GOLDMAN SACH & CO. LLC 123456 Firm Billing Code: 12341234
Located At	CRD Branch No: 127546 Branch Type: OSJ CHERRY HILL, NJ 08002 +1 More Office Location
Position(s)	R IA C N
IA Affiliation	Direct Owner
Contact Information	
Residential Address	Stamford, CT 06901

21

Slide 21: We will now transition to how IAR CE will look to investment advisory firms if they have an investment adviser representative that is registered in a jurisdiction that has adopted the rule. This first screen is how it will look on an IAR's record for the firm. You see that it too has the multicolored fields. In this example, the dually registered individual has satisfied his or her FINRA CE requirement for broker-dealer agents, and it is green. However, the individual has yet to satisfy the IAR CE requirement. Again, this displays like this because this individual is registered in a state that has adopted the IAR CE program. Otherwise, this section would not show the need for IAR CE.

Michigan CE Webinar for IARs Slides and Transcript

TRACKING IAR CE: IA FIRM VIEW

Using the FinPro system

2023	Incomplete	Total Credits	5 of 12 Credits	Due Date	12/31/2023
Course Provider	Course Name	Course ID	Completion Date	Credit Type	# of Credits
Prometric	CE 234	23424234	02/11/2022	Completed	3
ABC Courses	CE 235	456456456	06/11/2022	CE Credits & Professional Responsibility	3
2022	Complete	Total Credits	12 of 12 Credits	Due Date	12/31/2022

22

Slide 22: The next screen is similar to the FinPro view. It informs the firm that credit will not be given for a particular course because the course had already been submitted once before.

TRACKING IAR CE: REPORTS

Using the FinPro system

IAR CE Report (56)								
Individual CRO ID#	First Name	Last Name	IA CE Year	IA CE Status	IA CE Requirement	PP Credits	EPR Credits	Total Credits
123456	Robert	Ricketts	2025	Required	Incomplete	6	3	9
123456	Robert	Ricketts	2025	Required	Incomplete	3	6	9
123456	Robert	Ricketts	2024	Required	Complete	6	6	12
123456	Robert	Ricketts	2025	Required	Complete	6	6	12
123456	Robert	Ricketts	2021	Not Applicable		0	0	0
123456	Robert	Ricketts	2020	Not Required		0	0	0
456789	Tamara	Donalds	2025	Required	Incomplete	6	3	9
654321	Thomas	Reynolds	2022	Required	Complete	6	6	12

23

Slide 23: The final two slides are sample reports that firms are going to be able to generate. This first report will show the firm all of their associated IARs and their IAR CE status. This example shows their statuses over several years.

Michigan CE Webinar for IARs

Slides and Transcript

TRACKING IAR CE: REPORTS

Using the FinPro system

IAR CE Report (56)

Columns Filter Group Save Export

Organization Code	Firm Name	Individual CRD ID#	First Name	Last Name	IA CE Year	IA CE Status	IA CE Requirement	PP Credits	EPR Credits	Total Credits
79	JP Morgan	123456	Robert	Ricketts	2025	Required	Incomplete	6	3	9
79	JP Morgan	123456	Robert	Ricketts	2025	Required	Incomplete	3	6	9
79	JP Morgan	123456	Robert	Ricketts	2024	Required	Complete	6	6	12
79	JP Morgan	123456	Robert	Ricketts	2025	Required	Complete	6	6	12
79	JP Morgan	123456	Robert	Ricketts	2021	Not Applicable		0	0	0
79	JP Morgan	123456	Robert	Ricketts	2020	Not Required		0	0	0
422	Edward Jones	456789	Tamara	Donalds	2025	Required	Incomplete	6	3	9
1225	Ace Investments	654321	Thomas	Reynolds	2022	Required	Complete	6	6	12

How can we help?

24

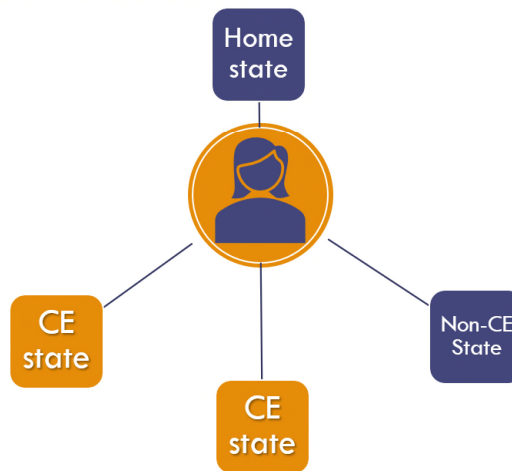
Slide 24: The second report allows organizations that have several different firms under their umbrella to generate a similar report that identifies the name and CRD number of the firms with which the associated person is registered.

Michigan CE Webinar for IARs

Slides and Transcript

WHAT IF AN IAR IS REGISTERED IN MULTIPLE STATES?

Variations in state CE rule adoptions



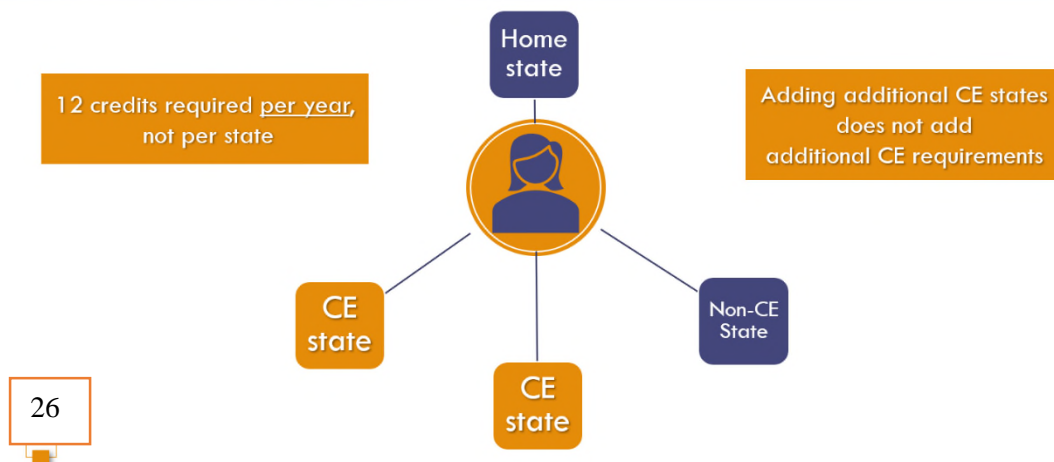
25

Slide 25: We now have a few topics to cover regarding what happens if an IAR is registered in multiple states, not all of which require CE, and what happens if an IAR fails to complete CE in a timely manner. We will be speaking in regards to states who have adopted the NASAA Model CE Rule. Please be sure to review the specific CE requirements for each state you are registered in.

Michigan CE Webinar for IARs Slides and Transcript

WHAT IF AN IAR IS REGISTERED IN MULTIPLE STATES?

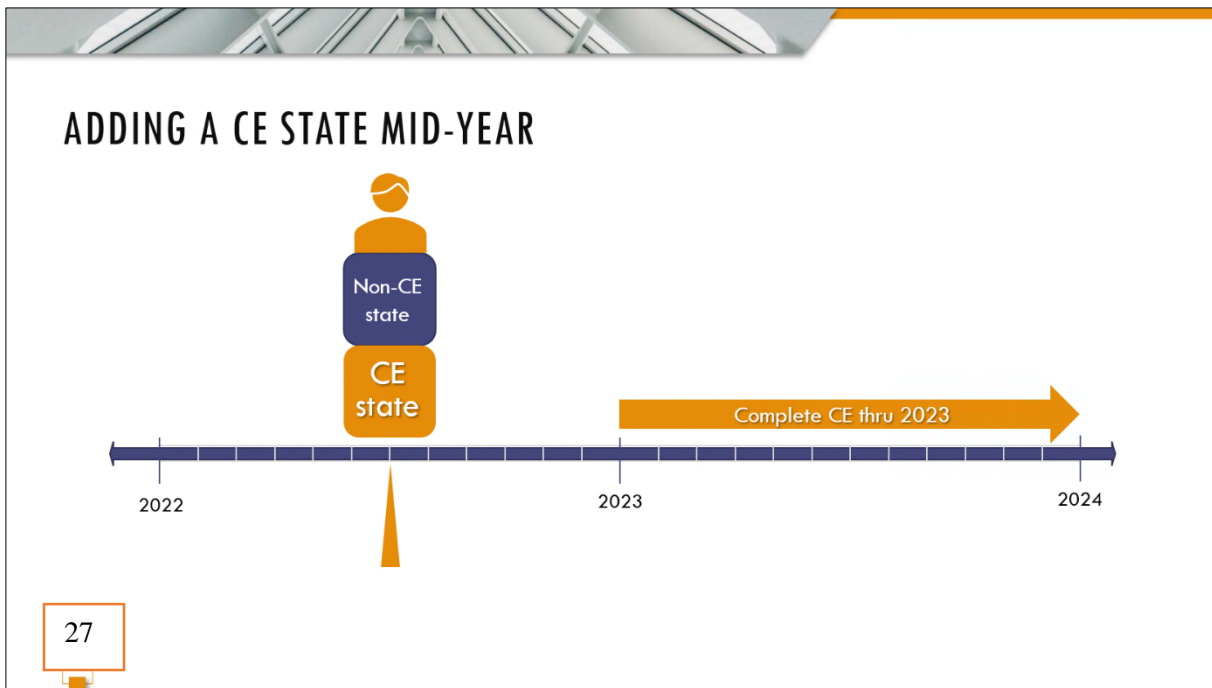
Variations in state CE rule adoptions



Slide 26: Note that until all states have adopted the CE rule, it's possible for an IAR to reside in a state that has not yet adopted the model rule but be registered in states that require CE. Therefore, what if the IAR's home state has not adopted the CE model rule but the IAR is registered in another state that has adopted it? In that case, the IAR will need to comply with the CE requirements in each of the other states that have adopted the IAR CE model rule in which he or she is registered as an IAR. However, keep in mind, this is a national program. Therefore, the CE requirement is 12 credits in a calendar year, period, not 12 credits per state.

In general, if an IAR is in compliance with their home state's CE rules, they will be considered in compliance with other states so long as the home state rules are consistent with the CE Model Rule. In other words, Michigan has adopted the NASAA Model version of the IAR CE rule, therefore a Michigan based IAR who is in compliance with our CE requirements and who is also registered in other model rule CE states is considered to be in compliance with the CE requirements of those other states.

Michigan CE Webinar for IARs Slides and Transcript



Slide 27: If an IAR has a registration in a state that requires CE and midyear adds another state that requires CE, the current year IAR CE completion requirement will apply to the new state. As a practical matter under the model rule, if an IAR is already registered in a state requiring CE, adding additional states does not impact or add to the CE requirements.

Note, however, if an IAR is deficient in CE and adds another state registration in a state that requires CE, the IAR's CE status will similarly be CE deficient. More on that coming....

When an individual registers for the first time as an IAR, they will not be subject to the CE requirements until the next calendar year. Similarly, if an IAR is registered only in states without a CE requirement and becomes registered in a CE state for the first time, that IAR will not need to comply with those CE requirements until the next coming calendar year. For example, if an IAR has not been registered in any states requiring CE and registers in a CE state in April 2022, that IAR will have all of the following calendar year in 2023 to complete their first year of CE requirements.

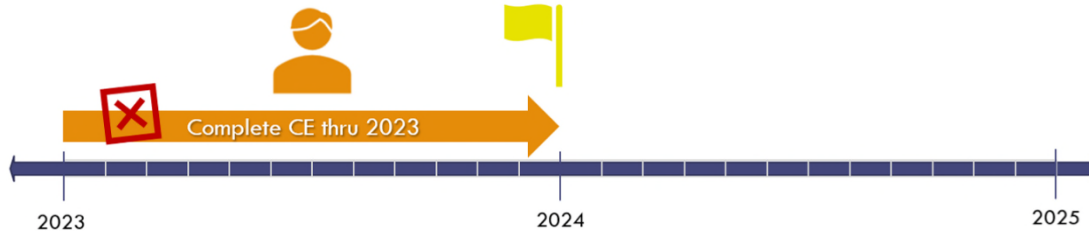
Michigan CE Webinar for IARs Slides and Transcript

FAILURE TO COMPLETE CE

12 credits required per year,
not per state

Registration status of
"Approved—Pending IAR CE"

"CE Inactive"



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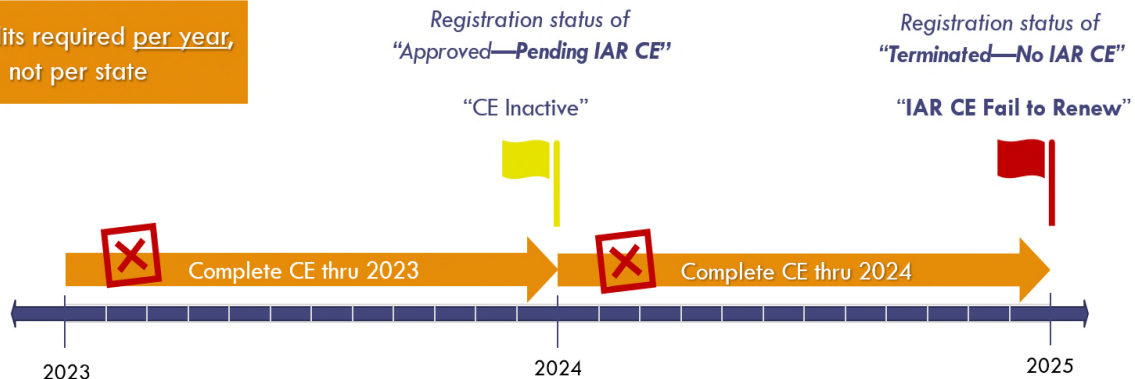
Slide 28: As described, the IAR has 12 months, January through December, to complete their 12 credits of continuing education. However, if they fail to do so that first year, yet pay their applicable registration renewal fees, they will renew, but have an IAR CE status of CE Inactive.

Since IAR CE Inactive is still an approved status and the IAR can still conduct business, the original design of the CE program did not contemplate a change to their registration status of Approved.

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FAILURE TO COMPLETE CE

12 credits required per year,
not per state



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Slide 29: However, many firms expressed their desire to have some indicator in the registration status that the IAR is outstanding in their CE. Based on that feedback, an IAR who is CE deficient will have a registration status of Approved-Pending IAR CE. This will assist firms with their tracking of IARs who did not timely complete their CE requirements.

If the IAR fails to complete their IAR CE the first year, let's say 2023, and again in their second year, 2024, he or she will fail to renew at that point and will not be able to conduct business beginning in January of 2025. That CE status in the system will be IAR CE Fail to Renew. This will allow you to distinguish it from the individuals that failed to renew for nonpayment. The registration status will be Terminated – No IAR CE. Of course, we don't expect to see many investment adviser representatives reach this Fail to Renew status for not doing CE.

An IAR who was previously registered and became unregistered must complete IAR CE for all reporting periods that occurred between the time that the IAR became unregistered and when the person became registered again unless the IAR takes and passes the Series 65 or 66 examination.

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Slide 30: This concludes today's webinar on IAR CE. We hope that we have provided you with a full understanding of the IAR CE program. For more information and answers to common questions, go to our FAQs document located on our website at www.michigan.gov/securities. Our Division's email address is CSCL-IAR-Agent@michigan.gov. Don't forget to check out NASAA.org website for information as well.

Thank you for taking the time to review the State of Michigan's IAR CE webinar.