



North Carolina Department of the Secretary of State

2021-2022 Annual Report on Applications for Licenses and Approvals and Denials Based on Criminal Convictions

To:

North Carolina Attorney General's Office

Joint Legislative Administrative Procedures Oversight Committee

Pursuant to Session Law 2019-91, Section 3, subsections (1) and (2), the Department of the Secretary of State ("Department") has compiled data on the following: the number of applications received for licensure; the number of applications granted; and the number of applications denied because of a criminal conviction; the number of applicants with military training; and the number of applicants who are military spouses.

In summary, 0 applications were denied because of a criminal conviction. The Department is unable to identify applicants with military training, or applicants who are military spouses. The Securities Division uses data from a national database that utilizes standardized forms to collect information about the applicants. The standardized form, utilized in 53 U.S. jurisdictions does not include questions that would provide this information. The 2021-2022 applications for Athlete Agents and Charitable Solicitations did not include information regarding military training or a designation for military spouses. Additional details are presented in the tables below.

Broker/Dealers and Investment Advisors

Fiscal Year 2021-2022

	No. of Applicants	No. of Applicants Granted a License	No. of Applicants w/ Conviction Record	No. of Applicants w/ Conviction Record Granted a License	No. of Applicants Denied a License for Any Reason	No. of Applicants Denied a License Because of a Conviction
Broker-Dealer	116	105	0	0	0	0
Securities Salesman	53,927	52,182	300	290	0	0
Investment Adviser	108	94	0	0	0	0
Investment Adviser Representative	4,083	3,880	25	23	0	0

Notes:

The Department's Securities Division obtained the data for this report from the Financial Industry Regulatory Authority (FINRA). FINRA operates the Central Registration Depository and Investment Adviser Registration Depository (CRD/IARD). CRD/IARD are electronic filing systems/databases used by the U.S. securities industry and its regulators. CRD/IARD contains certain records and information about broker-dealer firms, investment advisers, and their associated individuals. This includes information such as qualification to participate in the securities industry; jurisdictions where registered; employment and employment history; and disclosures.

Applicants are required to disclose in their CRD/IARD filings any felony convictions and guilty pleas, and misdemeanor convictions and guilty pleas involving "investments or an *investment-related* business or any fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses." See e.g. Form U4, Uniform Application for Securities Industry Registration or Transfer. In the firms' applications there are ten-year look back periods; the application for an individual has no time limit.

* This conviction could be either the dealer or a control affiliate of the dealer.

Athlete Agents
Fiscal Year 2021-2022

	No. of Applicants	No. of Applicants Granted a Certificate**	No. of Applicants w/ Conviction Record***	No. of Applicants w/ Conviction Record Granted a License	No. of Applicants Denied a Certificate for Any Reason	No. of Applicants Denied a Certificate Because of a Conviction
Athlete Agents	226	249**	1	1	0	0

Note: These totals include 10 temporary certificates.

** The amount in excess of applicants received reflects pending applications not approved until after July 1, 2022.

Charitable Solicitation Division
Fiscal Year 2021-2022

1. Applicants for 2021-2022 FY
 - Licensed = 8,425
 - Exemptions = 1,773
 - Professional Fundraisers = 336
2. No Applicant was denied an application due to a criminal conviction. However, there is one application currently under review that may be rescinded.
3. CSL continues to benefit from the 6-month modernization project that improved key workflow processes using a more digital platform.

To request additional information on this report please send an email to Tim Crowley at tcrowley@sosnc.gov or call: 919-814-5342.