Becoming a FINRA Member Firm

What to expect.

How M&A Securities Group can help.

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The New Membership Application

If it were quick and easy, everyone would become a broker-dealer on their own.

This section will outline The New Membership application process, then detail the role that M&A Securities group can play.

M&A Securities Group, Inc. may be referred to as "MAS." Services described herein are currently offered to groups affiliated with MAS for >1 year.

Form BD ("Broker-Dealer")

Form BD requires detailed information regarding the proposed broker-dealer, including the following:

- The proposed broker-dealer's name, address, taxpayer identification number and similar factual information;
- A brief description of the type of securities and other financial instruments in which the proposed broker-dealer proposes to conduct business;
- The states in which the proposed broker-dealer proposes to conduct business;
- The relationships of the proposed broker-dealer to other financial organizations;
- Information regarding the persons or entities who control, directly or indirectly, the proposed broker-dealer (and affiliated entities); and
- Standard "bad boy" disclosures regarding prior felonies, certain misdemeanors, prior regulatory actions or regulatory findings, litigation, and insolvencies regarding the proposed broker-dealer and its control persons.

Form NMA ("New Membership Application")

Form NMA is the primary submission to FINRA. The required submissions include the following information and supporting documents :

- General Information
- Business Lines
- Personnel
- Net Capital and Sources of Funding
- Contractual and Business Arrangements;
- Policies & Procedures;
- Facilities;
- Recordkeeping System

The Firm's Business Plan must be submitted, detailed and address the following:

The Business Plan

Specifically, the business plan must include:

- a description of the material aspects of the business;
- an opening trial balance sheet and net capital computation;
- a monthly income statement projection for the first 12 months of operation;
- organizational charts;
- a description of business facilities;
- a list of all associated persons;
- a list of any regulatory or disciplinary actions against any associated person; and
- a description of financial controls and additional information responsive to the focus areas described above.

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Fees and Expenses

FINRA's net capital rule requires that your firm maintain at all times sufficient liquid assets. Minimum net capital levels are determined based upon the type of securities activities your firm shall conduct and are based on certain financial ratios.

Type of Broker-Dealer	Net Capital Requirement
Limited Introducing Broker Only	$5,000
Generally, at registration, the proposed BD must be capitalized with at least 120% of net capital requirement AND 12 month's fixed expenses (i.e. salary, rent, etc.). A pro forma income statement for 12 months beginning with the month FINRA approves	

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Fees and Expenses

Upfront Fee Type	Amount
FINRA Application Fee**	$7,500
Firm State Fees	Range from $75 - $600 per state
Registered Rep Fees – per individual	
Initial Registration*	$100
Fingerprint Fee (hard or electronic)*	$29.50 - $44.50
Disclosure Fee (applicable only if “yes” answer)*	$110
State Registrations	Range from $13 - $285 per state
Required Examinations	Vary.

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So What is FINRA Looking For?

NASD Rule 1014. The rule titled “department decision,” Outlines the 12 standards for membership.

The FINRA Standards

After considering the application, membership interview, other documents, public interest and protection of investors, FINRA shall determine whether your firm, as applicant meets standards which specifically address the following:

1. Overview of Applicant;
2. Licenses and Registration;
3. Compliance with Securities Laws, Just and Equitable Principals of Trade;
4. Contractual and Business Relationships;
5. Facilities;
6. Communications and Operational Systems;
7. Maintaining Adequate Net Capital;
8. Financial Controls;
9. Written Procedures;
10. Supervisory Structure;
11. Books and Records;
12. Continuing Education.

Hyperlink to Rule 1014. Department Decision

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Proposed services and fees for leading you through the new membership application.

Our Role During the Application Process

1. Hold your registrations during the entire 1014 process, thereby allowing you to continue business as usual;
2. Compile all required documents, information for membership application;
3. Prepare all responses due to FINRA;
4. File all necessary documents via FINRA's CRD system;
5. With your input, create written business plan and any required amendments to such;
6. Create an appropriate Written Supervisory Procedures Manual, to include Anti-Money Laundering Procedures;
7. SiPC Registration;
8. Fidelity Bond Application;
9. Errors and Omissions Insurance Application;
10. Review of financial statements, ledger, etc. and compute net capital each month during application process;

FEES DUE

$10K upfront; $10K at completion of review process

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Congratulations – you're a broker-dealer! Now what?

MAS offers two levels of compliance support…

Level One – Routine Compliance Needs

1. Notification of applicable rule changes, regulatory notices; suggested amendments to written supervisory procedures;
2. Annual Supervisory Controls Audit;
3. Annual Report to Firm Management regarding Supervisory Controls;
4. Annual Cert Pursuant to Rule 3130;
5. Annual Needs Analysis and Written Training Plan;
6. Firm Element Continuing Education;
7. Annual Anti-Money Laundering Training;
8. Quarterly Compliance Certifications;
9. Annual Independent Anti-Money Laundering Audit;
10. Annual Review of Business Continuity Plan & Disclosure;
11. Electronic Regulatory Filings and Web CRD
12. Regulatory Element Notifications and Tracking

CUSTOMIZATIONS ARE AVAILABLE.

Fees Due: $2500 per quarter. One year minimum.

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Level Two – Compliance Partner

In addition to all services listed in Level One, we shall assist with:

1. Preparation of quarterly focus reports for FINOP review and submission;
2. Review of P&S Blotter;
3. Internal Examination and Testing;
4. Annual Risk Assessment;
5. Review of Advertising and Sales Literature;
6. Access to customized forms, templates
7. Annual Compliance Meeting Materials
8. Annual Review of Form BD, BR and U-4s;
9. Manage and Track Firm and Rep Annual Renewals;
10. Assist with responses to any federal or state regulator;
11. Coordinate all required communications required for State Registrations at Firm Level;
12. Coordinate any applicable communications with state regulators regarding registered representatives;
13. Complete E&O Renewal Applications;
14. Complete Fidelity Bond Renewal Applications;
15. Unlimited Consultation to CCO and other firm members Regarding Compliance Matters

CUSTOMIZATIONS ARE AVAILABLE.

Fees Due: $2500 per month. One year minimum.

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We invite you to give us a call.

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