

ORDER ADDRESSING DISRUPTIONS )  
IN INVESTMENT ADVISER AND ) ORDER No. 2020-11  
BROKER-DEALER OPERATIONS AND )  
SECURITIES REGISTRATIONS )  
RESULTING FROM CORONAVIRUS )

**ORDER**

WHEREAS, the current novel coronavirus (COVID-19) pandemic, and steps implemented by government or private entities to curtail its spread, may disrupt investment adviser, investment adviser representative, broker-dealer and broker-dealer agent operations, and the securities registrations process;

WHEREAS, potential disruptions in investment adviser, investment adviser representative, broker-dealer and broker-dealer agent operations may affect the ability to provide timely financial services to clients;

WHEREAS, an investment adviser's or broker-dealer's access to its current office locations, the availability of key personnel, and access to the resources required to continue operations effectively may be impacted;

WHEREAS, certain investment advisers, investment adviser representatives, broker-dealers and broker-dealer agents may find the disruptions experienced as a result of the current health crisis will require a relocation of offices, a reassignment of duties, or other significant changes to their businesses;

WHEREAS, issuers of securities may have difficulty filing registration documents, including notice filings of offerings being conducted in Maine; and

WHEREAS, it is consistent with the public interest and the protection of investors to assist investment advisers, investment adviser representatives, broker-dealers, broker-dealer agents, and issuers of securities facing these challenges in order to meet the financial needs of their clients;

NOW, THEREFORE, under the authority of Sections 16307, 16406(5), and 16605 of the Maine Uniform Securities Act, it is hereby ORDERED that:

1. Investment advisers, investment adviser representatives, broker-dealers and broker-dealer agents who anticipate or experience a significant disruption as a result of the coronavirus outbreak must promptly provide notice of the disruption, in whatever form it takes, and the material details of the disruption to the Securities Administrator via email at [Judith.M.Shaw@maine.gov](mailto:Judith.M.Shaw@maine.gov) and disclose the nature of the disruption on their public website (or if they do not have a public website, promptly notify their clients by e-mail or telephone).

2. Displaced non-Maine licensed investment advisers, investment adviser representatives, broker-dealers or broker-dealer agents who are located in Maine due to the coronavirus pandemic are temporarily exempted from the licensing and filing requirements of the Maine Uniform Securities Act, 32 M.R.S. §§ 16401-16406, and related regulations in the following circumstances:
  - a. The investment adviser, investment adviser representative, broker-dealer or broker-dealer agent is working from a location outside of the jurisdiction in which he/she/it is currently licensed or registered as a response to the coronavirus pandemic;
  - b. The investment adviser, investment adviser representative, broker-dealer or broker-dealer agent was properly licensed, registered and/or notice filed with all required securities regulators and self-regulatory organizations as of March 1, 2020;
  - c. The investment adviser, investment adviser representative, broker-dealer or broker-dealer agent is not currently the subject of an ongoing enforcement proceeding in any jurisdiction and is not in violation of the Maine Uniform Securities Act and related regulations, except for those provisions included within the scope of this Order;
  - d. The investment adviser, investment adviser representative, broker-dealer or broker-dealer agent limits activities to existing customers or clients and does not solicit new customers or clients in or from Maine; and
  - e. The investment adviser, investment adviser representative, broker-dealer or broker-dealer agent provides notice of their intent to temporarily conduct business from Maine to the Securities Administrator via email at [Judith.M.Shaw@maine.gov](mailto:Judith.M.Shaw@maine.gov) and include the location(s) from which business will be conducted and the anticipated length of stay. Additional notice shall be provided to the Securities Administrator notifying her of the date business conducted from Maine ceases if such date is different than the expiration date of this Order (or any subsequent extension of this Order).
3. An investment adviser, investment adviser representative, broker-dealer or broker-dealer agent who meets the conditions in paragraph 2 above may, without becoming licensed with the Maine Office of Securities, conduct activities for which licensing with the Maine Office of Securities would be required, but only with or on behalf of customers or clients with whom the investment adviser, investment adviser representative, broker-dealer or broker-dealer agent had an existing customer or client relationship on March 1, 2020.
4. Investment adviser and broker-dealer firms may submit Forms U4 electronically, without first obtaining physical signatures from individual investment adviser representatives or broker-dealer agents, provided that the firm:


- a. Provides the individual with an electronic copy of the completed Form U4 prior to filing;
  - b. Obtains the individual's electronic agreement prior to filing that the form's content is accurate and complete;
  - c. Retains the electronic acknowledgement in accordance with Maine's laws and regulations; and
  - d. Obtains the applicant's physical signature as soon as practicable.
5. In the event an investment adviser or investment adviser representative determines it is appropriate to reassign clients to another investment adviser, on a temporary or a permanent basis as a result of circumstances related to current or potential effects of the coronavirus pandemic, the assigning investment adviser must:
  - a. Confirm that the investment adviser to which clients are being assigned is properly licensed in Maine;
  - b. Obtain verbal authorization from each affected client, if written authorization is not practicable, before making the assignment and maintain a written record of such authorization including the manner, date and time the verbal authorization was obtained; and
  - c. Provide notice to the Securities Administrator via email at [Judith.M.Shaw@maine.gov](mailto:Judith.M.Shaw@maine.gov) of each such client assignment.
6. An investment adviser accepting clients under the terms in paragraph 5 above must confirm the assignment with the client verbally, if immediate written confirmation is not practicable, and discuss the terms and scope of the relationship with the client. The investment adviser must maintain a written record of such confirmation including the manner, date and time the verbal confirmation was obtained. The investment adviser must execute a written contract with each new client obtained as a result of assignment within 30 days of the date the client verbally agreed to the assignment.
7. An investment adviser that is unable to meet a filing deadline or delivery requirement related to Form ADV due to circumstances related to current or potential effects of the coronavirus pandemic must promptly provide notice to the Securities Administrator via email at [Judith.M.Shaw@maine.gov](mailto:Judith.M.Shaw@maine.gov) and disclose on its public website (or if it does not have a public website, promptly notify its clients by email or telephone) a brief description of the reasons why it could not file or deliver its Form on a timely basis and the estimated date by which it expects to file or deliver the Form, in no event later than 45 days after such action is due. Relief under this section is not available to any person not licensed with the Maine Office of Securities as an investment adviser, including any investment adviser or investment adviser representative not licensed in reliance upon paragraph 2 above.

8. Any documents required to be filed by an investment adviser, investment adviser representative, broker-dealer or broker-dealer agent with the Securities Administrator that are not permitted to be filed with or cannot be accepted by the IARD or the CRD must be filed directly with the Securities Administrator via email at [Judith.M.Shaw@maine.gov](mailto:Judith.M.Shaw@maine.gov).
9. The in-person seminar training required by Rule Chapter 504 § 6(5) and Rule Chapter 515 §10(2) for all Maine resident broker-dealer agents and investment adviser representatives prior to licensure is suspended during the pendency of this Order. The Administrator will issue any broker-dealer agent or investment adviser representative licensed during this period of suspension with an Order of the Administrator granting a temporary training waiver. The waiver will require the broker-dealer agent or investment adviser representative to attend an in-person training seminar within 60 calendar days of the resumption of in-person trainings or the expiration of this Order (or any subsequent extension of this Order), whichever occurs first, unless an additional waiver or extension of time is requested from and ordered by the Securities Administrator.
10. The on-site inspection a broker-dealer is required by Rule Chapter 504 § 7(4)(B) to make of its branch offices in Maine at least annually is suspended during the pendency of this Order. A branch inspection that becomes overdue during the period of suspension under this Order is required to be performed within 60 calendar days of the expiration of this Order (or any subsequent extension of this Order) unless an extension of time is timely requested from and ordered by the Securities Administrator.
11. If circumstances related to current or potential effects of the coronavirus pandemic cause a disruption in the operations of an issuer of securities or a firm acting on behalf of an issuer, or in the usual systems used to register a security or provide notice of an offering in Maine, such that a registration or notice filing in Maine is caused to be late, late filing fees imposed on the issuer will be waived during the pendency of this Order (or any subsequent extension of this Order).
12. Any issuer or firm acting on behalf of an issuer currently required to make a registration or notice filing in paper, may make the filing by sending all correspondence concerning the filing in pdf format via email to the Director of Corporation Finance of the Maine Office of Securities at [Meredith.P.Turney@maine.gov](mailto:Meredith.P.Turney@maine.gov), with a hard copy, including payment by check, sent to the Office's physical address as soon as is practicable. For any filings that include documents available on EDGAR, a link to those documents should be included in the email.
13. Any investment adviser, investment adviser representative, broker-dealer or broker-dealer agent, issuer or firm acting on behalf of an issuer who relies on any provision of this Order shall keep a copy of the Order in their records to document their reliance on it. Any activities that do not meet the conditions outlined above may be treated by the

Securities Administrator as non-exempt and may constitute unlicensed or unregistered securities activity subject to state enforcement action.

This Order is temporary. The provisions contained herein shall remain in effect only until May 1, 2020, unless the Order is subsequently modified, extended or rescinded.

Dated: March 25, 2020

  
Judith M. Shaw  
Securities Administrator