**Section 130.436 Procedures for Applying for Trading Authorization Pursuant to Section 4(F)(2) of the Act**

a) Any registered dealer who wishes to apply for trading authorization pursuant to Section 4(F)(2) of the Act shall apply on a form and in the manner prescribed by the Secretary.

b) The application shall consist of the following:

1) Illinois Form 4(F)(2), Application for Secondary Trading Authorization;

2) The required non-refundable filing fee as required by Section 130.110;

3) Audited financial statements of the issuer covering its last three fiscal years or such lesser period, but not less than one year, during which the issuer was incorporated or otherwise organized;

4) Illinois Form 4F2-K (otherwise known as the annual report); and

5) Any other information or documents that the applicant may file as a part of the application for secondary trading authorization.

c) The application form shall contain the following information:

1) The name, address and telephone number of the issuer's principal office;

2) The name, address and telephone number of the correspondent to whom notices and communications regarding the application should be sent;

3) The name and address of the registered dealer applicant;

4) A description of the securities for which secondary trading authorization is sought including the current price and number of units or shares outstanding;

5) The year the business was organized, the form of the organization, the state or other jurisdiction where it was organized and affiliation with other business entities;

6) A general description of the issuer's business including the nature and general competitive conditions in the industry;

7) A description of the issuer's property, including the location and general character of the important physical properties or assets of the issuer as referenced in 17 CFR 229.102 (Item 102) (May 31, 2011);

8) A description of any pending or contemplated legal proceedings, other than routine litigation incidental to business, to which the issuer or any of its subsidiaries are a party or of which any property is the subject as referenced in 17 CFR 229.103 (Item 103) (May 31, 2011);

9) A list of the names, addresses and ages of all directors and officers of the issuer including the position held and their business experience and background;

10) The total gross remuneration of all directors and officers of the issuer;

11) A list of the title of class, the name of the beneficial owner, the amount and nature of beneficial ownership and the percent of class for all directors and officers and any person owning more than five percent of any class of the issuer's securities;

12) a description of any transaction or proposed transaction since the issuer's last fiscal year, in which the issuer and any director, officer or beneficial owner of five percent or more of any class of the issuer's securities involves an amount exceeding $60,000;

13) A brief description of the securities to be authorized for secondary trading highlighting materially important provisions with respect to the securities and a description of all other securities issued and outstanding by the issuer including the rights and incidents thereof as referenced in 17 CFR 229.202 (Item 202) (May 31, 2011);

14) The total number of shares or units issued and outstanding, as of the current date, to be authorized for secondary trading;

15) The total number of shareholders and the number of shareholders in Illinois, as well as the number of securities held as of the current date;

16) The most recent bid and asked price of the securities to be authorized for secondary trading, if any, and the date of the bid and asked price;

17) A copy of the Registration Statement or the offering circular, if any, filed under section 3, 4 or 6 of the Federal 1933 Act, as defined in Section 130.200 of this Part, along with the effective date of the Registration Statement or the date on which the offering commenced under an exemption together with the offering price, if any;

18) A description of how the securities were originally sold or issued including the name of each principal underwriter;

19) A list of the states or other jurisdictions in which the securities were sold, indicating whether the securities were registered or sold pursuant to an exemption in each state or jurisdiction;

20) A list of any other states or jurisdictions that have refused after notice and opportunity for hearing, by order or otherwise, to authorize the sale of the securities or have suspended or revoked the right to sell the securities, or any stop order, denial, order to show cause, suspension or revocation order, injunction or restraining order, or similar order entered or issued by any state or other regulatory authority or by any court, concerning the securities covered by the application including a copy of any orders as referenced in 17 CFR 229.103 (Item 103) (May 31, 2011);

21) A list of any states or other jurisdictions in which the securities are pending approval for secondary trading; and

22) A list of any states or other jurisdictions in which the securities are currently eligible for secondary trading.

d) The application shall be signed and notarized. By signing the application the applicant undertakes to file any information, documents and reports required by the Secretary and also represents that the application is made in good faith.

e) A written request for a waiver of any requirement of the form may be submitted to the Secretary as an exhibit to the application. The request shall state, in detail, the reason or reasons why the requirement should be waived.

f) Applications failing to meet the requirements of this Section shall be denied. The Department shall contact the applicant or correspondent in cases in which an application is deficient and afford the party an opportunity to remedy the deficiency.

(Source: Amended at 36 Ill. Reg. 2852, effective February 8, 2012)