**Section 130.824 Financial Statements to be Filed by a Registered Dealer**

a) Each dealer registered by the Secretary that is not required to file a financial statement with a registered self-regulatory organization shall file a financial statement containing the information required by the Secretary as follows:

1) the financial statement shall be prepared as of an audit date selected by the dealer within each calendar year;

2) the financial statement shall be filed no later than the first day of the fourth month days after the selected audit date;

3) the time period covered by the statement shall be the twelve month period immediately following the date of the most recent audited statement; and

4) should a dealer elect to change its audit date, a written request for variance in accordance with Section 130.190 of this Part from the filing period covered by the statement shall be filed with the Securities Department in Springfield, Illinois. The request shall include the reason or reasons for the change and an affirmation that the dealer is currently in compliance with the requirements set forth under Section 130.826 of this Part. An unaudited statement, which includes a balance sheet and computations showing compliance with the requirements set forth under Section 130.826 of this Part, shall be filed with the Securities Department and shall be as of a current date. The audited statement when filed shall encompass the entire period of time which has elapsed since the date of the most current filing of an audited statement.

b) Each financial statement filed pursuant to subsection (a) of this Section shall be audited by an independent certified public accountant and shall include the following:

1) a signed independent auditor's report;

2) a balance sheet;

3) an income statement;

4) a statement of cash flow;

5) notes to the financial statements, if any;

6) a computation of net capital calculated pursuant to either the aggregate indebtedness or the alternative method;

7) a statement of changes in liabilities subordinated to the claims of general creditors, if any; and

8) a statement of computation for determination of reserve requirements for dealers computed in accordance with 17 CFR 240.15c3-3, as in effect on August 1, 1997 (no subsequent amendments or editions), if any.

 The statement shall be accompanied by the cover page, if any, designated by the Securities Department.

c) The Secretary may, require any dealer to file an interim financial statement as of a date selected by the Secretary. The Secretary shall specify whether or not the statement is to be audited by an independent certified public accountant in circumstances including, but not limited to: the company has been in violation of its net capital requirement prescribed in Section 130.826 of this Part; an officer or employee has been convicted of embezzlement or theft of the dealer's funds; the dealer has been charged by a federal or state securities regulator or SRO of falsifying its books and records; and the dealer has merged with another dealer which has a record of past violations of its net capital requirements.

d) If an unaudited interim financial statement is required to be filed by a dealer, the statement shall contain an oath or affirmation that, to the best of the knowledge and the belief of the person making the oath or affirmation:

1) the financial statement and supporting schedules are true and correct, and

2) neither the dealer, nor any partner, officer or director, as the case may be, has a proprietary interest in any account classified solely as that of a customer. The oath or affirmation shall be made before a person duly authorized to administer oaths or affirmations. If the dealer is a sole proprietorship, the oath or affirmation shall be made by the proprietor; if a partnership, by the general partner in charge of the dealer's financial affairs; or if a corporation, by the dealer's chief financial officer.

e) Each financial statement, except the independent auditors' report, the balance sheet and notes, if any, shall be deemed confidential when filed with the Securities Department. The independent auditors' report, the balance sheet and notes, if any, shall be a matter of public record and available to the public upon written request.

f) Anything to the contrary notwithstanding, all of the information contained in any financial statement shall be available to any federal, state or local law enforcement agency, any state or federal regulator or any self-regulatory organization registered under any federal law upon written request to the Securities Department.

(Source: Amended at 21 Ill. Reg. 15892, effective December 1, 1997)