

(b) (1) [It is unlawful for any] AN investment adviser required to be registered [to] MAY NOT employ OR ASSOCIATE WITH an investment adviser representative unless the representative is registered under this subtitle.

~~(2) A FEDERAL COVERED ADVISER SUBJECT TO NOTICE FILING UNDER § 11-405(B) OF THIS SUBTITLE MAY NOT EMPLOY, SUPERVISE, OR ASSOCIATE WITH AN INVESTMENT ADVISER REPRESENTATIVE WHO HAS A PLACE OF BUSINESS LOCATED IN THIS STATE AN INVESTMENT ADVISER REPRESENTATIVE WHO HAS A PLACE OF BUSINESS LOCATED IN THIS STATE MAY NOT TRANSACT BUSINESS ON BEHALF OF A FEDERAL COVERED ADVISER, UNLESS THE INVESTMENT ADVISER REPRESENTATIVE IS REGISTERED OR EXEMPT FROM REGISTRATION UNDER THIS SUBTITLE.~~

[(2)] (3) The registration of a representative is not effective during any period when [he] THE REPRESENTATIVE is not employed by OR ASSOCIATED WITH:

(I) [an investment adviser registered under this subtitle.] A REGISTERED INVESTMENT ADVISER; OR

(II) A FEDERAL COVERED ADVISER THAT HAS FILED A NOTICE UNDER § 11-405(B) OF THIS SUBTITLE.

[(3)] (4) When [a] AN INVESTMENT ADVISER representative begins or terminates [his] A connection with [an] A REGISTERED investment adviser OR TERMINATES THOSE ACTIVITIES THAT MAKE THE REPRESENTATIVE AN INVESTMENT ADVISER REPRESENTATIVE, the investment adviser shall promptly notify the Commissioner.

(5) WHEN AN INVESTMENT ADVISER REPRESENTATIVE BEGINS OR TERMINATES A CONNECTION WITH A FEDERAL COVERED ADVISER OR TERMINATES THOSE ACTIVITIES THAT MAKE THE REPRESENTATIVE AN INVESTMENT ADVISER REPRESENTATIVE, THE INVESTMENT ADVISER REPRESENTATIVE SHALL PROMPTLY NOTIFY THE COMMISSIONER.

(C) BY RULE OR ORDER, THE COMMISSIONER MAY MODIFY THE REQUIREMENTS OF THIS SECTION OR EXEMPT ANY BROKER-DEALER, AGENT, INVESTMENT ADVISER, FEDERAL COVERED ADVISER, OR INVESTMENT ADVISER REPRESENTATIVE FROM THE REQUIREMENTS OF THIS SECTION IF THE COMMISSIONER DETERMINES THAT:

(1) COMPLIANCE WITH THIS SECTION IS NOT NECESSARY OR APPROPRIATE FOR THE PROTECTION OF INVESTORS; AND

(2) THE EXEMPTION IS CONSISTENT WITH THE PUBLIC INTEREST AND WITHIN THE PURPOSES FAIRLY INTENDED BY THE POLICY AND PROVISIONS OF THIS TITLE.