

11-410.

(a) (1) [The Commissioner by rule or order may require a registered broker-dealer or agent, or a registered investment adviser or representative who has custody of client funds or securities, or requires payment of more than 6 months in advance of fees in excess of \$500, to post a surety bond, or deposit cash or any other equivalent form of security as the Commissioner may permit, in amounts up to \$10,000.] THE COMMISSIONER MAY REQUIRE BY RULE OR ORDER A REGISTERED BROKER-DEALER OR AGENT TO POST A BOND OR DEPOSIT CASH OR ANY OTHER EQUIVALENT FORM OF SECURITY IN AMOUNTS THAT THE COMMISSIONER MAY REQUIRE.

(2) THE COMMISSIONER'S AUTHORITY TO ADOPT RULES OR ISSUE ORDERS UNDER PARAGRAPH (1) OF THIS SUBSECTION IS SUBJECT TO THE LIMITATIONS OF § 15 OF THE SECURITIES EXCHANGE ACT OF 1934.

(3) THE COMMISSIONER MAY REQUIRE BY RULE OR ORDER A REGISTERED INVESTMENT ADVISER OR REPRESENTATIVE WHO HAS CUSTODY OF CLIENT FUNDS OR SECURITIES OR REQUIRES PAYMENTS OF MORE THAN 6 MONTHS IN ADVANCE OF FEES IN EXCESS OF \$500 TO POST A BOND OR DEPOSIT CASH OR ANY OTHER EQUIVALENT FORM OF SECURITY IN AMOUNTS THAT THE COMMISSIONER REQUIRES.

(4) THE COMMISSIONER'S AUTHORITY TO ADOPT RULES OR ISSUE ORDERS UNDER PARAGRAPH ~~(2)~~ (3) OF THIS SUBSECTION IS SUBJECT TO THE LIMITATIONS OF § 222 OF THE INVESTMENT ADVISERS ACT OF 1940.

[(2)](B) The condition of such bond or equivalent form of security shall be that the registrant will comply with the provisions of this title and the rules and regulations issued under this title.

[(3)](C) The bond or equivalent form of security may be drawn to cover the original registration and any renewals of the registration.

[(b)](D) Every bond or equivalent form of security shall provide that:

(1) A suit may not be maintained to enforce any liability on the bond or equivalent form of security unless brought within two years after the contract of sale or other act on which the suit is based; and

(2) The liability of the surety on each bond or equivalent form of security to all persons aggrieved may not in any event exceed in the aggregate the penal sum of the bond.

11-411.

(a) (1) [Every registered broker-dealer and investment adviser shall make and keep the accounts, correspondence, memoranda, papers, books, and other records which the Commissioner by rule prescribes. All required records shall be preserved for three years unless the Commissioner by rule prescribes otherwise for particular types of