

# LICENSING & TRANSITION GUIDE



A successful transition begins with a great plan.

## WE'RE HERE TO HELP



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<sup>1</sup> First Clearing is a trade name used by Wells Fargo Clearing Services, LLC, Member SIPC, a registered broker-dealer and non-bank affiliate of Wells Fargo & Company.

# The Recruiting Period

**Our first step is to get to know each other.**

It's important for us to understand your business goals and the type of business you conduct and where to ensure that we can accommodate it. We accomplish this by an initial consultation with you and we then ask that you complete our Recruit Questionnaire. By obtaining this information we can decide together, if we're the right fit for you. Go to [www.ccsmadison.com](http://www.ccsmadison.com) click on "Join CCS"

## Getting Organized

- Review the CCS Product List and determine if the products you use are approved by CCS.
- Review the CCS New Account Form. You will be required to obtain a new account form for each new or transferred account registration.
- Confirm the states you are licensed in for securities, insurance and investment advisory activities. Contact Tracy Williams to verify that CCS is appropriately licensed in these jurisdictions to accommodate your account transfer and on-going business.
- Review the CCS Independent Contractor Agreement.
- Review the CCS Compensation Agreement and familiarize yourself with the commission schedule and ticket or clearing charges for brokerage accounts held at First Clearing.
- Review CCS procedures for Electronic Communications, including email included in the @ccsreps.com Email Account Set Up Form and social media on the Opt-In Social Media Form.
- Disclose all outside business activities to CCS on the pre-hire questionnaire. Contact us to determine any restrictions or requirements that CCS may have on certain activities.
- Disclose all private securities transactions to CCS on the pre-hire questionnaire. Contact us to determine any restrictions or requirements that CCS may have on certain activities.
- Disclose any accounts that will be held outside of CCS for which you have a beneficial interest (Outside Accounts). Contact Tracy Williams to obtain notification form.
- If you conduct Equity Indexed Annuity business, review CCS' procedures on the EIA Acknowledgement Form, available through the Compliance Department.
- **If you have advisory business, contact Tracy Williams to discuss options for your fee-based accounts and other advisory services.**

- Review CCS' privacy policy and your current broker dealer's privacy policy and your current Rep Agreement to determine how your clients may be contacted in compliance with firm procedures and Regulation S-P.
- Take an inventory of your brokerage accounts and determine which types of accounts and services you use in your business and how First Clearing compares with your current clearing firm. Familiarize yourself with CCS and First Clearing account opening documents. Direct any questions to our Trading Manager, Robin Urso.
- Take an inventory of your non-brokerage (also known as "direct" or "check & app") accounts and familiarize yourself with CCS' account opening documents, Change of Dealer Forms, Appointments and Letters of Understanding.
- Formulate your timeframe for obtaining client paperwork and follow-up.

## Committed to CCS

### Congratulations on your decision to join the CCS family of brokers!

- **Securities Licensing** - Proceed to the Licensing Page of the "Join CCS" Website. You will find the required Licensing forms on this site, or you can request a Licensing Kit by calling 800-783-6666. As an independent contractor, you are responsible for the costs associated with the transfer and or licensure with CCS. To calculate this cost, complete the Registration/Transfer Fee Calculation Sheet and submit it to CCS with a check made payable to Coordinated Capital Securities, Inc. Upon receipt of your fee, CCS will register or transfer your licenses to our firm.
- **Insurance Licensing** - State Insurance Departments are not uniform in their requirements. You must verify that all of your insurance licenses are current before moving to CCS. Send a current copy of each state insurance license to CCS with your other licensing forms.
- **Variable Insurance Company Appointment** - You must get re-appointed with each variable insurance company you do business with. Provide completed appointment sheets to CCS and we will forward to the insurance companies for processing.
- **Investment Advisory Services** - If you will be providing investment advisory services to customers, complete the Rep Investment Advisory Agreement. Contact a Team Member to familiarize yourself with the advisory services offered through CCS and our clearing firm.
- **Technology** - If your business includes brokerage accounts you will be required to subscribe to Smart Station – our clearing firm's back office account and trading system. Contact our First Clearing Liaison Robin Urso to request a Smart Station Set Up Sheet and schedule a training session to discuss the available packages, pricing and receive basic training.

# Transition Phase

## It's time to roll-up our sleeves and get to work!

### Transferring Accounts to CCS

At this point you will need to estimate the amount of time you will need to transfer accounts to First Clearing or process change of broker dealer forms. It is your responsibility to ensure that any implemented plan is in compliance with your current broker dealer and CCS' privacy policies. Visit our CCS Rep Page and familiarize yourself with our account opening and transfer forms. Contact Tracy Williams for your user name and password and to schedule your training.

### Business Cards and Stationery

All Branch Offices are required to have business cards and letterhead to be used with your securities or investment advisory clients. You will need to have all business cards, letterhead and all other advertising pre-approved by CCS.

### Email Accounts

Registered Representatives are required to maintain an email account for purposes of their securities business. Pursuant to FINRA rules CCS is required to review all in-coming and out-going correspondence including emails. CCS has an in-house email retention and surveillance program. Under this program your emails are captured and stored on our system and reviewed as part of our surveillance program. If you have a current email address, it may be necessary for you to change it.

### Websites

If you have an existing website, the Compliance Department will review your site for compliance. Once you are approved with CCS, your website will need to be updated to include our broker dealer name and other required disclosures. If you do not have an existing website, but would like to develop one, you must submit your draft "story board" to the Compliance Department for approval prior to publishing the website on-line.

### Social Media

If you have an existing social media sites, the Compliance Department will review your site for compliance. Once you are approved with CCS, these sites will need to be updated to include our broker dealer name and other required disclosures. This activity also requires that you subscribe to the CCS social media archiving service.

### Personal Accounts with another B/D

If you, or a member of your immediate family, have a personal account with another broker dealer you are required to notify CCS by completing an Outside Account Notification Form, available on the General Compliance Page on the CCS Website. Once approved, CCS will send a "407 Letter" to the other broker dealer. This letter will notify the other broker dealer that you are a registered representative of CCS and request that duplicate copies of the statements for your account(s) be submitted to CCS. Please send completed Notification Forms to Tracy Williams.

# Commission Processing

CCS pays rep commissions twice a month:

10<sup>th</sup> – includes non-brokerage commissions and investment advisory fees received at CCS between the 16<sup>th</sup> to the end of the previous month.

25<sup>th</sup> – includes non-brokerage commissions received at CCS between the 1<sup>st</sup> and the 15<sup>th</sup> of the current month AND brokerage commissions and investment advisory fees for the previous month.

During the Licensing Phase, you completed a Compensation Agreement which detailed your commission pay-out and other important information regarding the payment of commissions through CCS. Commissions may only be paid to the registered representative and not to a corporation. You should provide CCS with your bank's ACH information in order to direct deposit your commissions. The ACH request form is available on the Join CCS Registration Page or contact Tracy Williams.

## Required Branch Records

Branch records are an important compliance responsibility. Although there is some uniformity among broker dealers regarding these requirements, it is likely that our record keeping procedures will differ from your previous broker/dealer's. We will provide you with a list of required branch documents, guides for processing direct and brokerage business and a summary of the records we will review during routine branch exams.

## Signage

You must ensure that your office is properly identified as a CCS branch office and that a SIPC sign is clearly visible. Many offices frame the CCS sign available on our website and place it in the lobby or front desk of their office. Contact Tracy Williams to request a CCS and SIPC sign.

## CCS Website



[www.ccsmadison.com](http://www.ccsmadison.com)

You will receive a username and password to access the Rep Pages of the CCS Website. Our company forms and procedures are just a click away on our dedicated CCS Rep Page.