

Department of Financial Protection and Innovation

Position Duty Statement

DFPI HRO 203 (Rev. 07-2021)

NAME	EFFECTIVE DATE
CLASSIFICATION TITLE Financial Institutions Examiner (LT)	POSITION NUMBER 410-121-4101-010
WORKING TITLE Financial Institutions Examiner – Licensing	DIVISION/OFFICE/UNIT/SECTION Division of Corporations, Broker Dealer/Investment Adviser
BARGAINING UNIT R01	GEOGRAPHIC LOCATION Sacramento

General Statement: The Financial Institutions Examiner (FIE) performs licensing application reviews for required qualification of investment advisers and broker-dealers and performs technical and administrative duties to ensure compliance with provisions of the Corporate Securities Law of 1968 (“Law”) and the rules thereunder and assists in developing procedures and program activities for the unit. As a range A FIE, incumbent will perform the following duties at the entry level, under close supervision. Range B FIE, performs the following duties of average difficulty, at the working level, under supervision. Range C FIE performs the following duties at the full journey level, under general supervision.

A. Specific Assignments [Essential (E) / Marginal (M) Functions]:

45% (E) The Financial Institutions Examiner evaluates and analyzes license applications for required qualifications for Investment Advisers and Broker Dealers according to California Corporations Code Section 260.231 and 260.211. Incumbent independently performs the more complex licensing reviews and works with challenging applicants to ensure statutory compliance with applicable state laws and regulations that provide investor protection.

The Financial Institutions Examiner reviews applications filed by a) broker-dealers and b) investment advisers with up to \$100 million in assets under management, including those involving hedge funds, pooled investment vehicles, private securities offerings, and split structures. Incumbent communicates directly (orally and/or in writing) with applicants regarding deficiencies in the application; prepares deficiency letters, orders and correspondence related to broker-dealer and investment adviser applications. Maintains and updates various databases [Investment Adviser Registration Depository (“IARD”), Central Registration Depository (“CRD”) and Department of Corporations Quality Network (“DOCQNET”) with critical information concerning the applicant and the application status.

Investment Adviser application review procedures include, but are not limited to, reviewing:

- Form ADV (Part 1A, 2A, and 2B)
- financial statements to determine if the licensee meets minimum net worth requirements, and is properly reporting and safeguarding client assets
- investment advisory agreements
- firm and representative brochures, private placement memos, and investment advisory agreements to determine if appropriate disclosure has been made of the adviser's conflicts of interest
- advertising and public disclosures
- management and performance fees to determine the accuracy and appropriateness

The Financial Institutions Examiner ensures that investment advisers, broker-dealers, and their registered representatives are properly registered by verifying that they meet the minimal qualifications requirements related to professional examinations, have properly disclosed all pertinent aspects of their business and fees, and have truthfully and completely disclosed all disciplinary actions related to the securities business. Based on the review, incumbent makes a determination as to whether applicant warrants approval of its registration or should be referred to Enforcement for denial, bar, and/or other administrative sanctions.

Investment Adviser Representative Continuing Education (IAR CE) Program:

The Financial Institutions Examiner reviews the investment adviser representative continuing education (IAR CE) reports to ensure compliance with rules. This includes monitoring and analyzing CE progress for each California IAR, contacting firms and IARs in case of non-compliance, as well as processing enforcement actions for certain individuals that are in fail to renew (FTR) status.

30% (E) Incumbent reviews applicant's initial financial information such as balance sheets, income statements and minimum net worth requirement worksheets. Incumbent also reviews licensee annual report filings to determine the accuracy of financial statements and determines if licensee meets the minimum net capital requirement set by state law.

Reviews licensee annual report filings and application filings for a certificate, as needed.

Responds to inquiries from the public and other regulators regarding technical questions concerning the Corporate Securities Law of 1968, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the California Code of Regulations Title 10, investment adviser and broker-dealer licensing processes, and investment adviser representative and broker-dealer agent registration issues. Good oral and written communication skills are required in correspondence with applicants, applicant's consultants and/or attorneys regarding applications.

10% (E) The Financial Institutions Examiner will follow established Department and Program procedures to record, maintain, and upload examination documentation/information, materials, and other records in the program designated applications/databases including, but not limited to CRD/IARD, DOCQNET and NEMO. The Financial Institutions Examiners will ensure the accuracy of licensing statuses, deficiencies, documentation, and the completeness of all licensing records.

Additionally, based on the Department guidance and procedures, prepare general administrative personnel documents such as time reports, training request documents and travel related documents.

5% (E) Training
The Financial Institutions Examiner provides training on broker dealer and investment adviser application processing to lower-level examiners. Incumbent compiles and updates training materials for in-house training presentations to program staff, as needed. Additionally, the Financial Institutions Examiner attends required and recommended professional training.

5% (E) The Financial Institutions Examiner may be required to testify at administrative hearings regarding the application review process, the information provided by the licensee/applicant, and how/why the licensee has violated applicable laws and regulations or how/why the application was denied under the Department's laws and regulations.

Failure to provide adequate knowledgeable and credible testimony may result in the Department losing the administrative hearing and ultimately allow an unfit licensee/applicant to operate as an investment adviser or broker-dealer in the state, which puts California investors at risk.

5% (E) Performs administrative duties including, but not limited to adheres to Department policies, rules, and procedures; submits administrative requests including leave, overtime (if applicable), travel, and training in a timely and appropriate manner; accurately reports time in the timekeeping system; and submits timesheets by the due date.

And performs other related duties as required.

B. Supervision Received

The Financial Institutions Examiner reports directly to the Financial Institutions Manager (FIM). The Financial Institutions Examiner may receive additional instruction from a lead Financial Institutions Examiner or Senior Financial Institutions Examiner (SFIE).

C. Supervision Exercised

NONE

D. Administrative Responsibility

NONE

E. Personal Contacts

The Financial Institutions Examiner has regular contact with DFPI peers: staff, management, executive office, Enforcement, Legal and other program areas, as well as representatives from other regulatory agencies such as state securities administrators/agencies, NASAA, FINRA, the U.S. SEC, and control agencies and the general public.

F. Actions and Consequences

The actions of the Financial Institutions Examiner have a direct bearing on the success, integrity, and legality of the Department's Broker-Dealer/Investment Adviser (BDIA) program. BDIA licenses and regulates investment advisers, broker-dealers, and their registered representatives and agents. Regulatory oversight protects the investing public from unethical and fraudulent activities and ensures California's financial services market is secure, fair, and transparent.

Consequences of the Financial Institutions Examiner inadequately performing the job diminishes the program and Department's investor and consumer protection efforts.

G. Functional Requirements

Work remotely and/or in DFPI's office in Sacramento.

Frequently:

- Sitting at a desk, in a chair, and in front of a computer screen.
- Moving/walking about the office and standing or sitting during in meetings.
- Using a multi-line telephone console or Department issued cell phone.
- Utilizing MS Teams audio and video to connect with DFPI staff and management when working remotely.
- Utilizing MS Teams, Zoom or other programs to conduct interviews and examinations of licensees.
- Bend (neck and waist), squat, kneel, and twist (neck and waist).
- Perform repetitive hand motion, simple grasping, fine manipulation, pushing and pulling with right and left hands.

Occasionally:

- Reaching (above and below shoulder level).
- Traveling via private or public transportation (i.e., driving an automobile, via airplane, etc.) including overnight travel inside California may be required.
- Lifting and carrying up to 20 pounds.

H. Other Information

This position may require travel to the licensee’s office, and occasional travel to conferences, meetings, and training events. Travel is primarily driving and includes periodic air travel, periodic overnight travel, and occasional overtime.

CONFLICT OF INTEREST

This position is subject to Title 16, section 3830 of the California Code of Regulations, the Department of Financial Protection and Innovation’s Conflict of Interest Regulations. The incumbent is required to submit a Statements of Economic Interests (Form 700) within 30 days of assuming office, annually by April 1st and within 30 days of leaving office.

FINGERPRINTING

Title 11, section 703 (d) of the California Code of Regulations requires criminal record checks of all personnel who have access to Criminal Offender Record Information (CORI). Pursuant to this requirement, applicants for this position will be required to submit fingerprints to the Department of Justice and be cleared before hiring. In accordance with DFPI’s (CORI) procedures, clearance shall be maintained while employed in a CORI-designated position. Additionally, the position routinely works with sensitive and confidential issues and/or materials and is expected to maintain the privacy and confidentiality of documents and topics pertaining to individuals or to sensitive program matters at all times.

I have read and understand the duties listed above and I can perform these duties with or without reasonable accommodation. (If you believe reasonable accommodation is necessary, discuss your concerns with the hiring supervisor. If unsure of a need for reasonable accommodation, inform the hiring supervisor, who will discuss your concerns with the Health & Safety analyst.)

Employee Signature Date

Employee’s Printed Name, Classification

I have discussed the duties of this position with and have provided a copy of this duty statement to the employee named above.

Supervisor Signature Date

Supervisor’s Printed Name, Classification