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Class Specifications  
for the

SECURITIES EXAMINER SERIES

**Series Definition:**

This series includes all classes the duties of which are to supervise or perform work involving the registration of securities, securities broker-dealers, securities salespersons, investment advisers, investment adviser representatives, franchises, professional fund-raising counsel and professional solicitors and/or conduct field examinations of registered broker-dealers and investment advisers.

Program activities include determining whether registration is required, reviewing applications to insure that disclosure and other qualification requirements are met, examining books and records of broker-dealers and investment advisers to assess compliance with legal requirements, and advising industry members and the general public as to the applicability of the law and registration requirements.

**Level Distinctions:**

Classes in this series are distinguished from each other by differences in: 1) the nature and scope of recommendations, decisions, commitments and conclusions; 2) the supervisory and administrative responsibilities; and 3) the knowledge and abilities required.

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This is an amendment to the specification for the classes SECURITIES EXAMINER III and IV, and SUPERVISING SECURITIES EXAMINER (SUPERVISING SECURITIES EXAMNR), which was approved on January 22, 2002; and the first specification for the new class SECURITIES COMPLIANCE SUPERVISOR (SECURITIES COMPLIANCE SUPVR).

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For KATHLEEN N. A. WATANABE  
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**Class Distinguishers:**

Complexity:

III level - Performs moderately complex professional securities compliance work. Examines applications for the registration of securities broker-dealers, investment advisers, franchises, etc., which have disciplinary history of minor non-compliance with the statutes and rules; assists with the examination of applications and filings for the registration of securities offerings; assists a higher level Securities Examiner with portions of on-site audits and examinations of securities broker-dealers and investment advisers; and performs other assignments designed to facilitate progression to the journey-level.

IV level - Independently reviews and examines applications and filings for the registration of securities offerings, securities broker-dealers, securities salespersons, investment advisers, investment adviser representatives, franchises, professional fund-raising counsel and professional solicitors. Conducts audits and examinations of securities broker-dealers and investment advisers. Makes final recommendations on applications which are complete and do not have any legal issues. On more complex applications/examinations such as those presenting questions requiring a legal interpretation, questionable financial status of the applicant, etc., does the preliminary staff work, makes preliminary evaluations and recommendations and assists the supervisor in discussions with the applicants and their legal representative regarding nonconformance to statutory and regulatory requirements.

Supervision Received:

III level - Assignments are explained by a higher level Securities Examiner who lays out the work and explains possible difficulties that may arise. As competence is gained, assignments are performed with increasing independence. Closer supervision is provided on new and unusual assignments.

IV level - Works independently under general supervision.

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Full Performance Knowledge and Abilities: *(Knowledge and abilities required for full performance in this class.) The level of knowledge and abilities required at the III and IV levels is progressive and commensurate with the level of work assignments at each respective level.*

Knowledge of: Federal and State securities laws regarding the sale of securities; characteristics of various types of securities and their related risk factors; registration requirements for securities, broker-dealers and their sales personnel, investment advisers and their representatives, franchises and professional fund-raisers; fundamentals of business law with emphasis on partnerships, corporations, and limited liability companies; sound investment principles; general business principles and practices; basic principles and practices of accounting; research and problem solving methods and techniques; and report writing.

Ability to: Read, understand and apply complex written material including laws and rules pertaining to business operations and securities examination; analyze problems concerning the application of securities laws and regulations; review business records and financial documents to determine compliance with legal requirements; communicate effectively both orally and in writing; deal effectively with a wide range of individuals and groups.

Examples of Duties: *(Positions may not be assigned all of the duties listed, nor do the examples necessarily include all of the duties that may be assigned. This does not preclude the assignment of duties which are not listed.)*

### III Level

1. Examine and analyze applications, prospectus, financial statements and corporate documents for the registration of securities broker-dealers, investment advisers, franchises, professional fund-raising counsel and professional solicitors that have disciplinary history of minor non-compliance with the statutes and rules.
2. Assist with the examination of applications and filings for the registration of securities offerings.
3. Assist a higher level Securities Examiner with portions of on-site audits and examination of securities broker-dealers and investment advisers.

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4. Review, examine and make preliminary recommendations for approval of advertisements of securities sales.
5. Review publications and periodicals for possible violations of securities and franchise statutes.

#### IV Level

1. Examine and analyze applications, prospectus, financial statements and corporate documents for the registration of securities, securities broker-dealers, investment advisers, franchises, professional fund-raising counsel and professional solicitors; review applications for compliance with statutes and regulations.
2. Review corporation exhibits and reports for completeness and violations of corporation and securities laws.
3. Make final recommendations on applications that are complete and about which no legal questions have arisen.
4. Make preliminary evaluations and recommendations on the more complicated applications.
5. Review, examine and approve advertisements of securities sales.
6. Comment on deficiencies in applications.
7. Assist the supervisor in discussions with applicants and their legal representatives.
8. Assist and advise attorneys on the preparation of applications.
9. Examine and audit broker-dealers, issuers and investment advisers; conduct site visits to offices of broker-dealers, issuers and investment advisers to examine their financial record-keeping and business practices.
10. Assist in investigations and resolution of complaints regarding securities matters.
11. Testify at hearings regarding securities matters.
12. Review publications and periodicals for possible violations of securities and franchise statutes.

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**Class Distinguishers:**

Complexity:

Supervising Securities Examiner - Plans, organizes and supervises the work of a group of securities examiners who process and examine applications for the registration of securities offerings, securities broker-dealers, securities salespersons, investment advisers, investment adviser representatives, franchises, professional fund-raising counsel and professional solicitors and/or audit broker-dealers, issuers and investment advisers to ensure compliance with applicable statutory and regulatory requirements.

Securities Compliance Supervisor - The sole position in this class plans, organizes, directs and supervises the activities of the Securities Compliance Branch; serves as technical adviser to the Commissioner of Securities on matters relating to licensing and registration of securities offerings and securities broker-dealers, et al.; plans and develops operating policies and procedures; provides continuing technical direction over all activities of the securities compliance program; reviews and evaluates activities, operations and staff performance.

Personal Contacts:

Supervising Securities Examiner - Secures good working relationships with industry members, regulated businesses and the general public on securities issues.

Securities Compliance Supervisor - Establishes and maintains effective working relationships with industry representatives, legal counsel, and representatives of other State and federal agencies to ensure compliance with all State and federal licensing, financial and regulatory requirements.

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Supervision Exercised:

Supervising Securities Examiner - Positions in this class directly supervise a staff of securities examiners.

Securities Compliance Supervisor - Supervises a staff of securities examiners through subordinate supervisors.

Supervision Received:

Supervising Securities Examiner - Works independently under the general supervision of the Securities Compliance Supervisor.

Securities Compliance Supervisor - Receives general guidance and direction from the Commissioner of Securities and works in accordance with pertinent State laws and departmental rules, policies and procedures.

Full Performance Knowledge and Abilities: (*Knowledge and abilities required for full performance in this class.*) In addition to the knowledge and abilities required of the class Securities Examiner IV:

Knowledge of: Supervisory principles and practices.

Ability to: Plan, supervise and review the activities of securities examiners to ensure that work performed is in compliance with applicable statutory and regulatory requirements; analyze problems and seek solutions concerning the application and interpretation of securities laws and regulations; implement program objectives, policies and procedures; plan, assign, review and evaluate the work of others; achieve and maintain effective working relationships with regulated businesses, industry members and members of the public sector.

Examples of Duties: (*Positions may not be assigned all of the duties listed, nor do the examples necessarily include all of the duties that may be assigned. This does not preclude the assignment of duties which are not listed.*)

1. Plan, organize and supervise securities licensing/examination activities to ensure that work performed is in compliance with applicable statutory and regulatory requirements.
2. Participate in the review and development of operating policies and procedures to ensure that all activities are

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conducted in a consistent, timely and organized manner; implement policies and procedures to ensure that licensing/examination functions are achieved.

3. Review difficult and/or complex cases to ensure compliance with statutory and regulatory requirements and recommend a course of action.
4. Review forms and documents issued by the section to ensure compliance with statutes and regulations; revise forms as required to address changes in statutory and rule changes.
5. Plan, assign, guide, review and evaluate the work of subordinates.
6. Make recommendations in regards to staffing, materials and spatial needs.
7. Make budgetary recommendations.
8. Participate in the development of legislative proposals; prepare and present testimony on proposed legislation; implement and instruct subordinates on new legislation enacted and rules adopted.
9. Testify at hearings regarding securities matters.
10. Provide information to regulated businesses, industry members and the public on securities requirements.
11. Interview and recommend selection of applicants for vacancies in the section; approve leaves; provide training to subordinates.

For the class Securities Compliance Supervisor, the following examples of duties also apply:

12. Plan, organize, direct and supervise the activities of the Securities Compliance Branch through subordinate Supervising Securities Examiners.
13. Supervise subordinate professional and clerical staff and recommends various personnel actions.
14. Evaluate program operations, develop operating policies and procedures, analyze staffing needs and other requirements, and prepare budget requests.

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15. Review complaints and refer possible violations for enforcement action.
16. Serve as expert witness in court proceedings and administrative hearings to verify and interpret applicable statutes and regulations.
17. Meet with members of the Hawaii Bar Association, Securities and Exchange Trade Commission, Internal Revenue Service and North American State Securities Administration regarding common areas of concern to obtain technical advice and resolve problems.