

Explanatory Guide: To provide direction to the completion of the various NRD forms / screens, the participating members of the CSA and IDA will periodically publish Explanatory Guides. These Explanatory Guides will be posted on the NRD-Info web site.

Explanatory Guide No. 1: Termination Information

Purpose:

This explanatory guide elaborates on the definition of “termination information” found in the NRD Termination Notice.

The Notice of Termination of Employment includes the following instructions for filling out the “Termination Details” text box:

Indicate below whether the individual (i) was dismissed for cause, (ii) was dismissed in good standing, (iii) resigned for cause, (iv) resigned in good standing, or (v) is deceased.

Include any details regarding all (i) unresolved client complaints, (ii) internal discipline matters or (iii) restrictions for violation of regulatory requirements that occurred at any time during their employment with the firm.

Also indicate whether the individual has discharged all of their financial obligations to their clients.

Interpretation

This question is intended to elicit information about any and all reasons for the termination of an individual. The AFR is required to provide information regarding all of the following:

- i) unresolved client complaints
- ii) internal discipline matters
- iii) restrictions for violation of regulatory requirements

for actions / events that occurred at any time during their employment with the firm. This is not limited to the single event that led to the termination. If there is no information to report about any / all of these three matters, the AFR should put N/A for that numbered question.

The information provided should include circumstances in non-securities related activities. Firms must provide full and complete details of the reasons for the termination or resignation for cause.

Example:

- i) N/A
- ii) theft from an affiliated, non-securities company
- iii) N/A

Rationale:

Regulators or securities regulatory authorities need to know the reasons for termination or resignation for cause in all cases in order to assist in determining whether or not the individual remains suitable for registration. This is critical in the situation in which the individual later applies for registration with another firm.

Enquiries:

Enquiries about this explanatory guide should be directed to the regulator or securities regulatory authority in the jurisdiction in which the “terminated” individual resides.

20 June 2003