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Contact Us

If you have questions, send us an email or give us a call.

DFISecurities@dfi.wisconsin.gov

(608) 266-2139

Connect with DFI on Social Media

Visit the DFI's social media profiles on Facebook, LinkedIn and X (formally Twitter), for information on the agency's activities, personal finance tips, investor education, scam warnings, and other timely news to help protect investors. Please feel free to share any content that you find useful, and "like" or "follow" our social media profiles so that you can receive future posts in your social media newsfeeds.

IAR CE May Include Our Upcoming Live Seminar

It's that time of year again! Check your Investment Advisor Representative Continuing Education (IAR CE) status and make sure you've completed 12 credits for this year or are on track for completion soon.

IAR CE for 2026 is technically due at year end, but be aware that the Central Registration Depository platform shuts down on December 27th, so any completed credits must be reported by the course provider prior to the 27th to ensure that those credits are applied before the end of the year.

Need help keeping track of your completed courses? If you don't already have one, create a FINRA Financial Professional Gateway (FinPro Gateway) account! With a FinPro Gateway account, you'll be able to see your entire transcript of completed courses (going back to the inception of Wisconsin's CE requirement in 2023) and receive email reminders if you have outstanding CE due.



New CE live courses:

On Tuesday, October 20th, the DFI Division of Securities will be hosting our second annual in-person IAR CE seminar in Brookfield. The first session will be hosted by University of Wisconsin-Extension staff covering the A|4 financial coaching model, followed by a session with our enforcement team to share updates on some of their most recent enforcement actions and critical challenges.

These sessions are eligible for a total of three (3) credits: two (2) of Products and Practice and one (1) credit of Ethics and Professional Responsibility. There will also be time afterward to chat and connect with the DFI's Division of Securities staff.

If you'd like to register for this live seminar, please contact Lily Castonguay at 608-440-0541 or lily.castonguay@dfi.wisconsin.gov.

Where to find other courses:

You can find all CE courses in the fantastic new NASAA IAR CE course catalog, where you can search or filter for criteria to find courses that interest you. There's even a filter for designations (CFP, PFS, Insurance, etc.) if you need courses that cover more than one designation.

Additional guidance on IAR CE can be found on DFI's Division of Securities website or NASAA's website. If you have other specific questions, please feel free to call the Examiner of the Day phone line at (608) 266-2139 or contact Lily Castonguay at lily.castonguay@dfi.wisconsin.gov.

It’s Time to Prepare for Registration Renewals

You will soon be able to renew your firm and individual registrations for 2027 through the Investment Adviser Registration Depository (IARD) during the annual registration renewal process.

Your renewal statement will be available on IARD beginning on November 9th. Renewal payments for 2027 are due no later than December 7th for firm, individual, and any branch registrations for state-registered investment advisers. Be sure to submit your renewal payment promptly through IARD to avoid a lapse in your firm’s ability to conduct business next year.



In addition to this article, we’ll be sending a reminder email regarding your 2027 renewals. For questions regarding the renewal process or your firm’s status, you may contact either the IARD Call Center at (240) 386-4848 or our Securities Examiner of the Day at (608) 266-2139. Additional information is also available on the IARD.com website.

If you are based in Wisconsin and your future plans do not include renewing for 2027, please send an email to carlo.reiter@dfi.wisconsin.gov to confirm that you will not be renewing your registrations. We’ll then know to stop directing reminder emails and phone calls to you. You should also file a Form ADV-W regarding your firm’s planned withdrawal. Beginning on November 1st, you may submit ADV-W forms that are post-dated by December 31, 2026.

For ongoing businesses, don’t forget to file your Form ADV annual amendment. To comply with DFI-Sec 5.04(3)(b), each investment adviser must file a completed, updated Form ADV with IARD within 90 days of the end of its fiscal year. For many advisers, this means that if your firm’s fiscal year end is on December 31st, your next Form ADV annual amendment should be filed by no later than March 31, 2027.

Schedule Your Next Annual Form ADV Amendment

For Wisconsin investment advisers, regulatory compliance hinges on maintaining transparency with both the investing public and state regulators. To this end, there is no filing more important than Form ADV (ADV). Under DFI-Sec 5.04(3)(b), every registered investment adviser must file an updated ADV, within 90 days of the end of its fiscal year. For firms with a fiscal year ending on December 31st, their filing deadline would be on March 31st each year.

The filing of an ADV serves as a useful supervisory practice for firms, as running through the update and filing process acts as a systematic review of the key facts of the firm's business and operations. For example, shifts in assets under management (AUM), client metrics, fee schedules, disclosable events, other business activities/affiliations, and conflicts of interest are all items that may change in any given year.

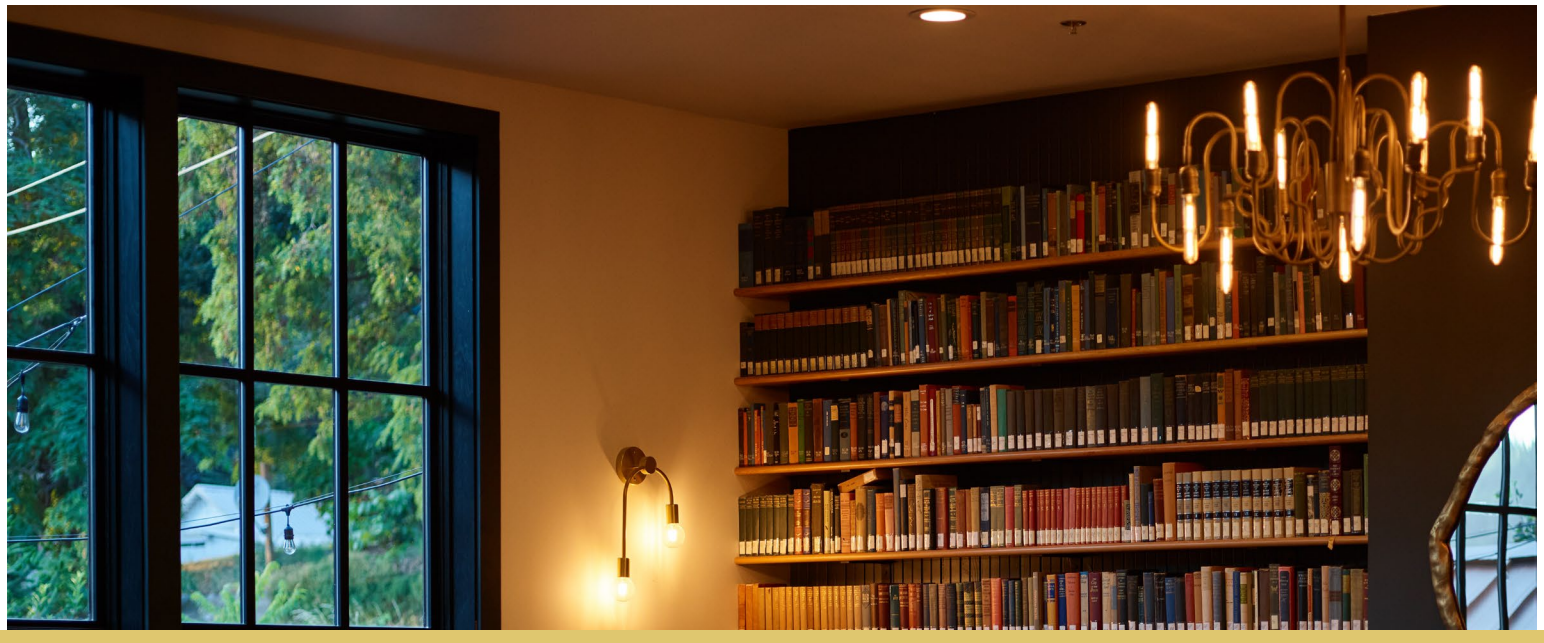
In some situations, failing to file an annual amendment within the 90-day window can result in legal liability from clients. From the regulatory side, delinquent filers can expect to have more frequent exams conducted by the DFI Division of Securities. They may additionally receive a letter of censure, incur a fine, or even a suspension or revocation of the firm's state registration.

Filing your ADV amendment on time each year is a small step your firm can take toward maintaining your client's trust, carrying out your fiduciary duty, and mitigating your compliance risks. So go ahead and take a moment to set an annual calendar reminder to file your amendment within 90 days of your fiscal year end.

While filing your amendment, make a note of these common mistakes that advisers have made in the past:

- File an "annual amendment" in IARD. Do NOT file an "other-than-annual amendment" to satisfy the annual filing requirement.
- Be sure to update all parts applicable to your firm. For most firms, that is parts 1A, 1B, 2A and 2B.
- Update your AUM in both parts 1A and 2A. Update the date on your cover page on your 2A and 2B. Update the material changes section, if any.

If you have questions regarding the content of your annual amendment, please contact examiner Carlo Reiter at 608-266-8557 or carlo.reiter@dfi.wisconsin.gov. If your question is related to technical issues or accessing the Investment Adviser Registration Depository, please contact FINRA's Investment Adviser firm support line at 240-386-4848.



Plan Ahead: Exam File Sharing Service Requires Multi-Factor Authentication

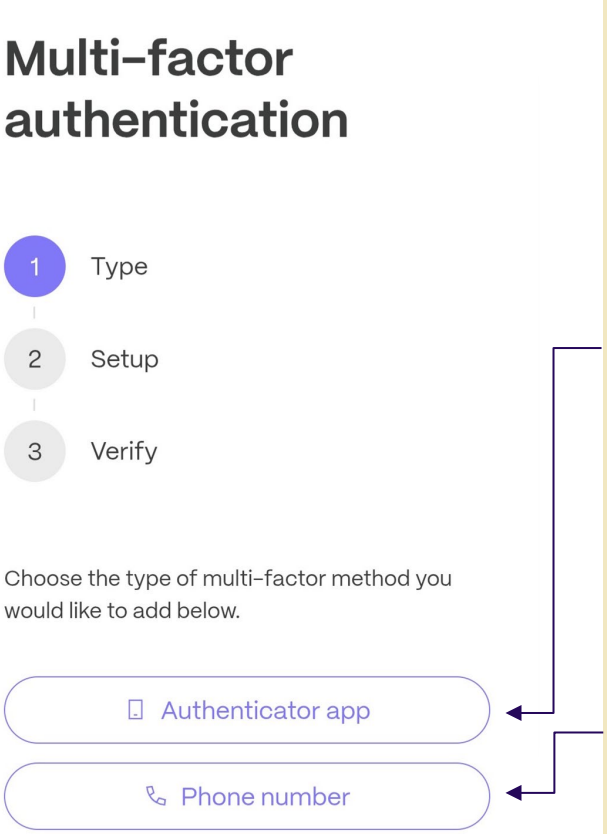


As part of the DFI's program for investment adviser and broker dealer examinations, state examiners request specific files for review prior to an exam. Most advisers are familiar with ShareFile from past examinations. ShareFile facilitates file sharing throughout the process of an examination by providing a secure and accessible location to upload your firm files for examiner review.

If you have not logged into ShareFile recently or have not yet been examined by a DFI examiner, expect to set up your Multi-Factor Authentication (MFA) credentials when you go to login. MFA is a best practice digital security measure used to prevent fraudulent access of your personal secure information. It works by cross checking your identity using another device you are registered to such as a personal or work mobile phone, eliminating a single point of failure.

Because of increasing cybersecurity threats, ShareFile has turned on this security measure for all users. No immediate action is necessary, but know that next time you login, you will need to follow the prompts to download the recommended application (Google Authenticator App or Microsoft Authenticator App) for your device and set it to share a verification code that you use to authenticate your account at login.

An individual may have several authenticator applications required by their various subscription services. If you are struggling to login, you may already have an account from the past and need to retrieve a prior password before you see the MFA set up prompts. You could use the forgot password option as usual. After you are logged in via your standard password method, you will be prompted to set up the MFA.



Choose how you would like to receive your code

You can choose to either download an application to your other device or accept a push notification via text message to receive the verification code.

If you choose the **authenticator app** option, you will need to go to your mobile device application store and search for an authenticator app. The recommended apps are Microsoft or Google Authenticator. Download and install the app and add a new account in the app. Select the option to scan a barcode from your screen and click continue. Enter the six-digit verification code from the authenticator app into ShareFile and click continue. Check the box to make it your primary verification method. Once verified, this method is added to your account.

If you choose the **phone number** option, select your country, phone number and select text message (SMS) or voice call. When you click continue, a verification code is sent to your phone number. Enter the code you receive in ShareFile.

If you have questions, you can reach the DFI Division of Securities' Examiner of the Day at 608-266-2139.

Examiner's Perspective on Cybersecurity: Don't Forget Your Vendor Due Diligence

According to investment advisor research firm Kitces' 2025 AdvisorTech Study, the median advisory firm spends 4% of revenue on 12 software applications. Thinking about your own firm, how many software vendors do you leverage? Of those vendors, on how many have you performed a vendor due diligence (VDD) evaluation?

In today's fast-moving cybersecurity environment, many firms continuously evaluate their software vendors.

A data breach at a third-party vendor causes reputational harm to firms and exposes client information to malicious actors. Therefore, the DFI Division of Securities recommends advisory firms implement a VDD process whenever partnering with a third-party software vendor.



Let's say your firm is creating a VDD process from scratch, what would be a good starting point? The Conference of State Bank Supervisors published a five-part process that financial institutions can leverage in their VDD process, including:

1. **Planning:** Compare multiple vendors' costs, employee/customer impact of adoption, and a contingency plan for exiting the relationship.
2. **Due Diligence & Third-Party Selection:** Determine a specific vendor's compliance record, insurance coverage, and information security practices.
3. **Contract Negotiation:** Specify expectations and obligations of both parties, i.e. dispute resolution, service cost, agreement confidentiality, and uptime guarantees.
4. **Ongoing Monitoring:** Track vendor relationships, including their reputation, insurance coverage, cost structure, and core service. Have these changed?
5. **Termination:** Consider service transitioning impacts and data destruction.

Although the division understands that each firm's unique scale permits different levels of VDD effort, the division ultimately encourages firms to consider the risk and reward of each newly adopted vendor.

Recognizing the importance of VDD, other regulators have published rules and guidance over the last few years. For example, the Federal Trade Commission administers the Federal Trade Commission Safeguards Rule. In general, this rule requires advisory firms to oversee third party service providers by taking steps to ensure that third party service providers safeguard customer data and that the VDD process is ongoing rather than a one-time effort.

Cybersecurity Tip: Don't Forget Your Vendor Due Diligence Continued

Additionally, in the broker-dealer space, the Financial Industry Regulatory Authority (FINRA) published Regulatory Notice 21-29. This notice highlights obligations borne by advisory firms' custodians regarding customer account security, covering substantially similar points as the Conference of State Bank Supervisors' VDD process described above.

In conclusion, the DFI Division of Securities has seen instances of regulators taking action against investment advisors or broker-dealers when lapses in VDD resulted in data breaches and negative customer impact. Perhaps you have yourself received a letter from your bank or insurance company inviting you to enroll in a year of identity monitoring due to a data breach. The VDD process is ultimately intended to help prevent advisory firms from ever sending a data breach letter to customers due to a third party's security lapse, thereby mitigating reputational and regulatory risk before it arises.

Navigating Accredited Investors and Private Securities

A typical investment advisory firm registered in Wisconsin has a wide range of investors – new families starting to save for their future, individuals in the prime of their earning years, and retirees living off of what they've accumulated. Some of these investors may also fit the definition of an "accredited investor".

Individuals can currently qualify as accredited investors by one of a few methods: a net worth of more than 1 million (minus primary residence), income of $200,000 ($300,000 with a spouse) over the past two years with a reasonable expectation of that same income in the current year, or holding one of a number of different professional designations.

On September 22nd, the SEC's Office of the Investor Advocate released a working paper titled, Trends in Accredited Investor Qualification at the Individual Level. The working paper surveyed the same individuals in 2024 and again in 2026. The authors found that the share of US investors qualifying as accredited grew from 12.1% in 2024 to 14.2% in 2026.

Investors qualified by the following methods:

Qualifying Criteria	Jan 2024	Jan 2026
Any Criteria	12.1%	14.2%
Net Worth	9.6%	12.1%
Personal Income	2.7%	2.9%
Household Income	2.8%	2.7%
Certification	1.3%	1.1%

The growth of investors qualifying as accredited via net worth (and the growth in accredited investors as a whole) may be in part attributable to the facts that the S&P 500 grew over 43% from 2024 to 2025 and that the $1 million threshold has not been adjusted to account for inflation, a threshold remaining at $1 million since 1982.

Navigating accredited Investors and Private Securities Continued

In many ways, clients who are accredited need to be treated the same as any other client. For instance, all clients need a signed contract and accurate invoices. However, there are some unique factors that investment advisers need to keep in mind, especially when accredited investors get involved with private securities.

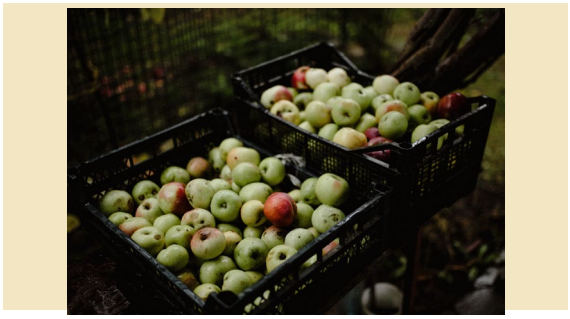
Accredited investors are being aggressively targeted to invest in private market securities that are becoming more abundant and increasingly complex. There are now online marketplaces where investors are clicks away from investing in shares of pre-IPO companies, modern art, real estate developments, or other assets related to cryptocurrency or artificial intelligence.

If an accredited client comes to you looking for advice on a new shiny private security, you as their adviser need to be able to articulate the unique risk factors inherent to these products, chief among them – illiquidity, cost, and difficulties in valuation. Just because an investor is accredited does not mean that any private security is suitable for them or in their best interest.

For any private security recommended by an adviser, the DFI Division of Securities will want to see heightened levels of client suitability documentation. Beyond just a simple risk tolerance questionnaire or the stock advisory contract, a best practice is a dedicated document where the client acknowledges awareness of the unique risks of investing in private securities and their willingness to bear up to a total loss of the investment.

Another issue the division sometimes finds with private placements is their custodial arrangements. Your usual custodian may not be able or willing to custody it. This can confuse the client when the private securities don’t appear on their regular account statements.

With the population of accredited investors growing alongside the number of complex, private securities, advisers need to be ready to serve accredited investors while maintaining a clear focus on their fiduciary duty.











Watch for Conflicts if Dually Registered

There are two categories of individual registration in Wisconsin: as either an investment adviser representative (RA code in CRD) and/or a broker-dealer securities agent (AG code). We have many registrants who hold both registrations and are considered "dually registered." Additionally, Wisconsin allows investment adviser representative registrations with multiple advisory firms and has seen Investment Adviser Representatives who are affiliated with both a state-registered and an SEC-registered advisor. More information can be found on the DFI Investment Adviser Representative webpage.

A securities agent is a person who represents a broker-dealer or issuer in offering or selling securities to the public or soliciting someone to become a customer of a broker-dealer. All securities agents, regardless of their location, must be registered to conduct business with Wisconsin investors unless they qualify for an exemption from registration. More information can be found on the DFI Securities Agent webpage.

Dually registered representatives should be aware of these possible conflicts of interest that could be the subject of a regulatory action:

- **Broker Dealer-Investment Adviser Arbitrage** – Selling commissioned products in a brokerage account, then transitioning those assets into a fee-based advisory account shortly thereafter, effectively double-dipping on client fees and commissions on the same assets.
- **Account Type Selection** – Steering clients toward brokerage or advisory accounts based upon firm revenue rather than the client's best interest.
- **Affiliated Product Bias** – Favoring proprietary products or funds with revenue sharing over less expensive third-party alternatives.

An advisory firm should have written policies to identify, mitigate, or eliminate conflicts of interest. Also be aware of Regulation Best Interest's (Reg BI) care obligation that representatives do not place their own financial interests ahead of the customer's interest. As part of SEC's Reg BI, Form CRS requires disclosure of conflicts of interest.



DFI Division of Securities Enforcement News

DFI Investment Scam Tracker

The Division of Securities continues to see a significant increase in scams and fraud involving cryptocurrencies. Unfortunately, many of these cases involve victims exchanging their hard-earned money into cryptocurrency, which is sent to wallets controlled by scammers in foreign jurisdictions. The victims are rarely able to recoup any of their losses.

To better inform the public about these scams, the division created an investment scam tracker on DFI's website. The factual details and losses reported by complainants have not been verified by the DFI, but they are being shared in the tracker to alert the public to potential threats thereby making it harder for perpetrators to deceive more investors. As new investment scams emerge, the division will update the tracker on an ongoing basis



Full details available on the DFI Investment Scam Tracker webpage.

Wisconsin Enacts Regulatory Framework for Virtual Currency Kiosks

On April 8th, Wisconsin Governor Tony Evers enacted Assembly Bill 968 (Act 226), establishing a regulatory framework for virtual currency kiosks. Under the new law, which took effect on April 10th, virtual currency kiosk operators must be licensed as a money transmitter. The law caps daily transactions at $1,000 in fiat currency per customer and requires operators to provide a live customer service telephone number during all hours of kiosk operations. If a customer reports a fraudulent transaction to the kiosk operator and law enforcement or a government agency within 30 days, the operator must issue a full refund, including fees.

Virtual kiosk operators must affix a printed fraud alert to the front of each kiosk and display it electronically on screen, requiring affirmative customer acknowledgment before proceeding. In addition to collecting customer information, kiosk operators must provide physical and electronic receipts detailing transaction terms, fees, and the exchange rate.



The law also requires operators to establish and maintain a written anti-fraud policy. Virtual currency kiosks may not be located within five feet of an automated teller machine and operators must notify local law enforcement of each kiosk location.

DFI Division of Securities Enforcement News Continued



Recent Administrative Actions

Here is a summary of select recent actions issued by the DFI's Division of Securities Enforcement Bureau:

The Division of Securities reached a consent order with **SDG Futures Regenerative Impact Ventures LLC, Regenerative Impact Partners LLC, Regenerative Impact LLC** to cease and desist including restitution, interest and civil penalties.

During the period of June 1, 2019 – November 29, 2022, seven Wisconsin residents were solicited by members of Regenerative Impact who claimed that their funds would be invested in agriculture services and products related to the growth, harvesting, processing, and commercial use of hemp. Information provided to the investors represented a return on their investment in the amount of 30-500% annually. All funds collected by Regenerative Impact and related entities were not invested in hemp farming, but instead used for personal use by Quang-Vu Dang, Melinda Woolf a/k/a Melinda Skipworth, and William "Billy" Kesselring. While collecting $204,000 from seven Wisconsin residents, Regenerative Impact made deceptive, misleading, and untrue representations to investors about how the investment funds would be used and about the investment experience of its members.

The Division of Securities issued a summary order against **BG Wealth Sharing Ltd, DSJ Exchange PTY Ltd, HQI Exchange** to cease and desist and imposing restitution and civil penalties. BG Wealth Sharing Group is using persons affiliated with the Filipino and Southeast Asian communities to recruit investors for a fake cryptocurrency platform. Typically, "Professor Beard" and/or another BG Wealth representative send order codes allegedly representing a set of trading signals to victims via BonChat App. Victims believe they are placing crypto asset trades on the fake platform. As of June 2026, two Milwaukee-area residents have reported being recruited into the scheme and paid money, via PayPal and Zelle, to a recruiter. After three months, they were told they would need to pay a 12% fee to withdraw their funds. Investigations have shown these are artificial intelligence-developed scams and there is no evidence of trading occurring with investor funds. To date, investor alerts and cease and desist orders have been issued by: Hawaii, Utah, Washington, the Financial Conduct Authority (UK), the Alberta Securities Commission (Canada), the FCAA of Saskatchewan (Canada), the Ontario Securities Commission (Canada), the National Reserve Bank of Tonga, the Financial Markets Authority (New Zealand), the Central Bank of Samoa, and the Securities and Exchange Commission-Butuan Extension Office (Philippines).

Investors with questions are encouraged to contact the DFI's Division of Securities by calling 608-266-2139 or emailing DFIDLSecuritiesEnforcement@dfi.wisconsin.gov.