

**13-42-109 Certification of registration -- Issuance or denial.**

- (1) Except as otherwise provided in Subsections (2) and (3), the administrator shall issue a certificate of registration as a provider to a person that complies with Sections 13-42-105 and 13-42-106.
- (2) The administrator may deny registration if:
  - (a) the application contains information that is materially erroneous or incomplete;
  - (b) an officer, director, or owner of the applicant has been convicted of a crime, or suffered a civil judgment, involving dishonesty or the violation of state or federal securities laws;
  - (c) the applicant or any of its officers, directors, or owners has defaulted in the payment of money collected for others; or
  - (d) the administrator finds that the financial responsibility, experience, character, or general fitness of the applicant or its owners, directors, employees, or agents does not warrant belief that the business will be operated in compliance with this chapter.
- (3) The administrator shall deny registration if:
  - (a) the application is not accompanied by the fee established by the administrator in accordance with Section 63J-1-504; or
  - (b) with respect to an applicant that is organized as a not-for-profit entity or has obtained tax-exempt status under the Internal Revenue Code, 26 U.S.C. Section 501, the applicant's board of directors is not independent of the applicant's employees and agents.
- (4) Subject to adjustment of the dollar amount pursuant to Subsection 13-42-132(6), a board of directors is not independent for purposes of Subsection (3) if more than one-fourth of its members:
  - (a) are affiliates of the applicant, as defined in Subsection 13-42-102(2)(a) or 13-42-102(2)(b)(i), (ii), (iv), (v), (vi), or (vii); or
  - (b) after the date 10 years before first becoming a director of the applicant, were employed by or directors of a person that received from the applicant more than \$25,000 in either the current year or the preceding year.

Amended by Chapter 183, 2009 General Session