

MEMO# 2795

May 28, 1991

REP. BOUCHER REINTRODUCES FINANCIAL PLANNER LEGISLATION

May 28, 1991 TO: INVESTMENT ADVISERS COMMITTEE NO. 22-91 RE: REP. BOUCHER
REINTRODUCES FINANCIAL PLANNER LEGISLATION

On May 21, 1991, Representative Boucher (D-VA) reintroduced legislation aimed at regulating financial planners. This legislation, entitled the "Investment Advisors Disclosure and Enforcement Act of 1991," is virtually identical to the proposed legislation introduced last session by Rep. Boucher to regulate financial planners, except that the penalties and enforcement provisions have been deleted because they were enacted into law as part of other legislation. A copy of the bill (H.R. 2412), a section-by-section analysis and a press release are attached. The proposed legislation requires all persons that hold themselves out as offering financial planning services to register with the SEC. The bill also includes new disclosure requirements and a provision describing specific activities that would be prohibited under the Investment Advisers Act (such as misrepresenting a financial planner's qualifications). Finally, the bill provides a private right of action against advisers for violations of Sections 206(1) and (2) and paragraphs (5)(6) and (7) of proposed Section 208(e) of the Advisers Act. We will keep you informed of developments. Amy B.R. Lancellotta Assistant General Counsel Attachments

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