

**MEMO# 2177**

September 10, 1990

## **RHODE ISLAND EMERGENCY INVESTMENT ADVISER REGULATIONS**

September 10, 1990 TO: INVESTMENT ADVISER MEMBERS NO. 44-90 INVESTMENT ADVISER ASSOCIATE MEMBERS NO. 40-90 RE: RHODE ISLAND EMERGENCY INVESTMENT ADVISER REGULATIONS \_\_\_\_\_ As we previously advised you, Rhode Island revised its laws regarding the regulation of investment advisers. The changes became effective on July 12, 1990. (See Memorandum to Investment Adviser Members No. 34-90 and Investment Adviser Associate Members No. 30-90, dated July 23, 1990.) The attached emergency regulations were recently released clarifying some of the provisions in the revised law. The emergency regulations state that investment adviser representatives must pass the Series 63 and Series 65 examinations. However, in response to Institute recommendations, the Division of Securities issued a policy statement on September 7, 1990 which provides that, until current problems associated with the Series 65 examination are resolved, the examination requirements in Rhode Island will be satisfied by passage of either the Series 63 and Series 65 examinations or passage of the Series 7 and Series 63 examinations. The emergency regulations also provide that certain investment adviser supervisory personnel must pass the Series 24 examination. Finally, advisers who are not registered with the SEC who have custody of client funds must file a surety bond between \$100,000. We will keep you informed of further developments. W. Richard Mason Assistant General Counsel Attachments

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