

MEMO# 2132

September 7, 1990

INSTITUTE STATEMENT AT NASAA FALL CONFERENCE

- 1 - September 7, 1990 TO: INVESTMENT ADVISERS COMMITTEE NO. 30-90 RE: INSTITUTE STATEMENT AT NASAA FALL CONFERENCE

Attached is a copy of the Institute's testimony presented to the Financial Planner/Investment Advisers Committee meeting on August 27, 1990 at the NASAA fall conference in Billings, Montana. As you recall, we circulated a copy of a questionnaire prepared by Joanne Jones regarding investment adviser disclosure. (See Memorandum to Investment Advisers Committee No. 25-90 dated August 10, 1990). That questionnaire was not sent to the states. A revised questionnaire will be circulated to the Institute and other industry members for comments before it is sent to the states. The Institute's written statement nevertheless supports NASAA's adoption of a rule which exactly mirrors Rule 206(4)-4 regarding adviser disclosure. A copy of the Institute's letter to Joanne Jones which discusses the industry's position on this matter in greater detail is attached to our written statement. In addition, our statement reiterates the Institute's position regarding the definition of investment adviser representative and requests NASAA to revise its model definition accordingly. The NASAA Uniform Examinations Committee also met on Monday, August 27. The committee appears to have made progress in resolving some of the problems associated with the Series 65 examination for investment advisers by eliminating double negatives and multiple choice questions with more than one right answer, expanding the length of time to take the exam and abbreviating the text of many questions. These changes will be implemented in the next few months and comprehensive study materials should be available this winter. The committee is also interested in working with industry members regarding its comments on the study materials for the test and is considering - 2 - establishing an industry review panel who could critique the exam for the committee. We will discuss this matter at the next Committee meeting in October. We will keep you informed of further developments. W. Richard Mason Assistant General Counsel Attachment