

MEMO# 1636

January 5, 1990

MISSISSIPPI ADOPTS INVESTMENT ADVISER RULES

January 5, 1990 TO: INVESTMENT ADVISER MEMBERS NO. 1-90 INVESTMENT ADVISER ASSOCIATE MEMBERS NO. 1-90 RE: MISSISSIPPI ADOPTS INVESTMENT ADVISER RULES

Effective January 15, 1990, new Mississippi investment adviser rules will go into effect. The rules include provisions concerning the definition of investment adviser, net capital requirements, financial reporting requirements, books and records requirements, supervisory requirements, a brochure rule requirement, and others. A copy of the investment adviser rules in Mississippi is attached for your information. As a result of the Institute's and others' comment letters, a number of changes were made to the proposed investment adviser rules. Specifically, investment advisers without custody of client funds or securities will not be required to post surety bond. Additionally, investment advisers will have until 90 days after fiscal year end to file financial statements. With regard to the brochure rule, the Mississippi Securities Division adopted a rule that requires that an adviser keep in the client's file a signed acknowledgment by the client that he or she received a copy of the adviser's brochure. Robert L. Bunnan, Jr. Assistant General Counsel Attachment

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