

MEMO# 4808

May 20, 1993

SECURITIES BROKERS RECOVERY ACCOUNT LEGISLATION FAILS IN WASHINGTON

May 20, 1993 TO: INVESTMENT ADVISERS COMMITTEE NO. 12-93 WASHINGTON ASSOCIATE
INVESTMENT ADVISER MEMBERS RE: SECURITIES BROKERS RECOVERY ACCOUNT
LEGISLATION FAILS IN WASHINGTON

_____ The Institute had previously advised you that legislation had been introduced to establish a Securities Brokers Recovery Fund in Washington. Substitute Senate Bill 5184 would have required every "registered person" in Washington, including investment advisors and investment advisor salespersons, to pay a fee which would have been credited to the recovery fund. Washington investors could have recovered compensation of the unpaid amount on a judgment or arbitration award that represented an actual and direct loss to the investor in a transaction or account from the recovery fund. (See Memorandum to Investment Advisers Committee No. 7-93 and Washington Associate Investment Adviser Members, dated April 8, 1993.) We are pleased to advise you that Substitute Senate Bill 5184 was never reported out of the Senate Committee on Labor & Commerce during the Washington legislative session. Patricia Louie Associate Counsel

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