

MEMO# 4902

June 23, 1993

INVESTMENT ADVISER LEGISLATION INTRODUCED IN RHODE ISLAND

June 23, 1993 TO: INVESTMENT ADVISERS COMMITTEE NO. 16-93 RHODE ISLAND
INVESTMENT ADVISER ASSOCIATE MEMBERS RE: INVESTMENT ADVISER LEGISLATION
INTRODUCED IN RHODE ISLAND

Legislation amending the definition of "investment adviser" and "investment adviser representative" has been introduced in the Rhode Island Legislature. House Bill 93-H6053 (copy attached) broadens the current uniform definition of "investment adviser" to include a person who: provides or offers to provide, directly or indirectly, financial and investment counseling or advice on a group or individual basis, or gathers information relating to investments, establishes financial goals and objectives, processes and analyzes the information gathered, and recommends a financial plan, or holds himself or herself out as an investment adviser in any way, including indicating by advertisement, card, or letterhead, or in any other manner indicates that he or she is, a financial or investment 'planner,' 'counselor,' 'consultant,' or any other similar type of adviser or consultant. The legislation would also revise the definition of "investment adviser representative" to mean "any partner, officer, director of (or a person occupying a similar status or performing similar functions) or other individual employed by or associated with an investment adviser, except clerical or ministerial personnel" who makes any recommendations or otherwise renders advice regarding securities to clients." It is our understanding that House Bill 93-H6053 has been referred to the House Finance Committee for consideration. As of this date, a hearing on the bill has not been scheduled. The Rhode Island Legislature is tentatively scheduled to adjourn on July 9, 1993. We will keep you advised of developments. Thomas M. Selman Assistant Counsel Attachment