

MEMO# 6196

September 2, 1994

NORTH CAROLINA PROPOSES AMENDMENTS TO RULES RELATING TO INVESTMENT ADVISERS

September 2, 1994 TO: INVESTMENT ADVISERS COMMITTEE NO. 47-94 RE: NORTH
CAROLINA PROPOSES AMENDMENTS TO RULES RELATING TO INVESTMENT ADVISERS

The North Carolina Securities Division (the "Division") has issued for comment proposed revisions to rules of the Division relating to investment advisers. The Division's proposed revisions would, among other things: (1) increase the registration/renewal fee for investment adviser representatives from \$45 to \$55; (2) repeal a provision that currently requires partners, executive officers, and directors to be separately registered as investment adviser representatives. Such repeal would mean that only those persons involved in the rendering of investment advice would need to be registered with the Division; (3) require a renewal application filed by an adviser to include a current fee schedule; (4) require notification to the Division of any change of address or the opening or closing of any office within thirty (30) days of such change; (5) exclude subordinated loans from the types of assets deemed appropriate for purposes of complying with the minimum financial requirements; and, (6) charge an adviser a registration fee for each representative whose registration is transferred in a mass transfer. A copy of the Division's proposed rules is attached. Comments on the proposal should be submitted to the Securities Division no later than Monday October 3, 1994. If these are issues you would like the Institute to consider submitting to the Division, please contact me by phone at 202/326-5825 or by fax at 202/326-5828 no later than Friday, September 23, 1994. Tamara K. Cain Assistant Counsel Attachment