

MEMO# 2392

December 17, 1990

INSTITUTE REQUESTS RELIEF IN ALABAMA

December 17, 1990 TO: INVESTMENT ADVISERS COMMITTEE NO. 42-90 RE: INSTITUTE REQUESTS RELIEF IN ALABAMA

As we previously informed you, investment advisers and investment adviser representatives must be registered in Alabama by January 1, 1991. (See Institute Memorandum to Investment Adviser Members No. 51-90 and Investment Adviser Associate Members No.46-90, dated October 29, 1990) The Institute understands that the Alabama Securities Commission is requiring registration as investment adviser representatives of all individuals who supervise, whether directly or indirectly, investment adviser representatives in Alabama. This would include not only supervisors specified by the Alabama Securities Act but individuals throughout the hierarchy of a multi-jurisdictional investment adviser. In response to this administrative practice, the Institute recommended that the Securities Commission require registration only of the immediate supervisors of investment adviser representatives. The Commission has jurisdiction over other supervisory personnel because it has jurisdiction over the investment adviser. The Institute also requested the Securities Commission to provide a grace period to any investment adviser or investment adviser representative who fails to register by January 1, 1991. The grace period would equal three months beginning on the date the Commission releases copies of its final regulations regarding investment advisers. We will keep you informed of further developments. W. Richard Mason Assistant General Counsel Attachment

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