

MEMO# 1196

June 7, 1989

ILLINOIS AMENDS INVESTMENT ADVISER LAW

June 7, 1989 TO: INVESTMENT ADVISER MEMBERS NO. 31-89 INVESTMENT ADVISER
ASSOCIATE MEMBERS NO. 31-89 RE: ILLINOIS AMENDS INVESTMENT ADVISER LAW

Effective July 1, 1989, investment advisers and investment adviser representatives will be subject to an amended investment adviser law in Illinois. This new law is based on Illinois Senate Bill 2321. A copy of the amended investment adviser law is attached. The amended investment adviser law includes several new provisions including definitions of investment adviser, investment adviser representative and principal of an investment adviser. It also includes a requirement that an investment adviser list the names of all investment adviser representatives employed by the investment adviser at the time of the adviser's initial registration or renewal registration (investment adviser representatives do not have to register at this time), a requirement that an investment adviser provide a copy of Part II of its Form ADV in accord with the federal requirement concerning the brochure rule, and a requirement that advisers which file required records (e.g. financial statements) late be assessed an additional fee (the additional fee, unlike a penalty, does not trigger the disclosure provisions under certain state and federal disciplinary disclosure rules such as Investment Advisers Act Rule 206(4)-4). We will inform you of further developments. Robert L. Bunnan, Jr. Assistant General Counsel Attachment

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