

MEMO# 2322

November 9, 1990

SURETY BOND FORM FOR USE IN ALABAMA

November 9, 1990 TO: INVESTMENT ADVISER MEMBERS NO. 54-90 INVESTMENT ADVISER ASSOCIATE MEMBERS NO. 50-90 RE: SURETY BOND FORM FOR USE IN ALABAMA

For advisers who will be required to register in Alabama (see Institute Memorandum to Investment Adviser Members No. 51-90 and Investment Adviser Associate Members No. 46-90, dated October 29, 1990) attached is a copy of Form U-SB, the uniform surety bond form which Alabama will require investment advisers to file under certain circumstances. Rule 830-X-3-.06 of the Code of Alabama requires that all investment advisers must maintain net capital of \$25,000. In the alternative, the minimum net capital requirements of the SEC will satisfy the state's requirement, provided that the investment adviser posts a bond of \$50,000. Additionally, those advisers having custody of client funds or securities or having discretionary authority over customer accounts, must post the \$50,000 surety bond in addition to maintaining the above net capital requirement. The next revision of the Institute's Investment Advisers Guide will have a new chapter for Alabama explaining the procedures for registration which is required by January 1, 1991. In the meantime, please refer to the Institute's memorandum referenced above which has Alabama's Notice to Register attached. Susan S. Burgess Legal Assistant Attachment SSB:bmb

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