

MEMO# 5782

April 11, 1994

INSTITUTE REQUESTS CONTINUING EDUCATION REQUIREMENTS BE DELETED FROM MISSOURI INVESTMENT ADVISER LEGISLATION

April 11, 1994 TO: INVESTMENT ADVISERS COMMITTEE NO. 29-94 MISSOURI INVESTMENT ADVISER ASSOCIATE MEMBERS RE: INSTITUTE REQUESTS CONTINUING EDUCATION REQUIREMENTS BE DELETED FROM MISSOURI INVESTMENT ADVISER LEGISLATION

As we previously informed you, legislation has been introduced in Missouri to amend certain provisions of the Missouri Uniform Securities Act relating to investment advisers. (See Memorandum to Investment Advisers Committee No. 7-94 and to Missouri Investment Adviser Associate Members, dated January 27, 1994.) One of the provisions in the proposed legislation would authorize the Commissioner of Securities to prescribe by rule continuing education requirements for broker-dealer agents, investment advisers, and investment adviser representatives. Based upon the Institute's concern with this provision, the Institute recently sent the attached correspondence to the bill's sponsors as well as to the Missouri Secretary of State and Securities Commissioner. The attached correspondence points out that, unlike other professions with continuing education requirements, investment advisers quite often conduct business in more than one -- if not all -- states. Accordingly, should individual states develop their own continuing education requirements, investment advisers may ultimately have to satisfy fifty different continuing education requirements. The letter points out that, not only would this result in a compliance nightmare, it would defeat NASAA's goal of uniformity. Accordingly, the Institute strongly recommends that this provision be deleted from the bill and, to the extent continuing education is a concept in which states are interested, the Institute further recommends that the states work through NASAA to develop uniform requirements. We will keep you advised of developments.

Tamara K. Cain Assistant Counsel Attachment