

MEMO# 2797

May 28, 1991

RECENT STATE ADVISER RULE CHANGES IN MAINE AND TENNESSEE

May 28, 1991 TO: INVESTMENT ADVISER ASSOCIATE MEMBERS NO. 20-91 INVESTMENT ADVISER MEMBERS NO. 19-91 RE: RECENT STATE ADVISER RULE CHANGES IN MAINE AND TENNESSEE _____ Several states have recently amended their investment adviser registration regulations. The following highlights the changes which concern examination requirements and license renewal in Maine and general registration requirements in Tennessee. Maine Effective May 1, 1991, the Maine Department of Professional and Financial Regulation requires all licensed investment advisers to pass (1) either the Series 65, Uniform Investment Adviser Law Examination, or the Series 63, Uniform Securities Agent State Law Examination, and (2) the Series 7, General Securities Registered Representative Examination, the Series 2, General Securities Representative (NASD Non-Member) Examination, or the Series 6, Investment Company/Variable Annuity Contracts Products Representative Examination (the last option is available only to individuals who passed the Series 6 prior to May 1, 1991). The state had proposed requiring investment advisers to pass the Series 7 and Series 65 examinations. The Department's final regulation is more flexible and reflects Institute suggestions in this regard. A copy of the regulations is attached. Included in the regulations is a new licensing renewal form. Tennessee The Tennessee Securities Division recently released final rules regarding investment adviser registration. The final rules contain a requirement that every investment adviser registered in the state maintain a minimum net capital of \$15,000. The rules were first proposed early in 1989. At that time, the Division had proposed a \$25,000 minimum net capital requirement to which the Institute strongly objected. A copy of the final rules is attached. We will keep you informed of developments. W. Richard Mason Assistant Counsel WRM:tmb Attachments