

MEMO# 3868

June 18, 1992

VIRGINIA PROPOSES AMENDMENTS TO INVESTMENT ADVISER RULES

June 18, 1992 TO: INVESTMENT ADVISERS COMMITTEE NO. 25-92 VIRGINIA INVESTMENT ADVISER ASSOCIATE MEMBERS RE: VIRGINIA PROPOSES AMENDMENTS TO INVESTMENT ADVISER RULES _____ The Virginia Division of Securities and Retail Franchising has proposed amendments to several investment adviser rules. A copy of the proposed amendment is attached. The Division has, among other things, proposed a waiver from the requirement that applicants for registration pass the Series 65 Examination (Rule 1106). Under the proposal, an applicant would have to file an executed Affidavit for Waiver of Series 65 Examination (Form S.A.3) (a copy of the Form is included in the proposed amendments). In addition, the Division has proposed new Rule 1401 relating to the registration requirements of investment adviser representatives who solicit clients on behalf of investment advisers participating in "wrap fee" or similar investment advisory programs. Specifically, the proposal clarifies that an individual may solicit clients on behalf of more than one investment adviser without having to register as a representative of more than one adviser, so long as (1) the individual is registered under the Virginia Securities Act as an investment adviser representative of an investment adviser so registered under the Act and (2) the other investment adviser is registered under the Act as an investment adviser. Comments are due on the proposed amendments to the Virginia Securities Division by July 10, 1992. Please provide me with your comments on the proposed amendments by July 1. My direct number is 202/955-3523. Amy B.R. Lancellotta Associate Counsel Attachment