

**MEMO# 1214**

June 16, 1989

# **INSTITUTE TESTIFIES BEFORE OHIO SUBCOMMITTEE CONCERNING PROPOSED OHIO INVESTMENT ADVISER LEGISLATION**

June 16, 1989 TO: INVESTMENT ADVISERS COMMITTEE NO. 24-89 RE: INSTITUTE TESTIFIES BEFORE OHIO SUBCOMMITTEE CONCERNING PROPOSED OHIO INVESTMENT ADVISER LEGISLATION \_\_\_\_\_ On June 7, 1989, the Institute testified on House Bill 226 concerning investment advisers before a Subcommittee of the House Financial Institutions Committee. A copy of the Institute's testimony is attached. In our testimony, we made several points. First, we stated that we support state regulation of investment advisers as long as that regulation is uniform among the states and coordinated with the federal requirements applicable to investment advisers. Second, we stated that while Ohio House Bill 226 is in large part uniform with other states' laws and coordinated with the federal system, we must oppose the bill because the exclusions from registration and regulation contained in the bill for attorneys, accountants and insurance agents will deny to Ohio investors the important protections of the bill. We made an additional point that neither Congress, in 1940, nor the draftsmen of the revised Uniform Securities Act of 1985, nor the draftsmen of the North American Securities Administrators Association, Inc.'s model investment adviser amendments to the Uniform Securities Act of 1956 felt it necessary to change or alter the existing exclusions for attorneys or accountants. Those exclusions permit certain professionals to provide investment advisory services without being subject to registration and regulation if and only if the services are provided on a basis which is solely incidental to the practice of their profession. The bill is pending in the Financial Institutions Committee. We will continue to keep you informed of developments. Robert L. Bunnan, Jr. Assistant General Counsel  
Attachments