

**MEMO# 3483**

January 31, 1992

## **FINANCIAL PLANNER LEGISLATION INTRODUCED IN COLORADO**

January 31, 1992 TO: INVESTMENT ADVISERS COMMITTEE NO. 5-92 COLORADO ASSOCIATE INVESTMENT ADVISER MEMBERS RE: FINANCIAL PLANNER LEGISLATION INTRODUCED IN COLORADO \_\_\_\_\_ Legislation has been introduced in Colorado concerning financial planners. The legislation requires, among other things, registration of financial planners with the securities commissioner. The term "financial planner" is defined as any person who, for compensation, (1) advises others as to the value of securities or as to the advisability of investing, purchasing, or selling securities, (2) provides or offers to provide financial and investment counseling or advice on a group or individual basis, or (3) gathers information relating to investments, processes and analyzes such information and, based thereon, establishes financial goals and objectives and recommends financial plans. In addition, any person who holds himself or herself out as an investment adviser or financial planner in any way is subject to the registration requirement. Financial planner representatives, defined as employees or associates of a financial planner who provide financial planning services on behalf of the planner, also are required to be registered. Registered investment advisers are exempt from the legislation so long as they do not (1) take possession of customer funds or securities, (2) receive compensation, either directly or indirectly, from the purchase or sale of securities, and (3) offer or sell securities to any person to whom they provide financial planning services. These advisers are required to file with the securities commissioner copies of all documents required to be filed with the SEC. No hearings have been scheduled yet on this proposal. A copy of the legislation is attached. If you have any comments on the legislation, please call me at 202/955-3523. We will keep you informed of developments. Amy B.R. Lancellotta Associate General Counsel Attachment