

MEMO# 1046

March 17, 1989

GEORGIA REQUIRES REGISTRATION OF INVESTMENT ADVISERS

March 17, 1989 TO: INVESTMENT ADVISER MEMBERS NO. 23-89 INVESTMENT ADVISER ASSOCIATE MEMBERS NO. 22-89 RE: GEORGIA REQUIRES REGISTRATION OF INVESTMENT ADVISERS _____ We have just received the attached Commissioner's Release No. 59-89-0006 from the Georgia Commissioner of Securities. It provides the necessary guidance for investment advisers who wish to file an application for registration in Georgia, which must be done by Monday, April 3, 1989. In order to comply with Georgia's new statutory registration requirement for investment advisers, including financial planners, an adviser must file a completed Form ADV including all exhibits, a filing fee of \$250 and proof of having passed appropriate examinations. The draft rule regarding the examination requirement is attached. An adviser applicant who was conducting investment advisory business in Georgia as of April 7, 1988 may file an affidavit requesting a waiver from the examination requirement. (See attachment.) Although the rules implementing Georgia's statute are still in draft form and there may be additional changes, they are attached for your information. The draft rules include provisions for performance based fees under certain circumstances, and exemptions for investment advisers registered in Georgia as dealers in connection with certain advisory services. In addition, investment advisers having custody of client funds or securities are required to file an audited balance sheet under these draft rules. Another provision of the draft rules requires supervision of an adviser's representatives and employees. It should be noted however, that at this time, investment adviser representatives are not required to register in Georgia. We will keep you informed of further developments. Susan S. Burgess Legal Assistant Attachments