

**MEMO# 35958**

December 16, 2024

# **DRAFT Letter to Missouri Secretary of State on Proposed Rule 15 CSR 30-51.174, Fraudulent Practices of Investment Advisers and Investment Adviser Representatives**

[35958]

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TO: ESG Advisory Group  
Investment Advisers Committee  
SEC Rules Committee RE: DRAFT Letter to Missouri Secretary of State on Proposed Rule 15 CSR 30-51.174, Fraudulent Practices of Investment Advisers and Investment Adviser Representatives

The Missouri Secretary of State has proposed the attached rule amendment applicable to investment advisers and investment adviser representatives which would deem effecting any transaction with an investment objective not authorized by a client to be a fraudulent act in Missouri.<sup>[1]</sup> The rule excludes federally registered investment advisers but appears to apply to certain investment adviser representatives. In the attached draft comment letter, we:

- identify a NSMIA preemption issue;
- note that the rule as applied to IARs of federally registered advisers is unnecessary because of existing fiduciary duty requirements; and
- recommend that Missouri specifically exclude IARs of federally registered advisers.

Please submit any comments on the letter to [joshua.weinberg@ici.org](mailto:joshua.weinberg@ici.org) by Thursday, December 19.

Joshua Weinberg  
Associate General Counsel, Securities Regulation

## Notes

[1] Links to prior ICI memos on the topic can be found below:

- [Missouri Secretary of State Files Proposed Amendment and Rule Identifying Fraudulent Practices](#)
- [Missouri Secretary of State Files Emergency Amendment and Rule Identifying Fraudulent Practices](#)
- [Missouri Voluntarily Dismisses Appeal of Federal District Court Decision to Strike Down Securities Division Rules](#)
- [Federal District Court Strikes Down Missouri Securities Division Rules](#)
- [Complaint Challenges Two New Missouri Securities Division Rules](#)

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