

**MEMO# 35970**

January 3, 2025

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

[35970]

December 30, 2024

TO: ICI Members

ESG Advisory Group

Investment Advisers Committee

SEC Rules Committee SUBJECTS: State Issues RE: ICI Submits 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 a rule 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.[\[1\]](#) The rule excludes federally registered investment advisers but appears to apply to certain investment adviser representatives. In the attached comment letter dated December 30, 2024, we:

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

Joshua Weinberg

Associate General Counsel, Securities Regulation

## **Notes**

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

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