

UNIFORM SECURITIES ACT (2002) (EXCERPT)
Act 551 of 2008

***** 451.2404.new THIS NEW SECTION IS EFFECTIVE OCTOBER 1, 2009 *****

451.2404.new Investment advisor representative; registration; requirements; exemption; employment or association; transacting business for more than 1 investment adviser; referral fees.

Sec. 404. (1) An individual shall not transact business in this state as an investment adviser representative unless the individual is registered under this act as an investment adviser representative or is exempt from registration as an investment adviser representative under subsection (2).

(2) Each of the following individuals is exempt from the registration requirement of subsection (1):

(a) An individual who is employed by or associated with an investment adviser that is exempt from registration under section 403(2) or a federal covered investment adviser that is excluded from the notice filing requirements of section 405.

(b) Any other individual exempted by rule or order under this act.

(3) The registration of an investment adviser representative is not effective while the investment adviser representative is not employed by or associated with an investment adviser registered under this act or a federal covered investment adviser that has made or is required to make a notice filing under section 405.

(4) An individual may transact business as an investment adviser representative for more than 1 investment adviser or federal covered investment adviser unless a rule or order under this act prohibits or limits an individual from acting as an investment adviser representative for more than 1 investment adviser or federal covered investment adviser.

(5) An individual acting as an investment adviser representative shall not, directly or indirectly, conduct business in this state on behalf of an investment adviser or a federal covered investment adviser if the registration of the individual as an investment adviser representative is suspended or revoked or the individual is barred from employment or association with an investment adviser or a federal covered investment adviser by an order under this act, the securities and exchange commission, a securities regulator of another state, or a self-regulatory organization. If a federal covered investment adviser requests and good cause is shown, the administrator, by order, may waive, in whole or in part, the application of the requirements of this subsection.

(6) An investment adviser registered under this act, a federal covered investment adviser that has filed a notice under section 405, or a broker-dealer registered under this act is not required to employ or associate with an individual as an investment adviser representative if the only compensation paid to the individual for a referral of investment advisory clients is paid to an investment adviser registered under this act, a federal covered investment adviser who has filed a notice under section 405, or a broker-dealer registered under this act with which the individual is employed or associated as an investment adviser representative.

History: 2008, Act 551, Eff. Oct. 1, 2009.