



# California Corporate & Securities Law

## Department of Corporations Invites Comment on Adviser Rules

Posted In [Department of Corporations, Investment Advisers](#)

12/6/2010

This morning, the California [Department of Corporations](#) issued this [Invitation For Comments](#) with respect to its investment adviser rules. The Department had [proposed](#) an “omnibus” revision to its investment adviser regulations way back in 2007. Unfortunately, events, including changes to the Securities and Exchange Commission’s investment adviser rules, have overtaken that proposal.

The Department is seeking comment on the following rules:

- Section 260.230.1 (Notice Filing Requirements for Investment Advisers Registered Under Section 203 of the Investment Advisers Act of 1940),
- Section 260.231 (Application for Investment Adviser Certificate),
- Section 260.235 (Advertisements by Investment Advisers),
- Section 260.237 (Custody or Possession of Funds or Securities of Clients),
- Section 260.237.2 (Minimum Financial Requirements),
- Section 260.238 (Investment Advisers: Fair, Equitable and Ethical Principles), and
- Section 260.241.3 (Books and Records to be Maintained By Investment Advisers).

The Department is also seeking comment on the adoption of the following rules:

- Section 260.235.5 (Investment Adviser Brochure Rule),
- Section 260.238.1 (Investment Adviser Code of Ethics), Section 260.238.2 (Payment for Client Solicitations), and
- Section 260.238.3 (Investment Advisers Business Continuity Plan).

With the redrawing of jurisdictional lines pursuant to the Dodd–Frank Wall Street Reform and Consumer Protection Act, these proposed rules are likely to be of interest to hundreds of investment advisers previously registered with the Securities and Exchange Commission. Note that this is a request for input in advance of formal rulemaking under the Administrative Procedure Act. The deadline for comments is January 7, 2011.

Please contact [Keith Paul Bishop](#) at Allen Matkins for more information [kbishop@allenmatkins.com](mailto:kbishop@allenmatkins.com)

<http://www.calcorporatelaw.com/>