

CHAPTER 8

FINANCIAL INSTITUTIONS

HOUSE BILL 01-1016

BY REPRESENTATIVE(S) Larson;
also SENATOR(S) Taylor.

AN ACT

CONCERNING THE INVESTMENT ADVISER REGISTRATION DEPOSITORY UNDER THE "COLORADO SECURITIES ACT".

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Part 2 of article 51 of title 11, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

11-51-201.5. Investment adviser registration depository - definition. AS USED IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "INVESTMENT ADVISER REGISTRATION DEPOSITORY" MEANS THE ELECTRONIC COMPUTER REGISTRATION SYSTEM KNOWN AS THE INVESTMENT ADVISER REGISTRATION DEPOSITORY THAT IS OPERATED AND MAINTAINED BY THE NATIONAL ASSOCIATION OF SECURITIES DEALERS AND BY THE STATES THAT PARTICIPATE IN SUCH SYSTEM, AND THE TERM INCLUDES ANY SUCCESSOR SYSTEM.

SECTION 2. 11-51-403 (1), Colorado Revised Statutes, is amended, and the said 11-51-403 is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

11-51-403. Application for license - notice filing requirements. (1) An applicant for a license as a broker-dealer, sales representative, investment adviser, or investment adviser representative shall file with the securities commissioner OR WITH THE SECURITIES COMMISSIONER'S DESIGNEE an application for a license and the consent to service of process required by section 11-51-706. The application ~~must~~ SHALL contain the information and be in the form the securities commissioner requires by rule. If the information contained in an application is inaccurate or incomplete in any material respect when the application is filed or becomes

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

inaccurate or incomplete in any material respect as a result of any subsequent event, the applicant shall promptly file an amendment to the application to cure the inaccuracy or omission. The securities commissioner may require an applicant to submit additional information that is material to an understanding of information about the applicant available to the securities commissioner in the application or otherwise, and an application shall be incomplete until all additional information required by the securities commissioner has been submitted.

(2.5) THE APPLICATION REQUIREMENT OF SUBSECTION (1) OF THIS SECTION FOR AN INVESTMENT ADVISER AND AN INVESTMENT ADVISER REPRESENTATIVE IS SATISFIED BY AN APPLICANT WHO HAS FILED AND MAINTAINS COMPLETE AND CURRENT REGISTRATION INFORMATION WITH THE INVESTMENT ADVISER REGISTRATION DEPOSITORY IF THAT REGISTRATION INFORMATION AND THE CONSENT TO SERVICE OF PROCESS REQUIRED BY SECTION 11-51-706 ARE PROVIDED TO THE SECURITIES COMMISSIONER THROUGH THE INVESTMENT ADVISER REGISTRATION DEPOSITORY. ANY ADDITIONAL INFORMATION THE SECURITIES COMMISSIONER MAY REQUIRE FROM SUCH AN APPLICANT PURSUANT TO SUBSECTION (1) OF THIS SECTION MUST BE MATERIAL TO AN UNDERSTANDING OF INFORMATION ABOUT THE INVESTMENT ADVISER OR INVESTMENT ADVISER REPRESENTATIVE THAT IS PROVIDED TO THE SECURITIES COMMISSIONER THROUGH THE INVESTMENT ADVISER REGISTRATION DEPOSITORY.

(4) ANY PERSON REQUIRED TO PAY A FEE UNDER THIS SECTION MAY TRANSMIT THROUGH ANY DESIGNEE OF THE SECURITIES COMMISSIONER ANY FEE REQUIRED BY THIS SECTION OR BY RULES PROMULGATED UNDER THIS SECTION.

SECTION 3. 11-51-703 (3), Colorado Revised Statutes, is amended to read:

11-51-703. Administration of article. (3) The securities commissioner may enter into an arrangement, agreement, or other working relationship with federal, other state, and self-regulatory authorities whereby public documents may be initially filed and maintained in the central registration depository, THE INVESTMENT ADVISER REGISTRATION DEPOSITORY, or with other agencies or authorities. It is the intent of this subsection (3) that the securities commissioner be provided with the power to reduce the duplication of filings, reduce administrative costs, and, in conjunction with other states and with federal authorities, establish uniform procedures, forms, and administration to be used by this state and by such other states and by such federal authorities.

SECTION 4. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: March 9, 2001