

1 Department of Commerce

2

3 Adopted Rules Relating to Financial Planners

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5 Rules as Adopted

6 2800.0100 DEFINITIONS.

7 Subpart 1. to 13. [Unchanged.]

8 Subp. 14. Business of financial planning. "Business of
9 financial planning" means providing, or offering to provide,
10 financial planning services or financial counseling or advice,
11 on a group or individual basis. A person who, on
12 advertisements, cards, signs, circulars, letterheads, or in any
13 other manner, indicates that he or she is a "financial planner,"
14 "financial counselor," financial advisor," "investment
15 counselor," "estate planner," "investment advisor," "financial
16 consultant," or any other similar designation or title or
17 combination thereof, is considered to be representing himself or
18 herself to be engaged in the business of financial planning.

19 2800.4600 FRAUDULENT, DECEPTIVE, AND DISHONEST PRACTICES.

20 Subpart 1. Prohibitions. For the purposes of Minnesota
21 Statutes, section 82.27, subdivision 1, clause (b), the
22 following acts and practices constitute fraudulent, deceptive,
23 or dishonest practices:

24 A. to P. [Unchanged.]

25 Q. represent on advertisements, cards, signs,
26 circulars, letterheads, or in any other manner, that he or she
27 is engaged in the business of financial planning unless he or
28 she provides a disclosure document to the client. The document
29 must be signed by the client, and a copy must be left with the
30 client. The disclosure document must contain the following:

31 (1) the basis of fees, commissions, or other
32 compensation received by him or her in connection with rendering
33 of financial planning services or financial counseling or advice
34 in the following language:

35 "My compensation will ~~will~~ may be based on the following:

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- 1 (a) ... commissions generated from the products I sell you,
- 2 (b) ... fees, or
- 3 (c) ... a combination of (a) and (b). [Comments]";

4 (2) the name and address of any company or firm
 5 that supplies the financial services or products offered or sold
 6 by him or her in the following language:

7 "I am authorized to offer or sell products and/or services
 8 issued by or through the following firm(s):

9 [List]

10 The products will be traded, distributed, or placed through
 11 the clearing/trading firm(s) of:

12 [List]";

13 (3) the license(s) held by the person under
 14 Minnesota Statutes, chapter 60A, 80A, or 82 in the following
 15 language:

16 "I am licensed in Minnesota as a(n):

- 17 (a) ... insurance agent
- 18 (b) ... securities agent or broker/dealer
- 19 (c) ... real estate broker or salesperson
- 20 (d) ... investment adviser"; and

21 (4) the specific identity of any financial
 22 products or services (by category, for example mutual funds,
 23 stocks, or limited partnerships) the person is authorized to
 24 offer or sell in the following language:

25 "The license(s) entitles me to offer and sell the following
 26 products and/or services:

- 27 (a) ... securities, specifically the following: [List]
- 28 (b) ... real property
- 29 (c) ... insurance
- 30 (d) ... other: [List]."

31 Subp. 2. and 3. [Unchanged.]

32 2790.0550 REGULATION OF BUSINESS OF FINANCIAL PLANNING.

33 Subpart 1. Definition. "Business of financial planning"
 34 means providing, or offering to provide, financial planning
 35 services or financial counseling or advice, on a group or
 36 individual basis. An agent or insurer who, on advertisements,

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1 cards, signs, circulars, letterheads, or in any other manner,
 2 indicates that he or she is a "financial planner," "financial
 3 counselor," "financial advisor," "investment counselor," "estate
 4 planner," "investment advisor," "financial consultant," or any
 5 other similar designation or title or combination thereof, is
 6 considered to be representing himself or herself to be engaged
 7 in the business of financial planning.

8 Subp. 2. Prohibition. No agent or insurer may represent
 9 on advertisements, cards, signs, circulars, letterheads, or in
 10 any other manner, that he or she is engaged in the business of
 11 financial planning unless he or she provides a disclosure
 12 document to the client. The document must be signed by the
 13 client, and a copy must be left with the client. The disclosure
 14 document must contain the following:

15 A. the basis of any fees, commissions, or other
 16 compensation received by him or her in connection with the
 17 rendering of financial planning services or financial counseling
 18 or advice in the following language:

19 "My compensation may be based on the following:

- 20 (a) ... commissions generated from the products I sell you,
 21 (b) ... fees, or
 22 (c) ... a combination of (a) and (b). [Comments.];

23 B. the name and address of any company or firm that
 24 supplies the financial services or products offered or sold by
 25 him or her in the following language:

26 "I am authorized to offer or sell products and/or services
 27 issued by or through the following firm(s):

28 [List]

29 The products will be traded, distributed, or placed through
 30 the clearing/trading firm(s) of:

31 [List]";

32 C. the license(s) held by the person under Minnesota
 33 Statutes, chapter 60A, 80A, or 82 in the following language:

34 "I am licensed in Minnesota as a(n):

- 35 (a) ... insurance agent,
 36 (b) ... securities agent or broker/dealer,

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1 (c) ... real estate broker or salesperson,

2 (d) ... investment adviser"; and

3 D. the specific identity of any financial products or
4 services (by category, for example mutual funds, stocks, or
5 limited partnerships) the person is authorized to offer or sell
6 in the following language:

7 "The license(s) entitles me to offer and sell the following
8 products and/or services:

9 (a) ... securities, specifically the following: [List],

10 (b) ... real property,

11 (c) ... insurance,

12 (d) ... other: [List]."

13 2875.1051 REGULATION OF BUSINESS OF FINANCIAL PLANNING.

14 Subpart 1. Definition. "Business of financial planning"
15 means providing, or offering to provide, financial planning
16 services or financial counseling or advice, on a group or
17 individual basis. Any person who, on advertisements, cards,
18 signs, circulars, letterheads, or in any other manner, indicates
19 that he or she is a "financial planner," "financial counselor,"
20 "financial advisor," "investment counselor," "estate planner,"
21 "investment advisor," "financial consultant," or any other
22 similar designation or title or combination thereof, is
23 considered to be representing himself or herself to be engaged
24 in the business of financial planning.

25 Subp. 2. Prohibition. It is a "manipulative, deceptive,
26 or fraudulent device or contrivance" within the meaning of
27 Minnesota Statutes, section 80A.03, for any person to represent
28 on advertisements, cards, signs, circulars, letterheads, or in
29 any other manner, that he or she is engaged in the business of
30 financial planning unless he or she provides a disclosure
31 document to the client. The document must be signed by the
32 client, and a copy must be left with the client. The disclosure
33 document must contain the following:

34 A. the basis of any fees, commissions, or other
35 compensation received by him or her in connection with the
36 rendering of financial planning services or financial counseling

1 or advice in the following language:

2 "My compensation may be based on the following:

- 3 (a) ... commissions generated from the products I sell you,
 4 (b) ... fees, or
 5 (c) ... a combination of (a) and (b). [Comments]";

6 B. the name and address of any company or firm that
 7 supplies the financial services or products offered or sold by
 8 him or her in the following language:

9 "I am authorized to offer or sell products and/or services
 10 issued by or through the following firms(s):

11 [List];

12 The products will be traded, distributed, or placed through
 13 the clearing/trading firm(s) of:

14 [List]";

15 C. the license(s) held by the person under Minnesota
 16 Statutes, chapter 60A, 80A, or 82 in the following language:

17 "I am licensed in Minnesota as a(n):

- 18 (a) ... insurance agent,
 19 (b) ... securities agent or broker/dealer,
 20 (c) ... real estate broker or salesperson,
 21 (d) ... investment adviser"; and

22 D. the specific identity of any financial products or
 23 services (by category, for example mutual funds, stocks, or
 24 limited partnerships) the person is authorized to offer or sell
 25 in the following language:

26 "The license(s) entitles me to offer and sell the following
 27 products and/or services:

- 28 (a) ... securities, specifically the following: [List],
 29 (b) ... real property,
 30 (c) ... insurance,
 31 (d) ... other: [List]."

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33 EFFECTIVE DATE. These rules are effective August 1, 1985.

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