

1 Department of Commerce

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3 Adopted Permanent Rules Relating to Regulating Securities and  
4 the Business of Financial Planning

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6 Rules as Adopted

7 2875.1051 REGULATION OF BUSINESS OF FINANCIAL PLANNING.

8 [For text of subpart 1, see M.R.]

9 Subp. 2. Prohibition. It is a "manipulative, deceptive,  
10 or fraudulent device or contrivance" within the meaning of  
11 Minnesota Statutes, section 80A.03, for any person to represent  
12 on advertisements, cards, signs, circulars, letterheads, or in  
13 any other manner, that he or she is engaged in the business of  
14 financial planning unless he or she provides a disclosure  
15 document to the client. A copy of the disclosure document must  
16 be delivered or mailed to the client when an account is opened.  
17 A licensed broker/dealer is authorized to mail the disclosure  
18 document on behalf of its agents. A record of the disclosure  
19 must be maintained for a period of three years. The disclosure  
20 document must contain the following:

21 A. the basis of any fees, commissions, or other  
22 compensation received by him or her in connection with the  
23 rendering of financial planning services or financial counseling  
24 or advice in the following language:

25 "My compensation may be based on the following:

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

29 B. the identification of companies and/or affiliates  
30 that supply products or services offered or sold by him or her  
31 in the following language:

32 "I am authorized to offer or sell products and/or services  
33 issued by or through (name of firms(s) and/or affiliates):

34 The products will be traded, distributed, or placed through  
35 the (name of clearing/trading firm(s) and/or affiliates):"

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

3 "The (insert the term used by agent engaged in the business  
4 of financial planning) assigned to your account is licensed in  
5 Minnesota as a(n):

- 6 (a) ... insurance agent,
- 7 (b) ... securities agent or broker/dealer,
- 8 (c) ... real estate broker or salesperson,
- 9 (d) ... investment adviser"; and

10 [For text of item D, see M.R.]

11 Subp. 3. **Exemption.** The disclosure document need not be  
12 provided to a client who meets the requirements in Minnesota  
13 Statutes, section 80A.15, subdivision 2, paragraph (g).