

CHAPTER 2875
DEPARTMENT OF COMMERCE
REGULATION OF SECURITIES

2875 1051 REGULATION OF BUSINESS OF
 FINANCIAL PLANNING

2875.1051 REGULATION OF BUSINESS OF FINANCIAL PLANNING.

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

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

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

“My compensation may be based on the following.

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

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

“I am authorized to offer or sell products and/or services issued by or through (name of firms(s) and/or affiliates).

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

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

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

- (a) . insurance agent,
- (b) securities agent or broker/dealer,
- (c) .. real estate broker or salesperson,
- (d) . investment adviser”, and

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

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

Statutory Authority: *MS s 45 023, 80A.25*

History: *18 SR 1471*