

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
DEPARTMENT OF BUSINESS REGULATION  
SECURITIES DIVISION  
233 RICHMOND STREET  
PROVIDENCE, RI 02903**

**CONCISE EXPLANATORY STATEMENT**

**Securities Rule 202(7) Notice Filing for Third-Party Arrangements on a Depository Institution's Premises**

The proposed repeal would eliminate the notice filing requirement for third-party arrangements on a depository institution's premises and thereby conform with the enacted statutory amendment to the definition of broker-dealer.

**Securities Rule 205(a)-1. Licensing Applications**

This amendment will require all applications for initial and renewal registration for investment adviser representatives to be made by filing Form U-4 with the Central Registration Depository (the "CRD").

**Securities Rule 207(a)-1.4. Examinations**

The proposed repeal would eliminate the Series 24 supervisory examination requirement prior to issuing a license to an investment adviser. The NASD General Securities Principal Qualification Examination (Series 24) is designed to test a candidate's knowledge of the rules and statutory provisions applicable to the management of a general securities broker-dealer. This test does not apply to the supervision of an investment adviser.

**Securities Rule 209(a)-1.**

The proposed amendment would require investment advisers that are registered with the State of Rhode Island, and do not have custody of customer funds or securities, to maintain net worth of at least \$5,000 at all times.

Marilyn Shannon McConaghy  
Director  
Department of Business Regulation  
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