

House Bill 1672

By: Representative Lim of the 99<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 4 of Chapter 5 of Title 10 of the Official Code of Georgia Annotated,  
2 relating to registration of broker-dealers, agents, and investment advisors, so as to change  
3 certain requirements for exemptions from registration for investment advisors; to provide for  
4 related matters; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Article 4 of Chapter 5 of Title 10 of the Official Code of Georgia Annotated, relating to  
8 registration of broker-dealers, agents, and investment advisors, is amended by revising  
9 subsection (b) of Code Section 10-5-32, relating to registration requirements for investment  
10 advisors and exemptions, as follows:

11 "(b) The following persons are exempt from the registration requirement of subsection (a)  
12 of this Code section:

13 (1) A person without a place of business in this state that is registered under the  
14 securities act of the state in which the person has its principal place of business if its only  
15 clients in this state are:

- 16 (A) Federal covered investment advisers, investment advisers registered under this  
 17 chapter, or broker-dealers registered under this chapter;
- 18 (B) Institutional investors;
- 19 (C) Bona fide preexisting clients whose principal places of residence are not in this  
 20 state if the investment adviser is registered under the securities act of the state in which  
 21 the clients maintain principal places of residence; or
- 22 (D) Any other client exempted by rule adopted or order issued under this chapter; and  
 23 ~~(2) A person without a place of business in this state if the person has had, during the~~  
 24 ~~preceding 12 months, not more than five clients that are resident in this state in addition~~  
 25 ~~to those specified under paragraph (1) of this subsection; or~~
- 26 ~~(3)~~(2) Any other person exempted by rule adopted or order issued under this chapter,  
 27 except that any such rule adopted or order issued cannot predicate an exemption on the  
 28 number of clients in this state."

29 **SECTION 2.**

30 Said article is further amended by revising subsection (b) of Code Section 10-5-34, relating  
 31 to registration requirements for federal covered investment advisers, as follows:

32 "(b) The following federal covered investment advisers are not required to comply with  
 33 subsection (c) of this Code section:

34 (1) A federal covered investment adviser without a place of business in this state if its  
 35 only clients in this state are:

- 36 (A) Federal covered investment advisers, investment advisers registered under this  
 37 chapter, and broker-dealers registered under this chapter;
- 38 (B) Institutional investors;
- 39 (C) Bona fide preexisting clients whose principal places of residence are not in this  
 40 state; or
- 41 (D) Other clients specified by rule adopted or order issued under this chapter; and

42 ~~(2) A federal covered investment adviser without a place of business in this state if the~~  
43 ~~person has had, during the preceding 12 months, not more than five clients that are~~  
44 ~~resident in this state in addition to those specified under paragraph (1) of this subsection;~~  
45 ~~and~~  
46 ~~(3)(2) Any other person excluded by rule adopted or order issued under this chapter,~~  
47 ~~except that any such rule adopted or order issued cannot predicate an exemption on the~~  
48 ~~number of clients in this state.~~"

49 **SECTION 3.**

50 All laws and parts of laws in conflict with this Act are repealed.