

**Sec. 36b-31-14b. Record keeping requirements for registered investment advisers**

(a) Every registered investment adviser shall keep and maintain, open to inspection by the commissioner, the books and records required to be kept by the Investment Advisers Act of 1940, as amended, and the rules and regulations thereunder. Such books and records shall be kept true, accurate and current and shall be preserved for such periods of time and in such places as specified by the Investment Advisers Act of 1940, as amended, and the rules and regulations thereunder. Compliance with the requirements of the United States Securities and Exchange Commission concerning preservation of records in an electronic medium is deemed compliance with this subsection.

(b) In addition to the items required by subsection (a) of this section, each registered investment adviser shall keep and maintain the following records at its principal place of business, open to inspection by the commissioner:

(1) A separate file containing all written complaints submitted by clients to the investment adviser or its investment adviser agents or a separate record clearly referencing the files connected to such complaints together with the final disposition thereof, if applicable. As used in this subdivision, "complaint" means any written statement or record of an oral statement of a client or any person acting on behalf of a client alleging a grievance involving the activities of persons under the control of the investment adviser in connection with the solicitation or execution of any investment advisory services or the disposition of securities or funds of that client;

(2) A completed client information document for each investment advisory account opened on or after January 1, 1995 where at least one beneficial owner of the account is a natural person and such natural person is located in Connecticut or the account is serviced by a Connecticut office of the investment adviser. Each such document shall contain (A) the name, address, telephone number and age of each beneficial owner of the account as of the date the account is opened, and all subsequent changes to the address and telephone number of each beneficial owner; (B) information on whether the account was solicited; (C) the current approximate annual income and net worth (exclusive of home, furnishings and automobiles) of each beneficial owner; (D) the investment objective of each beneficial owner; and (E) whether there was any prior investment activity by each beneficial owner;

(3) If the investment adviser is a partnership, all partnership agreements and, if the investment adviser is a corporation, all articles of incorporation, amendments thereto, by-laws, minute books and stock certificate books of the investment adviser. Such partnership and corporate records shall be preserved until at least three years after termination of the enterprise; and

(4) A separate file containing copies of all advertising published, circulated or broadcast in or from Connecticut by the investment adviser in the conduct of its investment advisory business.

(c) The records specified in subsection (b) of this section shall be kept true, accurate and current and shall be preserved for a period of not less than five years from the end of the fiscal year during which the last entry was made on such record, unless otherwise specified. Compliance with the requirements of the United States Securities and Exchange Commission concerning preservation of records in an electronic medium is deemed compliance with this subsection.

(d) Each registered investment adviser shall keep and maintain at every Connecticut branch office, open to inspection by the commissioner, the following records relating to the operations of that branch office:

(1) A litigation file documenting all criminal, civil, administrative and arbitration actions, including the disposition thereof, filed against the investment adviser or any of its personnel relating to the investment advisory activities of that office;

(2) Copies of confirmations of purchases and sales of securities relating to accounts of that office over which the investment adviser is vested with discretionary authority;

(3) Reports showing the amount of compensation earned by each investment adviser agent employed at that office;

(4) A list of the names and positions of every employee, independent contractor or other person providing investment advisory related or clerical services in or from that office, and the employee identification number for each investment adviser agent;

(5) A copy of the investment adviser's compliance and supervisory procedures, including documentation that every investment adviser agent located at that office or under the control or supervision of that office has been provided with a copy of such procedures;

(6) A file containing any and all correspondence disseminated to or received from the public in connection with the business of that office;

(7) A list or other record of all accounts of clients of that office in which the investment adviser is vested with any discretionary power with respect to the funds, securities or transactions of such clients;

(8) Copies of all powers of attorney and other evidence reflecting the grant of discretionary authority with respect to accounts of clients of that office;

(9) Copies of all written agreements entered into by such investment adviser with respect to accounts of clients of that office;

(10) A separate file containing copies of all advertising published, circulated or broadcast upon the initiative of that office which relates to the investment advisory business conducted from that office; and

(11) Those records specified in subdivisions (1) and (2) of subsection (b) of this section which relate to the business of that office.

(e) The records described in subsection (d) of this section shall be kept true, accurate and current and shall be (1) preserved in the branch office for a period of not less than five years from the end of the fiscal year during which the last entry was made on such record or (2) kept and maintained, open to inspection by the commissioner, at the principal place of business of each registered investment adviser without a Connecticut branch office if such principal place of business is located within Connecticut, for a period of not less than five years from the end of the fiscal year during which the last entry was made on such record. After a period of three years from the end of the fiscal year during which the last entry was made, such records may be preserved in an easily accessible place. Compliance with the requirements of the United States Securities and Exchange Commission concerning preservation of records in an electronic medium is deemed compliance with this subsection.

(Effective August 22, 1994; Transferred July 3, 1995)