

**To:** Minnesota Investment Adviser Firms

**From:** Jeremy D. Eiden  
Securities Director, Securities Unit, Financial Institutions Division

**Date:** November 16, 2020

**RE: Order regarding Supervisory Rule, Minn. Rule 2876.4120, Subpart 2.**

All investment advisers doing business in Minnesota must register with the Minnesota Department of Commerce (“Department”) pursuant to Minnesota Statutes 80A and Minnesota Rules 2876. One of the requirements that must be met under Minnesota Rule 2876.4120, subpart 2, is the firm registering must have at least one person employed full time in a supervisory capacity, and that person must have been actively engaged in the securities business in a similar supervisory capacity for a minimum of three of the preceding five years.

**New Requirements Regarding the Supervisory Rule:** Effective November 13, 2020, the Commissioner has issued an Order allowing the Department to consider recent knowledge and experience as determined by the Commissioner in considering Minn. Rule 2876.4120, subpart 2.

Recent knowledge and experience will be considered as part of the Investment Adviser registration process. The Department will not be making separate determinations without a registration application.

Types of non-supervisory experience that will be evaluated include, but are not limited to, a minimum of three years of recent securities industry experience like:

- Designations and/or Principal registrations;
- Investor-related activities such as portfolio and product analysis; and
- Firm-level operations/regulatory experience such as internal or regulatory examinations; policy-procedure development; and oversight-control.

Although the supervisory rule is but one qualification for registration in Minnesota, the Department believes this order will allow for a more vibrant marketplace, while continuing to protect Minnesota investors and the marketplace.

The Department will not make separate or pre-registration reviews. An application for registration is required.