

NASAA Principal Transaction Anti-Fraud Provisions for Investment Advisers

Model Rule 102(f)-2

Adopted September 3, 1987

(Note: This exemption refers to section 102(a)(3) of the Uniform Securities Act of 1956.)

Rule 102(f)-2 Exemption From Section 102(A)(3) For Certain Broker-Dealers

- (a) For purposes of this Rule,
 - (1) “Publicly distributed written materials” means written materials which are distributed to 35 or more persons who pay for those materials.
 - (2) “Publicly made oral statements” means oral statements made simultaneously to 35 or more persons who pay for access to those statements.
- (b) An investment adviser registered as a broker-dealer pursuant to Section 15 of the Securities Exchange Act of 1934 shall be exempt from Section 102(a)(3) of the Act in connection with any transaction in relation to which that broker-dealer acts as an investment adviser:
 - (1) Solely by means of publicly distributed written materials or publicly made oral statements;
 - (2) Solely by means of written materials or oral statements not purporting to meet the objectives or needs of specific individuals or accounts;
 - (3) Solely through the issuance of statistical information containing no expressions of opinion as to the investment merits of a particular security; or
 - (4) Any combination of the foregoing services.
- (c) This exemption shall apply only if the materials and oral statements disclose that, if the purchaser of the advisory communication uses the investment adviser’s services in connection with the sale or purchase of a security which is a subject of the communication, the investment adviser may act as principal for its own account or as agent for another person. Compliance by the investment adviser with the foregoing disclosure requirement shall not relieve it of any other disclosure obligations under the Act.