

NOTICE OF REGULATORY POSITION
February 20, 2008

The Division of Securities of the Office of Financial Institutions (“OFI”) has undertaken investigations of the marketing efforts (seminars, publications, etc.) to promote what are often referred to as financial planning services by individuals not licensed to conduct securities transactions or to give investment advice with respect to securities. These individuals are often licensed as insurance agents and are attempting to sell insurance products. As part of the services the agent offers, “repositioning” or “rebalancing” portfolios is often mentioned. In many cases this “repositioning” or “rebalancing” will involve a suggestion that securities be sold. This act could arguably fall within the activity which requires licensing as an investment adviser under the provisions of Chapter 292. To provide a “safe harbor” for agents who are involved in these promotional activities, OFI will take no enforcement action against the individual agents provided the following conditions are met:

1. The agent provides written proof that an insurance company has approved the promotional materials;
2. The agent makes no recommendations about specific securities when addressing the overall financial situation of the client; and
3. The agent makes the following disclosure in bold face as indicated below on a form signed by the client and dated:

The individual with whom you are meeting is licensed to sell insurance products. The individual is not licensed to give advice about the purchase or sale of securities. This means that the individual may not recommend that you sell a mutual fund, variable annuity or other securities product to reinvest in another product. Generally, only a licensed securities professional such as a representative of an “investment adviser” may make such a recommendation. An investment adviser has a fiduciary relationship with clients. The fiduciary relationship requires the adviser to act in the best interests of the client and prohibits the adviser from putting its own interest ahead of the client’s interests. An insurance agent does not have a fiduciary responsibility to his or her clients.

Name of customer

Date