

§16502. Prohibited conduct in providing investment advice

1. Fraud in providing investment advice. It is unlawful for a person that advises others for compensation, either directly or indirectly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing or selling securities or that, for compensation and as part of a regular business, issues or promulgates analyses or reports relating to securities:

A. To employ a device, scheme or artifice to defraud another person; or [PL 2005, c. 65, Pt. A, §2 (NEW).]

B. To engage in an act, practice or course of business that operates or would operate as a fraud or deceit upon another person. [PL 2005, c. 65, Pt. A, §2 (NEW).]

[PL 2005, c. 65, Pt. A, §2 (NEW).]

2. Rules defining fraud. A rule adopted under this chapter may define an act, practice or course of business of a person described in subsection 1 as fraudulent, deceptive or manipulative and prescribe means reasonably designed to prevent investment advisers and investment adviser representatives from engaging in acts, practices and courses of business defined as fraudulent, deceptive or manipulative.

[PL 2005, c. 65, Pt. A, §2 (NEW).]

3. Rules specifying contents of advisory contract. A rule adopted under this chapter may specify the contents of an investment advisory contract entered into, extended or renewed by an investment adviser.

[PL 2005, c. 65, Pt. A, §2 (NEW).]

4. Rulemaking. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

[PL 2005, c. 65, Pt. A, §2 (NEW).]

SECTION HISTORY

PL 2005, c. 65, §A2 (NEW).

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