



**Securities Industry Association**

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October 21, 2002

Ms. Marilyn Bowman  
Office of the Kansas Securities Commissioner  
230 E. William  
Suite 7080  
Wichita, KS 67207

Re: IAR Continuing Education Requirements

Dear Ms. Bowman:

At the NASAA Fall Conference, you reported that the Investment Adviser Continuing Education Project Group is exploring whether a continuing education (CE) requirement should be established for investment adviser representatives (IARs). You stated that, if the answer to that question were yes, then you would consider what the standard should be and whether any current programs already satisfy the standard.

SIA commends your group for carefully evaluating whether a CE requirement should be imposed on those IARs that are not otherwise subject to CE requirements. SIA has long been in the forefront of promoting and facilitating continuing education programs for individuals involved in the offering of financial services and products to the investing public. For example, SIA offers a variety of unique educational programs, such as the Securities Industry Institute and the Branch Management Leadership Institute, both of which are done in conjunction with the Wharton School at The University of Pennsylvania. SIA also offers its members a highly regarded Branch Manager Development Program, a Professional Conduct Program and an Institutional Ethics Program. Furthermore, SIA hosts a Continuing Education Conference and Exhibit as well as numerous topical conferences, seminars and roundtable meetings that may serve as continuing education as determined by an attendee's firm element plan.<sup>1</sup> In short, like NASAA, we are strongly committed to programs to ensure that our industry professionals are well educated and informed.

We, however, would respectfully suggest that there is no need to impose additional CE requirements on individuals licensed as both registered representatives and investment adviser representatives, as all such registered representatives are already subject to an extensive continuing education regimen under NYSE and NASD rules. For example,

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<sup>1</sup> Information about these programs is available on our website ([www.sia.com](http://www.sia.com)).

under SRO rules, member firms must annually review their continuing education program, taking into consideration the appropriateness of offered products and services, recent regulatory issues affecting the firm or its registered representatives, compliance and/or complaints, firm initiatives and issues noted by the Continuing Education Council. In short, a firm's CE program must address comprehensively the informational needs of its representatives and be tailored to the mix of products the firm offers to investors.

Information provided in these programs is relevant to both the registered representative and the investment adviser representative functions. Indeed, it is difficult to think of issues that are either IAR or RR specific. In fact, in the offering of most managed account services, such as a wrap fee program, these functions and the necessary underlying knowledge largely overlap. Additionally, it should be emphasized that most firms provide training relating to specific products and services outside the mandatory CE process and strongly encourage employees to participate in such training regularly.

To summarize, SIA believes that, in the case of dual registrants, additional CE requirements would simply be redundant, burdensome, and unjustified by investor protection considerations. We therefore respectfully urge that dual registrants be exempted from any additional requirements you may be considering.

If you have any questions, please feel free to contact Kim Chamberlain (212) 720-0611 or Michael Udoff (212) 618-0509 at SIA.

Sincerely,

Sherman T. Brewer, Jr.  
Chairman  
SIA State Regulation  
And Legislation Committee

Paul S. Gottlieb  
Chairman  
SIA Investment Adviser Committee