**Section 130.846 Written Disclosure Statements of a Registered Investment Adviser**

a) General Requirement

Unless otherwise provided in this Section, an investment adviser, registered or required to be registered pursuant to Section 8.D of the Act, shall, in accordance with the provisions of this Section, furnish each advisory client and prospective advisory client with a written disclosure statement required by 17 CFR 275.204-3 (May 31, 2011).

b) Delivery

1) An investment adviser, except as provided in subsection (b)(2), shall deliver the statement required by this Section to an advisory client or prospective advisory client:

A) not less than 48 hours prior to entering into any written or oral investment advisory contract with a client or prospective client; or

B) at the time of entering into a contract, if the advisory client has a right to terminate the contract without penalty within five business days after entering into the contract.

2) Delivery of the statement required by subsection (b)(1) need not be made in connection with entering into:

A) an investment company contract; or

B) a contract for impersonal advisory services.

c) Offer to Deliver

1) An investment adviser, except as provided in subsection (c)(2), annually shall, without charge, deliver or offer in writing to deliver upon written request to each of its advisory clients the statement required by this Section.

2) The delivery or offer required by subsection (c)(1) need not be made to advisory clients receiving advisory services solely pursuant to:

A) an investment company contract; or

B) a contract for impersonal advisory services requiring a payment of less than $200.

3) With respect to an advisory client entering into a contract or receiving advisory services pursuant to a contract for impersonal advisory services which requires a payment of $200 or more, an offer of the type specified in subsection (c)(1) shall also be made at the time of entering into an advisory contract.

4) Any statement requested in writing by an advisory client pursuant to an offer required by this subsection (c) must be mailed or delivered within seven days after the receipt of the request.

d) Omission of Inapplicable Information

If an investment adviser renders substantially different types of investment advisory services to different advisory clients, any information required may be omitted from the statement furnished to an advisory client or prospective advisory client if the information is applicable only to a type of investment advisory service or fee that is not rendered or charged, or proposed to be rendered or charged, to that client or prospective client as provided by 17 CFR 275.204-3 (May 31, 2011).

e) Other Disclosures

Nothing in this Section shall relieve any investment adviser from any obligation under the Act or this Part or other federal or State law to disclose any information to its advisory clients or prospective advisory clients not specifically required by this Section.

f) Definitions. For the purpose of this Section:

1) "Contract for impersonal advisory services" means any contract relating solely to the provision of investment advisory services:

A) by means of written material or oral statements that do not purport to meet the objectives or needs of specific individuals or accounts;

B) through the issuance of statistical information containing no expression of opinion as to the investment merits of a particular security; or

C) any combination of the services listed in subsections (f)(1)(A) and (B);

2) "Entering into," in reference to an investment advisory contract, does not include an extension or renewal without material change of any contract that is in effect immediately prior to the extension or renewal; and

3) "Investment company contract" means a contract with an investment company registered under the Federal 1940 Investment Company Act that the requirements of section 15(c) of that Act, as defined in Section 130.200 of this Part.

(Source: Amended at 36 Ill. Reg. 2852, effective February 8, 2012)