

securities were purchased or sold by or for each client; or, in the alternative, a record showing all such securities bought or sold by or for the accounts of all clients of the investment adviser in each month, the total number of shares or principal amount of each security bought or sold and the lowest and highest price at which such purchases or sales were made during the month.

(f) Copies of dealer's confirmations of all transactions placed by the investment adviser for any account, and such other dealer's confirmations as may be supplied to the investment adviser by a client or dealer.

(g) A list showing all accounts in which the investment adviser is vested with discretionary power, unless the records required by subsections (d) and (e) of this section are maintained in such manner as to disclose which are discretionary accounts; *provided* that the provisions of subsections (d) and (e) of this section shall not apply (a) to any securities with respect to which the investment adviser does not render services of a supervisory nature or (b) to any securities or transactions which a client declines to disclose to the investment adviser; and *provided further* that the provisions of subsections (d), (e), (f) and (g) of this section shall not apply to the accounts of any investment adviser where the services consist solely of the distribution of written or printed publications on a subscription basis.

SEC. 1.17 Records to be preserved by investment advisers. (1) Every licensed investment adviser shall preserve for a period of not less than 3 years, the first 2 years in an easily accessible place, all records required by section SEC 1.16 and the following additional records which shall also be made available to the department for examination:

(a) All check books, bank statements, cancelled checks and cash reconciliations.

(b) All bills or statements (or copies thereof), paid or unpaid, relating to the business of such investment adviser.

(c) Originals of all communications received and copies of all communications sent, pertaining to services rendered or to be rendered to its clients or customers by such investment adviser, other than interoffice or interdepartmental communications.

(d) All powers of attorney and other evidence of the granting of any discretionary authority in any account, and copies of resolutions empowering an agent to act on behalf of any client.

(e) All written agreements (or copies thereof) entered into by an investment adviser relating to the business of such investment adviser, including agreements with respect to any account, which agreements shall set forth the fees to be charged and the manner of computation and method of payment thereof.

(2) Every licensed investment adviser shall preserve for a period of not less than 3 years after the closing of any client's account, all required records relating to such account.

(3) Every licensed investment adviser shall preserve during the life of the enterprise and of any successor enterprises all partnership articles, or all articles of incorporation or charter, minute books and stock certificate books.

(4) After a record or other document has been preserved for 2 years, a photograph thereof on film may be substituted for the balance of the required time.