HOW TO USE THIS DOCUMENT

These checklists are intended as a resource that can help your advisory firm determine the registration requirements of each state in which it may be required to register. In determining which state(s) your advisory firm is required to register in, it is recommended that you check the specific registration requirements of each state in which your advisory firm has clients or maintains an office. While most states currently follow the national de minimis rule of up to five clients allowed before registration is required, three states—Texas, Louisiana, and New Hampshire—currently require registration with only one client. Of course, this information may change, especially as states prepare for the registration of midsize advisors currently registered with the SEC. There is no substitute for obtaining the current and definitive requirements from the state’s regulatory authority.
IMPORTANT INFORMATION. Please Read!

The information contained in this document was prepared by U.S. Compliance Consultants, LLC ("U.S. Compliance Consultants") on July 20, 2011, at the request of Charles Schwab & Co., Inc. ("Schwab"), and is intended to be only an overview and summary of the rules and regulations that may apply to investment advisers registering in a particular state.

• **Summary only; not complete.** This document is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the specified state. You should consult the official and complete publication of the particular state’s laws and regulations.

• **Subject to change.** This information is believed to be current as of the date published but could change at any time. You should always check directly with the particular state’s regulatory authorities for current requirements.

• **General information only; not legal advice.** This document is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation. You should consult with your own legal counsel and compliance advisors.

If you are in need of further information or have specific questions regarding the registration and compliance obligations applicable to the conduct of your investment advisory business, you may contact U.S. Compliance Consultants toll-free at 888-798-2930 or another compliance consultant or legal counsel of your own choosing. U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.

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*At present, the State of Wyoming does not register investment advisers on the state level, and the State of New York does not have a state investment adviser examination program. Therefore, any adviser that maintains its principal office and place of business in Wyoming must remain registered with the SEC, and any adviser that maintains its principal office and place of business in New York must remain registered with the SEC if its assets under management equal or exceed $25 million dollars. Because SEC-registered advisers in these states are not required to transition to state registration pursuant to the recent changes in the assets-under-management threshold for SEC registration, no registration checklist for Wyoming or New York has been included in this document.
SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Alabama Securities Commission (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Street Address
Alabama Securities Commission
401 Adams Ave., Suite 280
Montgomery, AL 36104

Mailing Address
Alabama Securities Commission
PO Box 304700
Montgomery, AL 36130-4700

Phone/Fax
Phone: 334-242-2984
Fax: 334-353-4690

Email
asc@asc.alabama.gov

Website
www.asc.state.al.us/

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Code of Alabama 1975 §8-6-3

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $250.00 for the investment advisory firm
B. $60.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):
1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.

   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

   Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

   A. Log on to your advisory firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV,” select “New Filing.”
   D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

   Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

   A. Item 1 through Item 4 will probably not be needed to be updated.
   B. Do not delete the information in Item 2 (SEC Registration).
   C. Update the information in Item 5 (Information About Your Advisory Business).
   D. Update any other information (as necessary) in Item 6 through Item 11.
Step 3. Complete Part 1B of the Form ADV

Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.

A. Item 1 (State Registration)—Check the box for Alabama (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

*In lieu of net capital requirements, the Alabama Securities Commission will accept as an alternative for licensing purposes a bond of not less than $50,000. Any surety bond required should be payable to the State of Alabama, should be executed by the investment adviser and a corporation qualified to do business as a surety company in the State of Alabama and shall be in such form and subject to such conditions as the Alabama Securities Commission shall from time to time designate.*

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

*All investment advisers registered in the State of Alabama must have and maintain net capital of not less than $10,000.*

*Except as otherwise ordered by the Alabama Securities Commission, those investment advisers that maintain custody of customer funds or that have discretionary authority over customer accounts must post a $50,000 surety bond in addition to maintaining the required net capital.*

*Any investment adviser registered in the State of Alabama who fails to maintain the minimum net capital required must immediately suspend business operations and notify the Alabama Securities Commission within three (3) business days of such fact. Such investment adviser must not resume business operations unless and until financial statements which verify compliance with this rule have been submitted and approved by the Alabama Securities Commission in writing.*

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

*Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Alabama.*

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2 to the IARD System

*Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.*

Step 5: Sign the Execution Page and Submit the Form ADV Part 1
V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

*Important Note: The following documents are filed directly with the Alabama Securities Commission.*

A. Investment Advisory Agreements

*Important Note: The Alabama Securities Commission has provided guidelines on its website to assist investment advisers in developing client contracts and agreements.*

B. Statement whether the advisory firm maintains custody or has discretionary authority

C. Balance Sheet

An applicant filing a new application for registration as an investment adviser in the State of Alabama must file a balance sheet prepared in accordance with generally accepted accounting principles, dated not more than ninety days prior to the date of filing. Such balance sheet:

- Must be audited in accordance with generally accepted auditing standards accompanied by an unqualified opinion of an independent certified public accountant registered with the Alabama State Board of Public Accountancy or a similar board of the state in which the certifying accountant resides; or
- Attached to such balance sheet shall be an oath or affirmation that such statement is true and correct to the best knowledge, information, and belief, after a diligent inquiry, of the person making such oath or affirmation. The oath or affirmation shall be made before a person authorized to administer such oath or affirmation. If the dealer or investment adviser is a sole proprietorship, the oath or affirmation shall be made by the proprietor; if a partnership, by a general partner; if a corporation, by a duly authorized officer; and if a trust, by a trustee.

D. Surety Bond (if applicable)

E. An undertaking or affidavit stating the number and type, if any, of Alabama clients

F. An undertaking or affidavit as to whether the applicant has branch offices or representatives residing in Alabama (for out-of-state applicants)

G. A certificate to do business as a foreign corporation is required if the applicant has branch offices or representatives residing in this state (for out-of-state applicants)

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

*Important Note: At present, the State of Alabama does not require investment adviser representatives to be fingerprinted.*

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Alabama Securities Commission Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

*Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.*

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.

B. Select IARD Main Tab.

C. In the “Forms” column under “ADV-W” select “New Filing.”


Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D

*Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.*
Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Alaska Department of Commerce, Community, and Economic Development, Division of Banking and Securities (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Juneau Mailing Address
PO Box 110807
Juneau, AK 99811-0807

Juneau Physical Address
150 3rd Street, Suite 217
Juneau, AK 99801

Anchorage Mailing/Physical Address
550 West Seventh Avenue
Suite 1940
Anchorage, AK 99501

Phone/Fax (Juneau)
Phone: 907-465-2521
Fax: 907-465-1230

Phone/Fax (Anchorage)
Phone: 907-269-8140
Fax: 907-269-8146

Website
www.dced.state.ak.us/bsc/secur.htm

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Chapter 55. Alaska Securities Act §45.55.040


III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $250.00 for the investment advisory firm

B. $75.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.
A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.

   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

*Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.*

A. Log on to your advisory firm’s IARD account.

B. Select IARD Main Tab.

C. In the “Forms” column under “ADV,” select “New Filing.”

D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV
Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

A. Item 1 through Item 4 will probably **not** need to be updated.
B. Do **not** delete the information in Item 2 (SEC Registration).
C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.

**Step 3. Complete Part 1B of the Form ADV**

Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.

A. Item 1 (State Registration)—Check the box for Alaska (as well as for any other state in which your advisory firm will be registering).
B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.
C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

A state investment adviser registered or required to be registered in the State of Alaska that has custody of client funds or securities shall be bonded in the amount of $35,000.

A state investment adviser registered or required to be registered in the State of Alaska that has discretionary authority over, but does not have custody of client funds or securities, shall be bonded in the amount of $10,000.

A state investment adviser that has its principal place of business in a state other than this state is exempt from the requirements of this section, if the state investment adviser is registered as an investment adviser in the state where it has its principal place of business and is in compliance with that state’s bonding requirements.

The administrator will only accept a bond as meeting the requirements of this section if the bond is:

- Issued by a company qualified to do business in this state;
- Issued on State of Alaska Form 08-100, or other form acceptable to the administrator; and
- Subject to the claims of all clients of the state investment adviser regardless of the client’s state of residence.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

A state investment adviser registered or required to be registered in the State of Alaska that is not required to be bonded shall maintain a positive net worth at all times.

A state investment adviser registered or required to be registered in the State of Alaska that does not otherwise have custody of or discretionary authority over client funds or securities requiring a bond, but that accepts prepayment of more than $500 per client and six or more months in advance, shall maintain a positive net worth at all times.

As a condition of the right to continue to transact business in this state, if the net worth of a state investment adviser registered or required to be registered in the State of Alaska that is not bonded becomes negative, the state investment adviser shall notify the administrator of that fact by the close of business on the next business day, unless the state investment adviser receives a waiver from the administrator. A state investment adviser registered or required to be registered in the State of Alaska that is required to be bonded shall notify the administrator by the close of business on the next business day if the state investment adviser’s net worth is less than the amount of the bond required. After transmitting a notice required by this subsection, the state investment adviser shall file with the administrator by the close of business on the next business day a report of the state investment adviser’s financial condition, including the following:

- A trial balance of all ledger accounts;
- A statement of all client funds or securities which are not segregated;
- A computation of the aggregate amount of client ledger debit balances; and
- A statement as to the number of client accounts.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).
F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.
G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

**Important Note:** Recent changes to federal custody rules have not yet been adopted by the State of Alaska.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

**Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System**

**Important Note:** Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

**Step 5: Sign the Execution Page and Submit the Form ADV Part 1**

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

**Important Note:** The following document is filed directly with the Alaska Division of Banking and Securities.

Surety Bond

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

**Important Note:** At present, the State of Alaska does not require investment adviser representatives to be fingerprinted.

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Alaska Statutes and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

**Important Note:** A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that at least one state registration is effective.

**Step 1. Access Form ADV-W**

A. Log on to your firm’s IARD account.

B. Select IARD Main Tab.

C. In the “Forms” column under “ADV-W” select “New Filing.”


**Step 2. Complete the Status Section**

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

**Step 3. Complete Items 1A Through 1D**
Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration **must not** withdraw their SEC registration until their advisory firm has been notified by the Arizona Securities Division (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

**Mailing Address**
Arizona Securities Division
1300 W. Washington St. 3rd Floor
Phoenix, AZ 85007

**Phone/Fax**
Phone: 602-542-4242
Fax: 602-594-7470

**Email**
securitiesdiv@azcc.gov

**Website**
www.azcc.gov/divisions/securities/

II. STATUTORY REQUIREMENTS FOR REGISTRATION

- Article 4, Arizona Investment Management Act §44-3153
- Article 2, Arizona Investment Management Rules

III. PRELIMINARY REGISTRATION ACTIONS

**Step 1. Calculate State Registration Fees**

*Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.*

A. $250.00 for the investment advisory firm

B. $40.00 for each investment adviser representative

**Step 2. Update Advisory Firm’s Current Form ADV Part 2A**

*Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.*

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

   “XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

   1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.
2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

   Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

   A. Log on to your advisory firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV,” select “New Filing.”
   D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

   Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

   A. Item 1 through Item 4 will probably not need to be updated.
   B. Do not delete the information in Item 2 (SEC Registration).
   C. Update the information in Item 5 (Information About Your Advisory Business).
   D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

   Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.
A. Item 1 (State Registration)—Check the box for Arizona (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Arizona.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2 to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

Important Note: The following documents are filed directly with the Arizona Securities Division.

A. Financial Statements

An investment adviser registered in the State of Arizona, and who takes or retains custody of securities or money of a client or requires payment of advisory fees six months or more in advance and in excess of $500, must file with the Arizona Securities Division within 90 days after the investment adviser’s fiscal year-end an annual audited balance sheet, including footnotes, together with the independent certified public account’s report.

If the investment adviser’s principal place of business is in another state, and the investment adviser is registered in that state, and the investment adviser has complied with the financial reporting requirement of that state, the investment adviser may file (in lieu of submitting the above audited balance sheet) with the Arizona Securities Division a copy of the financial reports that the adviser files in that state.

B. Branch Office Information

If your advisory firm intends to have one or more offices located in Arizona, please provide a list of all Arizona offices (include DBA if applicable). The list should include the address, phone number, and name of the contact person.

C. No Investment Adviser Activity Affidavit
A notarized affidavit of a principal stating that a review of the books, records, and correspondence of the investment adviser has been conducted, and whether any investment advisory services have been provided to Arizona residents during the period of September 1, 1994, through the date of application. If such services have been provided, the applicant should state which, if any, exemption was relied upon.

A sample form is available on the Arizona Security Division's website at www.azcc.gov/divisions/securities/forms/forms-ia.asp.

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

Step 1: File a Form U-4
For all individuals in the advisory firm who provide investment advisory services.

Step 2: File a Fingerprint Card
For all individuals in the advisory firm who provide investment advisory services.

Important Note: Submit the fingerprint card directly to the Arizona Securities Division a fingerprint card (supplied by the Division) and a check for $24.00 made payable to the Arizona Corporation Commission.

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Arizona Division of Securities Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question "check the box that indicates what you would like to do" should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D

Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

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Arkansas Securities Department
Heritage West Building, Suite 300
201 East Markham St.
Little Rock, Arkansas 72201-1692

Phone/Fax
Phone: 501-324-9260
Fax: 501-324-9268

Email
info@securities.arkansas.gov

Website
www.securities.arkansas.gov/

II. STATUTORY REQUIREMENTS FOR REGISTRATION
Arkansas Securities Act, Subchapter 3, §23-42-302
Rules of the Arkansas Securities Commissioner, Rule 302.02

III. PRELIMINARY REGISTRATION ACTIONS
Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $300.00 for the investment advisory firm
B. $75.00 for each investment adviser representative

Step 2. Update Advisory Firm's Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser's ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.
2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.

   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

   Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

   A. Log on to your advisory firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV,” select “New Filing.”
   D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

   Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

   A. Item 1 through Item 4 will probably not need to be updated.
   B. Do not delete the information in Item 2 (SEC Registration).
   C. Update the information in Item 5 (Information About Your Advisory Business).
   D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

   Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.
A. Item 1 (State Registration)—Check the box for Arkansas (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

Investment advisory firms whose principal place of business in Arkansas must post a company surety bond of $50,000 if:

- the firm holds customer funds, or
- has discretionary authority over any customer’s accounts.

No bond is required of the firms whose principal place of business is in a State other than Arkansas, and they are registered or licensed as an investment advisor in such State, and the firm is in compliance with the bonding requirements of such State.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

Each registered investment adviser in the State of Arkansas shall at all times have and maintain no less than a minimum net capital of twelve thousand five hundred dollars ($12,500). Net capital means the net worth of the applicant or registrant calculated by computing the excess of total assets over total liabilities. The provisions of this rule shall not apply to an investment adviser whose principal place of business is located in a State other than Arkansas, provided that the investment adviser is registered or licensed as an investment adviser in such State and is in compliance with the net capital requirements of such State.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 21 (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Arkansas.

J. Item 21 (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 21 (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2 to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

Important Note: The following documents are filed directly with the Arkansas Securities Division.
A. Investment Advisory Agreements

B. Resolution of Firm

*Important Note: Resolution authorizing the application to be executed by the person signing on page 1 of Form ADV.*

C. Financial Statements

Investment advisory firms registering in the State of Arkansas that have been engaged in business one year or more must provide a complete copy of their latest audited financial statements plus an unaudited statement of financial condition, as of a date within 30 days of the filing date.

Investment advisory firms registering in the State of Arkansas that neither hold customer funds or securities nor require repayment of more than $500 in fees per client and no more than 6 or more months in advance, may file only the unaudited state of financial condition instead of the complete audited statements. Such statements shall be certified as true and accurate by the chief financial officer or the person execution the Form ADV.

D. Uniform Surety Bond Information

E. Organizational Documents

Investment adviser applicants in the State of Arkansas must submit corporate formation documents as follows:

- If the applicant is a corporation, a copy of its articles of incorporation and amendments thereto, and a copy of its by-laws certified by the secretary of the corporation.
- If the applicant is a partnership, a copy of its partnership agreement, certified by a general partner.
- If the applicant is a limited liability company, a copy of its articles of organization as filed within the state in which it was formed and a copy of its operating agreement, if any, certified by a managing member.

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

*Important Note: At present, the State of Arkansas does not require investment adviser representatives to be fingerprinted.*

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Rules of the Arkansas Securities Commissioner.

VIII. WITHDRAW FROM SEC REGISTRATION

*Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.*

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.

B. Select IARD Main Tab.

C. In the “Forms” column under “ADV-W” select “New Filing.”


Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D

*Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.*

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules.
and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

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SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the California Securities Regulation Division (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Mailing Address
Department of Corporations
1515 K Street
Suite 200
Sacramento, CA 95814

Phone
916-445-7205

Website
http://www.corp.ca.gov/SRD/

II. STATUTORY REQUIREMENTS FOR REGISTRATION

California Corporations Code §25200 et seq.

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $125.00 for the investment advisory firm
B. $25.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If
you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.

   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

   A. Log on to your advisory firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV,” select “New Filing.”
   D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

   A. Item 1 through Item 4 will probably not need to be updated.
   B. Do not delete the information in Item 2 (SEC Registration).
   C. Update the information in Item 5 (Information About Your Advisory Business).
   D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.
A. Item 1 (State Registration)—Check the box for California (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

Any state-registered investment adviser with its principal place of business in California is subject to minimum financial requirements if the investment adviser (i) has custody of client funds or securities, (ii) has discretionary authority over client funds or securities or (iii) accepts prepayment of more than $500 per client and six or more months in advance.

An investment adviser who has custody of client funds or securities must maintain at all times a minimum net worth of $35,000. An investment adviser who has discretionary authority over client funds or securities but does not have custody of client funds or securities must maintain at all times a minimum net worth of $10,000. An investment adviser who accepts prepayment of more than $500 per client and six or more months in advance must maintain at all times a positive net worth.

An investment adviser with its principal place of business in a state other than California should maintain minimum capital as required by the state in which it maintains its principal place of business, provided the investment adviser is licensed or registered in such state and is in compliance with such state’s minimum capital requirements. If the investment adviser is not licensed or registered in the state where it maintains its principal place of business, it is subject to California’s minimum financial requirements.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of California. Under California law, however, an investment adviser has custody of client assets if the investment adviser withdraws fees directly from client accounts.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

Step 1. Revise Advisory Agreement(s) to Conform to California Administrative Code
Under California law the advisory agreement must disclose: (i) the services to be provided; (ii) the term of the contract; (iii) the advisory fee or the formula for computing the fee; (iv) the amount or the manner of calculation of the amount of the prepaid fee to be returned in the event of contract termination or nonperformance; (v) whether the contract grants discretionary power to the adviser or its representatives; and (vi) that the contract will not be assigned without the consent of the client. If the advisor does not have discretionary authority to place trade orders with a broker-dealer pursuant to a third party trading agreement, the contract should acknowledge that the advisor must secure client permission prior to effecting securities transactions for the client in the client’s broker-dealer account(s).

Step 2. File Supplemental Registration Documents

**Important Note:** The following documents (as applicable) are filed directly with the California Corporations Commissioner.

A. Investment Advisory Agreements

B. California Securities Filing (Corporation)

If the adviser is organized as a corporation under the laws of California, the offer and sale of securities in the adviser’s corporation must be qualified, unless exempt. If exempt, the adviser should file the appropriate limited/small offering exemption notice.

Please note that small corporations organized in California generally file a notice of transaction pursuant to either California Corporations Code Section 25102(f) or 25102(h). These forms may be found at [http://www.corp.ca.gov/forms/securities.asp#sl](http://www.corp.ca.gov/forms/securities.asp#sl). The appropriate securities filing should be completed and filed directly with the California Corporations Commissioner. If the adviser intends to file the Limited Offering Exemption Notice under California Corporations Code Section 25102(f), this notice must be filed online. For instructions to file the California Corporations Code Section 25102(f) notice online: [http://www.corp.ca.gov/loen/default.asp](http://www.corp.ca.gov/loen/default.asp).

C. California Securities Filing (Limited Liability Company)

If the adviser is organized as a limited liability company under the laws of California, it may need to qualify for sale the interests (securities) in its limited liability company or file a limited/small offering exemption notice.

The definition of “Security” is found in California Corporations Code Section 25019. This section prescribes that the interests in a limited liability company are considered a security and thus subject to either qualification of the securities or the filing of an exemption notice unless all of the members are actively engaged in the management of the limited liability company. If all members are not actively engaged in the limited liability company, make the appropriate filing as described above for a California Corporation.

D. Statement of Financial Condition

Required if the investment adviser will have custody of client funds or securities, discretionary authority over client funds or securities, or accept prepayment of more than $500 per client and six or more months in advance. The Balance Sheet should be dated no later than 45 days prior to the filing of the application and prepared in accordance with generally accepted accounting principles. The balance sheet need not be audited.

E. Minimum Financial Requirements Worksheet Form

Use this worksheet to demonstrate compliance with the capital requirements as found in California Code of Regulations §260.237.2.

F. Financial Planning Conflict of Interest Statement

If the investment adviser provides financial planning services and receives compensation (e.g. commissions, fees) from the sale of securities, insurance, real estate or other products or services recommended in a financial plan, a copy of the conflict of interest statement should be filed directly with the California Corporations Commissioner. This statement should include, at a minimum, that (a) a conflict exists between your interests and the interests of your client, (b) your client is under no obligation to act upon your recommendation, and (c) if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through you.

This statement may be included in the advisory contract or ADV Part 2A.

Step 3. Complete and Maintain These Additional Documents

**Important Note:** These forms should be completed and maintained as part of the adviser’s books and records. These forms must be provided to the California Corporations Commissioner upon request.


**Important Note:** Investment advisers that are located out of state should include this form in the original application package.

B. Statement of Citizenship, Alienage, and Immigration Status

**Important Note:** To be completed only by registrants that are organized as a sole proprietorship.

**VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES**

An investment adviser is defined in California Corporations Code Section 25009.5(a) as any partner, officer, director of (or a person occupying a similar status or performing similar functions) or other individual, except clerical or ministerial personnel,
who is employed by or associated with, or subject to the supervision and control of, an investment adviser that has obtained a certificate or that is required to obtain a certificate under this law, and who: (1) makes any recommendations or otherwise renders advice regarding securities; (2) manages accounts or portfolios of clients; (3) determines which recommendations or advice regarding securities should be given; (4) solicits, offers, or negotiates for the sale or sells investment advisory services, or (5) supervises employees who perform any of the foregoing.

Each officer, director or partner exercising executive responsibility (or persons occupying a similar status or performing similar functions) or each person who owns 25% or more is presumed to be acting as an investment adviser representative.

File a Form U-4 for all individuals in the advisory firm that meet the definition of investment adviser representative.

Important Note: At present, California does not require fingerprint cards for investment adviser representatives. The investment adviser should not consider an IAR “registration” approved until approved by the California Corporations Commissioner and notification of the approval has been received through CRD.

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the California Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D

Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Colorado Division of Securities (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Mailing Address
Colorado Division of Securities
1560 Broadway
Suite 900
Denver, CO 80202

Phone/Fax
Phone: 303-894-2320
Fax: 303-861-2126

Website
www.dora.state.co.us/Securities/

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Colorado Securities Act 11-51-400
Colorado Division of Securities Rules and Regulations Rule 51-4ia

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $60.00 for the investment advisory firm
B. $10.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If
you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.

   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

   Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

   A. Log on to your advisory firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV,” select “New Filing.”
   D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

   Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

   A. Item 1 through Item 4 will probably not need to be updated.
   B. Do not delete the information in Item 2 (SEC Registration).
   C. Update the information in Item 5 (Information About Your Advisory Business).
   D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

   Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.
A. Item 1 (State Registration)—Check the box for Colorado (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Colorado.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2 to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

Important Note: The following is filed directly with the Colorado Division of Securities.

Sample investment advisory agreement.

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

Important Note: At present, Colorado does not require investment adviser representatives to be fingerprinted.

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Colorado Division of Securities Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W
A. Log on to your firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV-W” select “New Filing.”

**Step 2. Complete the Status Section**

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

**Step 3. Complete Items 1A Through 1D**

*Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.*

**Step 4. Sign the Execution Page and Submit**

**IX. IMPORTANT INFORMATION**

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

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SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Connecticut Banking Department, Securities and Business Investments Division (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Mailing Address
State of Connecticut
Department of Banking
Securities and Business Investments Division
260 Constitution Plaza
Hartford, CT 06103

Phone/Fax
Phone: 860-240-8230
Fax: 860-240-8295

Website
www.ct.gov/dob/site/default.asp

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Title 36b—Connecticut Securities Law and Business Opportunity Investment Act
Regulations of Connecticut State Agencies Sections 36b-31-1 to 36b-31-31-33

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $315.00 for the investment advisory firm
B. $100.00 for each investment adviser representative

Step 2. Update Advisory Firm's Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.
2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

*Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.*

A. Log on to your advisory firm’s IARD account.

B. Select IARD Main Tab.

C. In the “Forms” column under “ADV,” select “New Filing.”

D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

*Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.*

A. Item 1 through Item 4 will probably not need to be updated.

B. Do not delete the information in Item 2 (SEC Registration).

C. Update the information in Item 5 (Information About Your Advisory Business).

D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

*Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.*
A. Item 1 (State Registration)—Check the box for Connecticut (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

   Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Connecticut.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

   Step 4: Upload the Form ADV Part 2 to the IARD System

   Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

   Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

   Important Note: The following documents are filed directly with the Connecticut Banking Department, Securities and Business Investments Division.

   A. Investment Advisory Agreements

      What must be in the investment advisory contract:

      • Services you will provide to your clients.
      • Term of the agreement (how long it lasts).
      • Fee Arrangement between you and your clients.
      • Formula for computing the advisory fee.
      • (If applicable) Designation of custodian or an acknowledgment (if applicable) that the adviser will have custody over client funds and/or securities.
      • Amount and manner of calculating the amount of the Prepaid fee to be returned to the client if the contract terminates or a party to the contract does not perform.
A space for the client’s signature, and the date.

A statement that the investment adviser will not be compensated on the basis of a share of capital gains upon or capital appreciation of client funds (or any portion of client funds). It is permissible, however, for the contract to state that the fee is based on total or net asset value or a flat fee. It is also permissible for compensation to be based upon total or net asset value of a fund averaged over a definite period or as of definite dates or taken as of a definite date. Performance fees that would be permitted and determined for federally regulated advisers in accordance with Section 205 of the federal Investment Advisers Act of 1940 and any rules or regulations adopted in accordance with that statute are also allowable.

A statement that the investment adviser cannot assign the contract without the other party's consent. (An assignment includes any direct or indirect transfer or hypothecation of the contract by the assignor or of the beneficial ownership of a controlling block of the assignor's outstanding voting securities by a security holder of the assignor.)

For partnerships only: The contract must state that the adviser will notify the other party to the contract of any change in the partnership's membership within a reasonable time after the change.

Acknowledgment that the client has received a copy of the adviser's disclosure statement (Part 2 of Form ADV or a disclosure containing the information in Part 2 of Form ADV) not less than 48 hours prior to entering into the contract. Note: If the contract gives the client the right to terminate the agreement without penalty within 5 business days after entering into the contract, it is permissible to provide the disclosure statement at the time the contract is signed.

(If applicable) Written authorization from the client permitting the adviser to place orders to buy or sell securities on the client's behalf.

(If applicable) Written Authorization from the client permitting the adviser to place orders to buy or sell securities on the client's behalf on the instruction of a third party.

(If applicable) Written authorization from the client permitting the adviser to exercise any discretionary power in placing an order for the purchase or sale of securities.

Special Note on Hedge Clauses: A hedge clause is a contract provision seeking to limit or entirely avoid an investment adviser's civil liability for various types of conduct or omissions arising from the advisory relationship. An adviser may violate the Connecticut Uniform Securities Act's antifraud provisions if the advisory contract leads a client to believe that the client has waived a right of action the client may have under state or federal securities law or common law, or if the contract otherwise misleads the client as to the nature of those rights.


Investment advisers with a Connecticut principal place of business must file a Statement of Financial Condition and a Registrant’s Certificate with the Connecticut Department of Banking, Securities and Business Investments Division.

The Statement of Financial Condition does not have to be audited (i.e. examined in accordance with generally accepted auditing standards and reported upon with an opinion expressed by an independent certified public accountant or independent public accountant) unless you have been in business for one year or more, and you will either (i) have custody or possession of client funds or securities or (ii) require the prepayment of advisory fees six months or more in advance and in excess of $500 per client. Even if you would normally have to obtain audited financial statements no more than 60 days old, the Connecticut Banking Commissioner has granted an exemption if: (a) you submit your most recent audited statement of financial condition; and (b) that financial statement includes an unaudited statement of financial condition as of a date within 60 days preceding the date your investment adviser application is filed.

Each investment adviser registered in the State of Connecticut must have tangible assets in excess of liabilities less satisfactory subordination agreements to the extent of at least $1,000. Each investment adviser must file a statement of financial condition as of a date within 60 days of the date on which their investment adviser application is filed. The financial statement must disclose the nature and amount of the investment adviser's assets, liabilities and capital. If the applicant is a sole proprietorship, include personal (as well as business) assets and liabilities.

Although an applicant should direct questions about calculating net tangible assets to their accountant, here are some pointers given by the Connecticut Department of Banking:

- Allowable assets are total assets less intangible assets.
- Allowable assets less liabilities equal net tangible assets.
- Intangible assets are determined by generally accepted accounting principles. A few examples: goodwill; organization costs; patents, copyrights and trademarks; leases, leaseholds and leasehold improvements; exploration rights and costs of development of natural resources; formulas, processes and designs (e.g., software); licenses, franchises, memberships and customer lists; prepaid expenses (e.g., rent, insurance); and deferred charges.

The Securities Division may consider other items if the applicant provides accounting authority demonstrating why the item should not be deducted from an investment advisory financial statement.

C. Connecticut Supplement.
VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

*Important Note:* At present, Connecticut does not require investment adviser representatives to be fingerprinted.

VII. POST-REGISTRATION REQUIREMENTS

Step 1. Conform existing compliance manual to the Connecticut Regulations

Step 2. Annual Filing of Registrant's Certificate and Statement of Financial Condition

VIII. WITHDRAW FROM SEC REGISTRATION

*Important Note:* A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

**Step 1. Access Form ADV-W**

A. Log on to your firm’s IARD account.

B. Select IARD Main Tab.

C. In the “Forms” column under “ADV-W” select “New Filing.”


**Step 2. Complete the Status Section**

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

**Step 3. Complete Items 1A Through 1D**

*Important Note:* Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

**Step 4. Sign the Execution Page and Submit**

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Delaware Division of Securities (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Address
Delaware Division of Securities
Carvel State Office Building
820 N. French St.
Wilmington, DE 19801

Phone
302-577-8424

Email
stanley.yackoski@state.de.us

Website
www.attorneygeneral.delaware.gov/consumers/investmented/pages/industryprof.shtml

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Delaware Securities Act §7314
Rules and Regulations Pursuant to the Delaware Securities Act, Part G

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $250.00 for the investment advisory firm
B. $50.00 for each investment adviser representative

Step 2. Update Advisory Firm's Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.
2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

   Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

   A. Log on to your advisory firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV,” select “New Filing.”
   D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

   Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

   A. Item 1 through Item 4 will probably not need to be updated.
   B. Do not delete the information in Item 2 (SEC Registration).
   C. Update the information in Item 5 (Information About Your Advisory Business).
   D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

   Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.
A. Item 1 (State Registration)—Check the box for Delaware (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

Every investment adviser having custody of or discretionary authority over client funds or securities shall be bonded in an amount of not less than $35,000 by a bonding company qualified to do business in Delaware. These requirements shall not apply to those applicants or registrants who comply with the minimum net worth requirements.

An investment adviser that has its principal place of business in a state other than Delaware shall be exempt from these requirements, provided that the investment adviser is registered as an investment adviser in the state where it has its principal place of business and is in compliance with such state’s requirements relating to bonding.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

Unless an investment adviser posts a bond pursuant, an investment adviser registered or required to be registered in the State of Delaware who has custody of client funds or securities must maintain at all times a minimum net worth of $35,000, and every investment adviser registered or required to be registered in the State of Delaware who has discretionary authority over client funds or securities but does not have custody of client funds or securities, must maintain at all times a minimum net worth of $10,000.

Unless otherwise exempted, as a condition of the right to continue to transact business in the State of Delaware, every investment adviser registered or required to be registered in the State of Delaware whose total net worth falls below the minimum required must notify the Delaware Securities Commissioner by the close of business on the next business day of such net worth deficiency. After transmitting such notice, each investment adviser shall, by the close of business on the next business day, file a report with the Delaware Securities Commissioner of its financial condition, including the following:

- A trial balance of all ledger accounts;
- A statement of all client funds, securities or assets which are not segregated;
- A computation of the aggregate amount of client ledger debit balances; and
- A statement as to the number of client accounts.

Every investment adviser that has its principal place of business in a state other than the State of Delaware shall maintain such minimum capital as required by the state in which the investment adviser maintains its principal place of business, provided the investment adviser is licensed in such state and is in compliance with such state’s minimum capital requirements.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Delaware.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.
Step 4: Upload the Form ADV Part 2 to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

Important Note: The following documents are filed directly with the Delaware Division of Securities.

A. Investment Adviser Affidavit
B. Investment adviser representative list
C. Balance Sheet

The balance sheet must be:

- Prepared in accordance with generally accepted accounting principles;
- Audited by an independent public accountant; and
- Accompanied by a note stating the principles used to prepare it, the basis of included securities, and any other explanations required for clarity.

Securities included at cost should show their market or fair value parenthetically.

Qualifications and any accompanying independent accountant’s report must conform to Article 2 of Regulation S-X.

Sole proprietor investment advisers:

- Must show investment advisory business assets and liabilities separate from other business and personal assets and liabilities; and
- May aggregate other business and personal asset and liabilities unless there is an asset deficiency in the total financial position.

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

Step 1: File a Form U-4

For all individuals in the advisory firm who provide investment advisory services.

Step 2: File Investment Adviser Representative Examination Affidavit

Important Note: At present, Delaware does not require investment adviser representatives to be fingerprinted.

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Delaware Securities Division Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.
Step 3. Complete Items 1A Through 1D

Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the District of Columbia Department of Insurance, Securities and Banking (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Address
Department of Insurance, Securities and Banking
810 First St., NE, Suite 701
Washington, DC 20002

Phone
202-727-8000

Website
www.disr.washingtondc.gov/disr/site/default.asp

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Securities Act of 2000
District of Columbia Municipal Regulations §1852.4

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $250.00 for the investment advisory firm
B. $45.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.
3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

A. Log on to your advisory firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV,” select “New Filing.”
D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

A. Item 1 through Item 4 will probably not need to be updated.
B. Do not delete the information in Item 2 (SEC Registration).
C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.

A. Item 1 (State Registration)—Check the box for District of Columbia (as well as for any other state in which your advisory firm will be registering).
B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

An investment adviser whose principal place of business is located in the District of Columbia and subject to the requirements of paragraph 1879.2(b) of the Securities Regulations shall file with the Department a Surety Bond in the amount of ten thousand dollars ($10,000.00).

The text of the required Surety Bond Form shall be as follows:

Surety Bond

____ of ____ as principal, and ____ a corporation, incorporated under the laws of the state of ____ and authorized to write bonds in the District of Columbia, as Surety, are held and firmly bound to the District of Columbia, Department of Insurance and Securities Regulation of the District of Columbia for the use and benefit of any persons damaged by any breach of this obligation in the sum of $10,000.00 for the payment of which sum we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally by these presents. The conditions of the bond are as follows:

1. The above mentioned principal has applied or will apply for a registration as an investment adviser under the provisions of the Act.

2. The above named principal is required to file a surety bond in accordance with provisions of the Section 203 (g)(1)(a) of the Securities Act (D.C. Register at 47 DCR 7847), and §1879.2(b) thereunder.

3. This bond is a continuing obligation and shall cover the full period or periods of registration of the principal, including initial and renewal registrations.

4. The surety shall not be obligated on this bond unless the principal fails to count for all money and securities, or fails to discharge all obligations imposed on it by the Act and rules adopted thereunder.

5. The liability of the surety for any one or more claims by any one or more persons shall not be cumulative and shall not exceed in the aggregate the sum of this bond.

6. Any persons who may have a cause of action arising under the Act, or condition (4) of this bond, may bring suit on this bond.

7. In the event that either the principal or the surety, or both, are served with notice of any suit on this bond, the person served with such notice shall immediately give written notice of the filing of such action to the District of Columbia Department of Insurance and Securities Regulation of the District of Columbia.

8. No suit may be maintained to enforce any liability on the bond unless brought within two (2) years after the sale or other act upon which said liability is based.

9. The surety or principal may cancel this bond by delivering sixty (60) days written notice to the District of Columbia Department of Insurance and Securities Regulation of the District of Columbia and to the other party(ies) to the bond. However, such cancellation shall not affect any liability incurred or accrued hereunder prior to the termination of said sixty-day period.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

An investment adviser whose principal place of business is located in the District of Columbia and is required to provide a balance sheet pursuant to Part II, item 14 of Form ADV shall:

Maintain a minimum net capital of $25,000.00; and

An investment adviser licensed or required to be licensed whose minimum net capital does not exceed $35,000.00 pursuant to monthly calculations shall post a Surety Bond in the amount of $10,000.00 within thirty (30) days after the computation which reflects the deficiency and the Surety Bond shall remain in effect for not less than twelve months thereafter. If the investment adviser’s minimum net capital remains below the $35,000.00 at the end of twelve months in which the bond is required, the investment adviser shall maintain the Surety Bond on a continuing basis.

An investment adviser licensed or required to be licensed in the District of Columbia shall notify the Department by the close of business on the next day if the minimum net capital as set forth in §1879.1 of the Department of Insurance and Securities Regulation of the District of Columbia falls below the minimum required.
After transmitting the notice, the investment adviser shall, by the close of business on the following business day, file with the Department a report of its financial condition, including the following:

- A trial balance of all ledger accounts;
- A computation of net capital as defined in subsection 1879.1 of the Department of Insurance and Securities Regulation of the District of Columbia;
- A statement of all client funds, securities, or assets that are not segregated;
- A computation of the aggregate amount of client debit balances; and
- A statement as to the number of client accounts and details of client accounts for any District residents.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 21 (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

**Important Note:** Recent changes to federal custody rules have not yet been adopted by the District of Columbia.

J. Item 21 (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 21 (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

**Step 4: Upload the Form ADV Part 2 to the IARD System**

**Important Note:** Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

**Step 5: Sign the Execution Page and Submit the Form ADV Part 1**

**V. ADDITIONAL REGISTRATION ACTIONS**

**File Supplemental Registration Documents**

**Important Note:** The following documents are filed directly with the District of Columbia Department of Insurance, Securities and Banking:

- District of Columbia Adviser Affidavit
- Financial Statement

An applicant must file a statement of financial condition, prepared in accordance with generally accepted accounting principles in such detail as to disclose the nature and amount of assets, liabilities, and capital. This requirement may be satisfied by either of the following:

- An audited statement of financial condition as of the end of the applicant’s most recent fiscal year which complies with the requirement of §1877 of the Securities Regulations; provided that such statement is no more than 45 days prior to the date of filing; or
- An unaudited balance sheet. Such balance sheet shall be accompanied by an oath or affirmation that the statement is true and correct to the best of his or her knowledge and belief and shall be made before a person duly authorized to administer the oath or affirmation. Such balance sheet shall be as of a date within thirty (30) days of the date on which the application is filed; and
As a part of the statement of financial condition, the Director may require the filing of the following separate schedules:

- Listing the securities owned by the applicant valued at the market; and
- Stating material contractual commitments of the applicant not otherwise reflected in the statements.

C. Copy of Surety Bond

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

Step 1: File a Form U-4

For all individuals in the advisory firm who provide investment advisory services.

Step 2: File Fingerprint Form

On behalf of each representative, the Investment Adviser must complete and submit a completed fingerprint form and a one-time $25.00 processing fee (in addition to the $45.00 licensing fee). If the representative resides in the District of Columbia, the Firm can obtain a fingerprint form by going to the Headquarters office of the District of Columbia Metropolitan Police Department (MPD) at 300 Indiana Avenue, NW, Washington, DC 20001. At the MPD headquarters, the Firm should obtain the fingerprint form that adheres to the form used by the Federal Bureau of Investigation. The Firm will have to pay a separate fee, other than the licensing and processing fees, to process this form at MPD. If the Agent resides in another state, the Firm can obtain the fingerprint form from that state or local police department.

Important Note: The District of Columbia Department of Insurance, Securities and Banking (DISB). Securities Bureau requires that all filings and correspondence submitted with checks for securities professionals' licenses, securities registrations, exemptions and notice filing fees be mailed directly to the DISB Securities Bureau's lockbox. The type of mail delivery service used will determine the appropriate lockbox address to use. There are two separate lockbox addresses: (1) a street address for filings submitted via overnight couriers such as the U.S. Postal Service Express Mail and other private courier services such as FedEx, UPS, DHL and Airborne Express and (2) a post office box address for filings submitted via regular U.S. Mail service.

The two lockbox addresses are as follows:

Filings submitted via U.S. Postal Service Express Mail overnight courier or private courier services such as DHL, UPS, FedEx and Airborne Express should be submitted to:

- DC Department of Insurance, Securities and Banking, Securities Bureau
- Bank of America Lockbox Services
- Lockbox #92660
- 11333 McCormick Road
- Hunt Valley, MD 21031

Filings submitted via regular U.S. mail service should be submitted to:

- DC Department of Insurance, Securities, and Banking, Securities Bureau
- PO Box 92660
- Washington, DC 20090

Checks should be made payable to the D.C. Treasurer.

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the District of Columbia Department of Insurance, Securities and Banking Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.

B. Select IARD Main Tab.

C. In the “Forms” column under “ADV-W” select “New Filing.”


Step 2. Complete the Status Section
The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D

*Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.*

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
FLORIDA
State Registration Fact Sheet

SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Florida Office of Financial Regulation, Division of Securities (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Mailing Address
Financial Services Commission
Office of Financial Regulation
200 East Gaines Street
The Fletcher Building
Tallahassee, FL 32399-0372

Phone/Fax
Phone: 850-410-9893
Fax: 850-410-9748

Website

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Florida Statues Chapter 517
Florida Administrative Code 69W-600: Registration of Dealers, Investment Advisers, Associated Persons

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees
Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $200.00 for the investment advisory firm
B. $50.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A
Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional Item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.
2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

A. Log on to your advisory firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV,” select “New Filing.”
D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

A. Item 1 through Item 4 will probably not need to be updated.
B. Do not delete the information in Item 2 (SEC Registration).
C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.
A. Item 1 (State Registration)—Check the box for Florida (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

Investment advisers registering in Florida who have custody of client funds or securities or who receive payment of advisory fees six months or more in advance and in excess of $500 per client shall maintain net capital in the amount of $25,000 calculated as prescribed by SEC Rule 15c3-1 (17 CFR 240.15c3-1), including any ratio requirements and appendices thereto, as such provisions existed on January 1, 1993. Investment advisers registering in Florida who do not have custody of client funds or securities or who do not receive payment for advisory services six months or more in advance and in excess of $500 per client shall maintain net capital: (i) in the amount of $5,000 calculated as prescribed by SEC Rule 15c3-1 (17 CFR 240.15c3-1), including any ratio requirements and appendices thereto, as such provisions existed on January 1, 1993; or (ii) of at least $2,500. For purposes of option (ii) above, net capital shall be defined as assets minus liabilities in accordance with Generally Accepted Accounting Principles as adopted by the American Institute of Certified Public Accountants, as such provisions existed on June 1, 1992.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 21 (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

*Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Florida.*

J. Item 21 (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 21 (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

**Step 4: Upload the Form ADV Part 2 to the IARD System**

*Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.*

**Step 5: Sign the Execution Page and Submit the Form ADV Part 1**

**V. ADDITIONAL REGISTRATION ACTIONS**

**Step 1. File Supplemental Registration Documents**

*Important Note: The following documents (as applicable) are filed directly with the Florida Office of Financial Regulation, Division of Securities.*

A. Investment Advisory Agreements

B. Financial Statements

*Investment adviser applicants in the State of Florida must file financial statements as of a date within ninety (90) days prior to the date of filing for registration. Such financial statements may be unaudited financial statements which*
are defined as those financial statements prepared in accordance with United States generally accepted accounting principles. Such financial statements must include an oath or affirmation that such statement or report is true and correct to the best knowledge, information, and belief of the person making such oath or affirmation; such oath or affirmation must be made before a person authorized to administer such oath or affirmation, and must be made by a duly authorized representative of the entity for whom the financial statements were prepared. Each investment adviser registered in the State of Florida and who has custody or possession of client’s funds or securities; requires prepayment of advisory fees six months or more in advance and in excess of $500 per client; or computes net capital pursuant to SEC Rule 15c3-1 shall file financial statements as of a date within ninety (90) days prior to the date of filing for registration. These financial statements need not be audited provided that there shall also be filed audited financial statements as of the applicant’s most recent fiscal year end. Those investment adviser applicants which have been in operation for a period of time less than twelve (12) months, and for whom an audited financial statement has not been prepared or is not available, shall be permitted to file unaudited financial statements provided the following conditions are met:

- Such financial statements are as of a date within thirty (30) days prior to the date of filing for registration, and are prepared in accordance with the provisions of paragraphs (2)(b), (2)(d) and (3)(c) of Rule 69W-300-1.002 of the Florida Administrative Code; and
- Such applicant is effectively registered with the SEC or FINRA

### Step 2. Designation of a Qualifying Principal

Every applicant for registration in the State of Florida must designate at least one associated person as a Qualifying Principal.

This is typically done in the cover letter to the Florida Office of Financial Regulation, Division of Securities that accompanies the filing of your advisory agreements and financial statements.

### Step 3: Corporate Information

Provide your advisory firm’s Federal ID Number.

This is typically done in the cover letter to the Florida Office of Financial Regulation, Division of Securities that accompanies the filing of your advisory agreements and financial statements.

### VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

#### Step 1: File a Form U-4

For all individuals in the advisory firm who provide investment advisory services.

#### Step 2: File a Fingerprint Card

For all individuals in the advisory firm who provide investment advisory services.

Fingerprint cards supplied by the Office of Financial Regulation taken by an authorized law enforcement agency, and accompanied by a non-refundable $43.25 processing fee.

### VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Florida Administrative Code.

### VIII. WITHDRAW FROM SEC REGISTRATION

**Important Note:** A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

#### Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV-W” select “New Filing.”

#### Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

#### Step 3. Complete Items 1A Through 1D

**Important Note:** Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.
Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
STATE REGISTRATION FACT SHEET—GEORGIA

GEORGIA
State Registration Fact Sheet

SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Georgia Securities Division (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Mailing Address
Georgia Securities Division
2 MLK Jr. Dr. S.E.
Suite 802, West Tower
Atlanta, GA 30334

Phone/Fax
Phone: 404-656-3920
Fax: 404-657-8410

Website
http://sos.georgia.gov/securities/

II. STATUTORY REQUIREMENTS FOR REGISTRATION


Rules under the Georgia Securities Act Chapter 590-4-8

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $200.00 for the investment advisory firm
B. $50.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If
you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.

   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

   Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

   A. Log on to your advisory firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV,” select “New Filing.”
   D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

   Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

   A. Item 1 through Item 4 will probably not need to be updated.
   B. Do not delete the information in Item 2 (SEC Registration).
   C. Update the information in Item 5 (Information About Your Advisory Business).
   D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

   Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.
A. Item 1 (State Registration)—Check the box for Georgia (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Georgia.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2 to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

Important Note: The following documents are filed directly with the Georgia Securities Division.

A. Balance Sheet

Every investment adviser, as defined under the Georgia Securities Act, who has custody of client funds or securities for the purposes of acting as an investment adviser or who requires payment of advisory fees six (6) months or more in advance, and in excess of five hundred dollars ($500.00) per client, shall file with the Securities Commissioner an audited balance sheet as of the end of the investment adviser’s fiscal year. Each balance sheet must be:

- Examined in accordance with generally accepted auditing standards and prepared in conformity with generally accepted accounting principles;
- Audited by an independent public accountant or an independent certified public accountant; and
- Accompanied by an opinion letter of the accountant concerning the report of financial position (i.e., balance sheet) and a note stating the principles used to prepare it, the basis of included securities, and any other explanations required for clarity.

Financial statements must be filed with the Commissioner as soon as possible, but no later than one hundred twenty (120) days after the end of the investment adviser’s fiscal year.
B. State Criminal History—Authorization and Consent Form

Important Note: For Georgia residents only.

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

Step 1: File a Form U-4
For all individuals in the advisory firm who provide investment advisory services.

Step 2: File a Fingerprint Card
For all individuals in the advisory firm who provide investment advisory services.

Important note: Use FBI Form FD-258.

VII. POST-REGISTRATION REQUIREMENTS
Conform existing compliance manual to the Rules under the Georgia Securities Act.

VIII. WITHDRAW FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W
A. Log on to your firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section
The first section of the Form ADV-W is entitled “Status.” The answer to the question "check the box that indicates what you would like to do" should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D

Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Hawaii Department of Commerce and Consumer Affairs, Securities Division (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Street Address
Department of Commerce and Consumer Affairs
Business Registration Division
Commissioner of Securities
King Kalakaua Building
335 Merchant St., Rm. 205
Honolulu, HI 96813

Mailing Address
Department of Commerce and Consumer Affairs
Business Registration Division
Commissioner of Securities
PO Box 40
Honolulu, HI 96810

Phone/Fax
Phone: 808-586-2744
Fax: 808-586-3977

Website
www.hawaii.gov/dcca/sec/

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Uniform Securities Act, Chapter 485A
Hawaii Administrative Rules §16-39-401

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $50.00 for the investment advisory firm
B. $25.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:
B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

A. Log on to your advisory firm’s IARD account.

B. Select IARD Main Tab.

C. In the “Forms” column under “ADV,” select “New Filing.”

D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

A. Item 1 through Item 4 will probably not need to be updated.
B. Do not delete the information in Item 2 (SEC Registration).
C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.

A. Item 1 (State Registration)—Check the box for Hawaii (as well as for any other state in which your advisory firm will be registering).
B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.
C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

Hawaii maintains the following surety bond requirements for investment advisers registered in the State of Hawaii:

- Advisers with custody or discretionary authority shall be bonded for $50,000.
- Advisers with custody or discretionary authority who do not meet the minimum financial requirements must be bonded in the amount of the net worth deficiency rounded up to the nearest $5,000.
- Advisers who maintain a principal place of business outside of Hawaii are exempt from the bonding requirements as long as the adviser is registered in the state where it maintains its principal place of business and is in compliance with that state’s bonding requirements.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

Hawaii maintains the following minimum net worth requirements for investment advisers registered in the State of Hawaii:

- No custody or discretionary authority—$5,000
- Custody of client funds or securities—$35,000
- Custody due to direct fee deduction—$5,000
- Custody due to advising a pooled investment vehicle—$5,000
- Discretionary authority only—$10,000

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).
F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.
G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.
H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.
I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Hawaii.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.
K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.
L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

Important Note: The following documents are filed directly with Hawaii Department of Commerce and Consumer Affairs, Securities Division.

A. Investment Advisory Agreements
B. Annual Balance Sheet
   If the applicant has been engaged in business one year or more preceding, an audited financial statement as of the last fiscal year if the adviser has custody or discretionary authority over client funds. If the applicant does not have custody or discretionary authority over client funds, financial statements verified by a duly authorized officer, or the equivalent, of the applicant and notarized.
C. Month-End Balance Sheet
   Important Note: A balance sheet as of a date within 30 calendar days of the filing, verified by a duly authorized officer, or the equivalent, of the applicant and notarized.
D. Surety Bond (if applicable)

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Hawaii Department of Commerce and Consumer Affairs, Securities Division Rules and Regulations.

VIII. WITHDRAWAL FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W
   A. Log on to your firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D

Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION
The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
IDaho
State Registration Fact Sheet

SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by Idaho Securities Bureau of the Department of Finance (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Street Address
Idaho Department of Finance
Securities Bureau
800 Park Blvd., Suite 200
Boise, ID 83712

Mailing Address
Idaho Department of Finance
Securities Bureau
PO Box 83720
Boise, ID 83720-0031

Phone
208-332-8000

Email
finance@finance.idaho.gov

Website

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Idaho Uniform Securities Act §30-14-403
Rules Pursuant to the Idaho Uniform Securities Act, Rule 89

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $150.00 for the investment advisory firm
B. $30.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”
B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

A. Log on to your advisory firm’s IARD account.

B. Select IARD Main Tab.

C. In the “Forms” column under “ADV,” select “New Filing.”

D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

A. Item 1 through Item 4 will probably not need to be updated.

B. Do not delete the information in Item 2 (SEC Registration).

C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.

**Step 3. Complete Part 1B of the Form ADV**

*Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.*

A. Item 1 (State Registration)—Check the box for Idaho (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

**Applicants must obtain a bond of a surety company duly authorized to transact business in this in the sum of twenty-five thousand ($25,000) and conditioned upon faithful compliance with the provisions of the Idaho Securities Act by the investment adviser such that upon failure to so comply by the investment adviser, the surety company shall be liable to any and all persons who may suffer loss by reason thereof. Except that an investment adviser that has its principal place of business in a state other than Idaho shall be excluded from these bonding requirements provided that such investment adviser is registered as an investment adviser in the state where it maintains its principal place of business and is in compliance with such state’s bonding requirements.**

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

*Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Idaho.*

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

**Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System**

*Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.*

**Step 5: Sign the Execution Page and Submit the Form ADV Part 1**

**V. ADDITIONAL REGISTRATION ACTIONS**

**File Supplemental Registration Documents**

*Important Note: The following documents are filed directly with the Idaho Securities Bureau of the Department of Finance.*

A. Investment Advisory Agreements
B. Surety Bond

C. Balance Sheet

The balance sheet must be dated as of the investment adviser's prior fiscal year-end; provided, however, if the investment adviser has not been in operation for an entire year, a balance sheet dated within ninety (90) days of filing shall be submitted.

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

Important Note: At present, Idaho does not require investment adviser representatives to be fingerprinted.

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Idaho Securities Bureau of the Department of Finance Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.

B. Select IARD Main Tab.

C. In the “Forms” column under “ADV-W” select “New Filing.”


Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D

Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by Illinois Securities Department (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Mailing Address
Illinois Secretary of State
Securities Department
Jefferson Terrace, Ste. 300 A
300 W. Jefferson St.
Springfield, IL 62702

Phone/Fax
Phone: 217-782-2256
Fax: 850-410-9748

Website
www.cyberdriveillinois.com/departments/securities/

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Illinois Securities Law of 1953
Part 130 Regulations under Illinois Securities Law of 1953

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees
Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $400.00 for the investment advisory firm
B. $150.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A
Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional Item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.
2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.

   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

   Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

   A. Log on to your advisory firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV,” select “New Filing.”
   D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

   Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

   A. Item 1 through Item 4 will probably not need to be updated.
   B. Do not delete the information in Item 2 (SEC Registration).
   C. Update the information in Item 5 (Information About Your Advisory Business).
   D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

   Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.
A. Item 1 (State Registration)—Check the box for Illinois (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Illinois.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

Step 1. File Supplemental Registration Documents

Important Note: The following documents (as applicable) are filed directly with the Illinois Securities Department.

A. Balance Sheet

Investment adviser registrants in the State of Illinois must file one copy of a balance sheet prepared not more than 60 days prior to the date of filing the application for registration. The balance sheet must contain an affirmation that the information is true and correct, together with a statement disclosing whether the investment adviser retains or during the term of registration will retain custody of any advisory client’s cash or securities or accepts prepayment of fees in excess of $500 per client and six (6) or more months in advance. The statement must be signed by an officer, general partner or the sole proprietor.

B. Corporate Information

Copy of Articles of Incorporation and By-Laws or Partnership Agreement or other documents as evidence of the legal formation of the applicant and a copy of any amendments.

C. Affidavit of Prior Investment Activities in Illinois

Applicants for registration in the State of Illinois must certify that:
Neither applicant nor any of his/her representatives has rendered any investment advice for a fee or entered into any agreement to render investment advice for a fee to any Illinois residents; and

Neither applicant nor any of his/her representatives will engage in the business of rendering investment advice for a fee to Illinois residents until said firm is registered to do so with the Illinois Securities Department; or

Applicant has rendered investment advice for a fee to Illinois residents. All information relating to said advice is attached, including the exemption or exclusion under which Illinois residents' accounts have been or are being serviced, if applicable.

E. Copy of Schedule D

Must list each branch office in Illinois and include $20 fee payable to Secretary of State for each branch office.


Applicant makes the following representations as a condition to registration as an investment adviser under the provisions of Section 8.D of the Illinois Securities Law of 1953 and its relevant Administrative Rules thereunder:

- Applicant will not charge or receive compensation in connection with the rendering of investment advice unless such compensation is fair and reasonable, is determined on an equitable basis and adequately disclosed in writing to each Illinois advisory client. Negotiable fees will not be based upon capital gains or performance unless in conformance with the provisions of Rule 205-3 under the Investment Advisers Act of 1940; and

- Applicant, when selecting the services of a dealer to effectuate securities transactions for Illinois advisory clients, will utilize dealers registered in the State of Illinois unless such transactions are otherwise exempt pursuant to Section 4 of the Act; and

- Applicant will ensure that each designated principal and each investment adviser representative who offers for sale or sells securities in the State of Illinois will be registered as a salesperson under Section 8.C of the Act; and

- Applicant will provide each Illinois advisory client and prospective advisory client with a written disclosure statement (brochure) as required by Section 130.846 of the Rules under the Act and Rule 204-32 under the Investment Advisers Act of 1940. Adverse financial and disciplinary information will be disclosed in accordance with the provisions of Section 130.847 of the Rules under the Act.

Step 2. Designate Principals

Important Note: Each investment adviser registered in the State of Illinois must have at least one examination-qualified principal who is responsible for the rendering of investment advice and the supervision of each investment adviser representative servicing Illinois customer accounts. Each designated principal must have passed the qualifying examinations or educational program designation.

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

Important Note: At present, Illinois does not require investment adviser representatives to be fingerprinted.

VII. POST-REGISTRATION REQUIREMENTS


VIII. WITHDRAW FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.

B. Select IARD Main Tab.

C. In the “Forms” column under “ADV-W” select “New Filing.”


Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off.
The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice "(a)," which will signify your advisory firm’s withdrawal from the SEC.

**Step 3. Complete Items 1A Through 1D**

*Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.*

**Step 4. Sign the Execution Page and Submit**

**IX. IMPORTANT INFORMATION**

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by Indiana Securities Division (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Address
Indiana Securities Division
302 West Washington Street
Room E-111
Indianapolis, IN 46204

Phone/Fax
Phone: 317-232-6681
Fax: 317-233-3675

Website
www.in.gov/sos/securities/

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Indiana Uniform Securities Act IC 23-19
Indiana Administrative Code, 710 IAC 1-16-7

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $100.00 for the investment advisory firm
B. $25.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.
2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

A. Log on to your advisory firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV,” select “New Filing.”
D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

A. Item 1 through Item 4 will probably not need to be updated.
B. Do not delete the information in Item 2 (SEC Registration).
C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.
A. Item 1 (State Registration)—Check the box for Indiana (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

**Important Note:** Recent changes to federal custody rules have not yet been adopted by the State of Indiana.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

**Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System**

**Important Note:** Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

**Step 5: Sign the Execution Page and Submit the Form ADV Part 1**

**V. ADDITIONAL REGISTRATION ACTIONS**

**File Supplemental Registration Documents**

**Important Note:** The following documents are filed directly with the Indiana Securities Division.

A. Investment Advisory Agreements

B. Financial Statements

**Investment adviser applying for registration in the State of Indiana must file an audited balance sheet if the investment adviser:**

- Will have custody or possession of clients’ funds or securities; or
- Bills clients more than $500 and more than six months in advance.

The filing of a balance sheet is an annual requirement of all investment advisers registered in the State of Indiana. Annual balance sheets must be sent to the Indiana Securities Division within 120 days of the end of the investment adviser’s fiscal year.

**VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES**

**Step 1. File a Form U-4**

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STATE REGISTRATION FACT SHEET—INDIANA  
Page 73 of 235
For all individuals in the advisory firm who provide investment advisory services.

Step 2. Background Check

Important Information: Criminal background checks are required for each new registration as an investment adviser representative in Indiana. Please note that this does not apply to those already registered as an agent, those currently undergoing agent registration, or those who have a previous investment adviser representative registration. These new investment adviser representative applicants must submit fingerprints for a national criminal history background check by the Federal Bureau of Investigation.

The Indiana Securities Division will NOT approve a registration without an FBI criminal background report

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Indiana Securities Division Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question "check the box that indicates what you would like to do" should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D

Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
IOWA
State Registration Fact Sheet

SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Iowa Securities & Regulated Industries Bureau (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Mailing Address
Iowa Insurance Division
330 Maple St.
Des Moines, IA 50319-0065

Phone/Fax
Phone: 515-281-5705
Fax: 515-281-3059

Website
www.iid.state.ia.us/ia_securities_bureau/index.asp

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Iowa Uniform Securities Act §502.403
Securities Administrative Rules §191-50.31(502)

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $100.00 for the investment advisory firm
B. $30.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional Item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If
you have supplied this information elsewhere in your Form ADV, you do not need to
repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a
supervised person is compensated for advisory services with performance-based
fees, explain how these fees will be calculated. Disclose specifically that
performance-based compensation may create an incentive for the adviser to
recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below,
disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging
damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory
organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of
Part 2A, describe any relationship or arrangement that you or any of your
management persons have with any issuer of securities that is not listed in Item 10.C.
of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be
registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC
registration until they have been notified that their state registration is effective.

A. Log on to your advisory firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV,” select “New Filing.”
D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with
One or More States.”

Step 2. Complete Part 1A of Form ADV

Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an
active registration with the SEC.

A. Item 1 through Item 4 will probably not need to be updated.
B. Do not delete the information in Item 2 (SEC Registration).
C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A,
will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your
advisory business and will need to be completed in its entirety.
A. Item 1 (State Registration)—Check the box for Iowa (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

Every investment adviser registered or required to be registered under the Act having custody of or discretionary authority over client funds or securities shall be bonded in an amount determined by the administrator based upon the number of clients and the total assets under management of the investment adviser except:

- An investment adviser that has custody solely due to direct fee deduction and that is also in compliance with the applicable safekeeping requirements of paragraph 50.39(1)“d” and the record-keeping requirements of rule 191-50.42(502) is not required to comply with bonding requirements of this rule;

- An investment adviser that has custody of or discretionary authority over client funds or securities that does not meet the minimum net worth standard provisions of subrules 50.40(1) and 50.40(2) must be bonded in the amount of the net worth deficiency rounded up to the nearest $5,000;

- An investment adviser having custody solely due to advising pooled investment vehicles and that is in compliance with the applicable safekeeping requirements of paragraph 50.39(1)“a” and the record-keeping requirements of rule 191-50.42(502) is not required to comply with the bonding requirements of this rule;

- An investment adviser having custody solely due to meeting the definition of “custody” as defined by subparagraph 50.39(3)“a(3) and that is in compliance with the applicable safekeeping requirements of rule 191-50.39(502) is not required to comply with the bonding requirements of this rule;

- An investment adviser having custody solely by meeting the definition of “custody” as defined by subparagraph 50.39(3)“a(4) and that is in compliance with the safekeeping requirements of rule 191-50.39(502) is not required to comply with the bonding requirements of this rule;

- An investment adviser having custody solely due to serving as a trustee and that is in compliance with the applicable safekeeping requirements of paragraph 50.39(1)“f” and the record-keeping requirements of subrule 50.42(4) is not required to comply with the bonding requirements of this rule.

A bond required by this rule shall be issued by a company qualified to do business in this state in the form determined by the administrator and shall be subject to the claims of clients of the investment adviser regardless of the client’s state of residence.

An investment adviser that has a principal place of business in a state other than Iowa is exempt from this rule provided that the investment adviser is registered as an investment adviser in the state in which the investment adviser has its principal place of business and is in compliance with that state’s laws regarding bonding requirements.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

An investment adviser registered or required to be registered under the Iowa Securities Act that has custody of client funds or securities shall maintain at all times a minimum net worth of $35,000 except:

- An investment adviser that has custody solely due to direct fee deduction and that is also in compliance with the applicable safekeeping requirements of paragraph 50.39(1)“d” and the record-keeping requirements of rule 191-50.42(502) is not required to comply with the net worth requirements of this rule;

- An investment adviser having custody solely due to advising pooled investment vehicles and that is in compliance with the applicable safekeeping requirements of paragraph 50.39(1)“a” or 50.39(2)“c” and the record-keeping requirements of rule 191-50.42(502) is not required to comply with the net worth requirements of this rule;

- An investment adviser having custody solely due to meeting the definition of custody as defined by subparagraph 50.39(3)“a(3) and that is in compliance with the applicable safekeeping requirements of rule 191-50.39(502) is not required to comply with the net worth requirements of this rule;

- An investment adviser having custody solely by meeting the definition of custody as defined by subparagraph 50.39(3)“a(4) and that is in compliance with the safekeeping requirements of rule 191-50.39(502) is not required to comply with the net worth requirements of this rule; and

- An investment adviser having custody solely due to serving as a trustee and that is in compliance with the applicable safekeeping requirements of paragraph 50.39(1)“f” and the record-keeping requirements of subrule 50.42(4) is not required to comply with the net worth requirements of this rule.

An investment adviser registered or required to be registered pursuant to the Act that has discretionary authority over client funds or securities but does not have minimum net worth requirements due to the custody exceptions of subrule 50.40(1) shall maintain a minimum net worth of $10,000 at all times.
An investment adviser registered or required to be registered pursuant to the Act that accepts payment of more than $500 from a client six or more months in advance of providing services shall maintain a positive net worth at all times.

Unless otherwise exempted, an investment adviser registered or required to be registered pursuant to the Act shall notify the administrator if the investment adviser’s net worth is less than the minimum required. Notice must be filed in a report to the administrator no later than the close of business on the next business day following the decrease in net worth. Additionally, an investment adviser shall file by the close of business on the next business day a report with the administrator of the investment adviser’s financial condition including, at a minimum, the following:

- A trial balance of all ledger accounts;
- A list of all client funds or securities which are not segregated;
- A computation of the aggregate amount of client ledger debit balances; and
- The total number of client accounts managed by the investment adviser.

The administrator may require the submission of a current appraisal for the purpose of establishing the worth of any asset.

An investment adviser that has its principal place of business in a state other than this state is not required to maintain the minimum capital required by this rule provided that the investment adviser is registered as an investment adviser in the state in which the investment adviser has its principal place of business and is in compliance with that state’s laws regarding minimum capital requirements.

Net worth” means an excess of assets over liabilities calculated in accordance with generally accepted accounting principles. The calculation of assets shall not include the following: prepaid expenses (except those prepaid expenses classified as assets under generally accepted accounting principles); deferred charges, goodwill, franchise rights, organizational expenses, patents, copyrights, marketing rights, unamortized debt discount and expense, and all other assets of intangible nature; home(s), home furnishings, automobile(s), or any other personal items not readily marketable; advances or loans to stockholders or officers; and advances or loans to partners.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Iowa.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

Important Note: The following is filed directly with the Iowa Securities & Regulated Industries Bureau.
Surety Bond (if applicable)

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

*Important Note: At present, Iowa does not require investment adviser representatives to be fingerprinted.*

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Iowa Securities & Regulated Industries Bureau Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

*Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.*

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D

*Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.*

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Office of the Kansas Securities Commissioner (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Address
Office of the Kansas Securities Commissioner
109 SW 9th Street
Suite 600
Topeka, KS 66612

Phone/Fax
Phone: 785-296-3307
Fax: 785-296-6872

Email
ksc@ksc.ks.gov

Website
www.securities.state.ks.us

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Kansas Uniform Securities Act §17-12a403
Kansas Securities Regulations §81-14-1

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $100.00 for the investment advisory firm
B. $55.00 for each investment adviser representative

Step 2. Update Advisory Firm's Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):
   1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this
information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

A. Log on to your advisory firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV,” select “New Filing.”
D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

A. Item 1 through Item 4 will probably not need to be updated.
B. Do not delete the information in Item 2 (SEC Registration).
C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV
Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.

A. Item 1 (State Registration)—Check the box for Kansas (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

Each investment adviser that is registered or required to be registered in the State of Kansas shall maintain at all times a positive adjusted net worth. Each investment adviser that is registered or required to be registered in the State of Kansas and that has discretionary authority over client funds or securities shall maintain at all times a minimum adjusted net worth of $10,000, unless the investment adviser is subject to the greater requirements set forth below. Each investment adviser that is registered or required to be registered in the State of Kansas and that has custody of client funds or securities shall maintain at all times a minimum adjusted net worth of $35,000, except the following advisers:

- Any investment adviser that has custody solely because the adviser meets the definition of custody by having fees directly deducted from client accounts and that complies with certain safekeeping requirements;
- Any investment adviser that has custody solely because the adviser meets the definition of custody due to any arrangement that gives an investment adviser or its supervised person legal ownership of or access to client funds or securities, which may include an arrangement in which the investment adviser or its supervised person is the trustee of a trust, the general partner of a limited partnership, the managing member of a limited liability company, or a comparable position for a pooled investment vehicle and that complies with certain safekeeping requirements and certain recordkeeping requirements; and
- Any investment adviser that has custody solely because the adviser is trustee for a beneficial trust and certain other conditions are met.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Kansas.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.
Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

Important Note: The following documents are filed directly with the Office of the Kansas Securities Commissioner.

A. Investment Advisory Agreements

B. Financial Statements

Each investment adviser registered in the State of Kansas who has custody of client funds or securities, and each registered investment adviser registered in the State of Kansas who accepts the payment of advisory fees six months or more in advance and in excess of $500 from any client, shall make and maintain a balance sheet dated the last day of the investment adviser’s fiscal year. Each balance sheet shall meet both of the following requirements:

- The balance sheet shall be audited by an independent certified public accountant in accordance with generally accepted auditing standards.
- The balance sheet shall be accompanied by a report of the independent auditor containing an unqualified opinion that the balance sheet is a fair presentation of the investment adviser’s financial position and is made in conformity with GAAP.

The balance sheet and report shall be prepared within 90 days following the end of the investment adviser’s fiscal year. The investment adviser shall file the balance sheet and report with the administrator within five days after a request by the administrator.

C. Surety Bond

Every investment adviser registered or required to be registered under the Kansas Uniform Securities Act that has custody or discretionary authority over client funds or securities shall be bonded for at least $35,000. The bond shall be in a form acceptable to the administrator from a bonding company qualified to do business in Kansas, and the bond shall be subject to the claims of all clients of the investment adviser, regardless of each client’s state of residence.

Additional bond requirement. If an investment adviser does not meet the minimum adjusted net worth requirement of paragraphs (d)(2) and (d)(3), the investment adviser shall also be bonded for the amount of the net worth deficiency rounded up to the nearest $5,000.

Exemptions. Each investment adviser shall be exempt from the requirements of this subsection if the adviser meets at least one of the following requirements:

- maintains a minimum adjusted net worth that exceeds the requirements of subsection (d) by at least $35,000;
- qualifies for an exception from the minimum adjusted net worth requirements of paragraph (d)(3) and does not have discretionary authority; or
- has its principal place of business in a state other than Kansas, is properly registered in that state, and satisfies the bonding requirements of that state.

D. Supervisory Procedures

E. Privacy Policy

F. Copy of the qualified custodian’s new account form that includes the third-party trading authority

G. Identification of one or more individual investment advisory representatives who will service clients in Kansas

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

Important Note: At present, Kansas does not require investment adviser representatives to be fingerprinted.

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Office of the Kansas Securities Commissioner Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION
Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

**Step 1. Access Form ADV-W**

A. Log on to your firm’s IARD account.

B. Select IARD Main Tab.

C. In the “Forms” column under “ADV-W” select “New Filing.”


**Step 2. Complete the Status Section**

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

**Step 3. Complete Items 1A Through 1D**

*Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.*

**Step 4. Sign the Execution Page and Submit**

**IX. IMPORTANT INFORMATION**

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by Securities Division of the Kentucky Department of Financial Institutions (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Address
Department of Financial Institutions
1025 Capital Center Drive
Suite 200
Frankfort, KY 40601

Phone/Fax
Phone: 502-573-3390
Fax: 502-573-2182

Email
kfi@ky.gov

Website
www.kfi.ky.gov/securities/default.htm

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Kentucky Revised Statutes §292.330
Kentucky Administrative Regulations, Chapter 10 (Securities)

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $100.00 for the investment advisory firm
B. $50.00 for each investment adviser representative

Step 2. Update Advisory Firm's Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this
2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

A. Log on to your advisory firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV,” select “New Filing.”
D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

A. Item 1 through Item 4 will probably not need to be updated.
B. Do not delete the information in Item 2 (SEC Registration).
C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV
Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.

A. Item 1 (State Registration)—Check the box for Kentucky (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

An investment adviser registered or required to register in the State of Kentucky must meet the following net worth requirements established:

- An investment adviser registered in the Commonwealth of Kentucky who has custody of client funds or securities, except an adviser having custody due entirely to advising pooled investment vehicles, must maintain a minimum net worth of $35,000. An adviser may substitute up to $25,000 of the net worth requirement with a bond for the substituted amount issued by a bonding company that is qualified to do business in Kentucky.
- An investment adviser registered in the Commonwealth of Kentucky who has discretionary authority over client funds or securities, but does not have custody of client funds or securities must maintain a minimum net worth of $10,000 or be bonded for that amount by a bonding company that is qualified to do business in Kentucky.
- An investment adviser registered in the Commonwealth of Kentucky must maintain a positive net worth.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the Commonwealth of Kentucky.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents
A. Investment Advisory Agreements

The contract must contain the following: (i) the nature of the advisory services to be provided; (ii) the time period that the contract remains in effect; (iii) the advisory fee and the formula for computing the fee; (iv) the amount of prepaid fee to be returned in the event of contract termination or non-performance; (v) whether the contract grants discretionary power to the adviser and, if so, the terms of the discretionary power; (vi) whether the contract grants custody of customer funds to the adviser and, if so, the terms of the custody; and (vii) that the adviser shall not assign the contract without the prior written consent of the customer.

B. Surety Bond (if applicable)

C. Current Financial Statement (if applicable)

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

Step 1: File a Form U-4.

For all individuals in the advisory firm who provide investment advisory services.

Step 2: FBI Criminal Background Check.

Important Note: An FBI background check can take approximately 14 to 16 weeks.


VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Securities Division of the Kentucky Department of Financial Institutions Rules and Regulations.

VIII. WITHDRAWAL FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.

B. Select IARD Main Tab.

C. In the “Forms” column under “ADV-W” select “New Filing.”


Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D

Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.
U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration **must not** withdraw their SEC registration until their advisory firm has been notified by the Louisiana Office of Financial Institutions Securities Division (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

**Street Address**
Louisiana Office of Financial Institutions
Securities Division
8660 United Plaza Blvd., 2nd Floor
Baton Rouge, LA 70809

**Phone/Fax**
Phone: 225-925-4660
Fax: 225-925-4511

**Website**

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Louisiana Securities Law §703
Louisiana Administrative Code, Title 10

III. PRELIMINARY REGISTRATION ACTIONS

**Step 1. Calculate State Registration Fees**

*Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.*

A. $150.00 for the investment advisory firm
B. $0.00 for each investment adviser representative

**Step 2. Update Advisory Firm’s Current Form ADV Part 2A**

*Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.*

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.
2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

A. Log on to your advisory firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV,” select “New Filing.”
D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

A. Item 1 through Item 4 will probably not need to be updated.
B. Do not delete the information in Item 2 (SEC Registration).
C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.
A. Item 1 (State Registration)—Check the box for Louisiana (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

   Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Louisiana.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

   Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

   Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

   Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

   File Supplemental Registration Documents

   Important Note: The following documents are filed directly with the Louisiana Office of Financial Institutions Securities Division.

   Financial Statements

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

   File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

   Important Note: At present, Louisiana does not require investment adviser representatives to be fingerprinted.

VII. POST-REGISTRATION REQUIREMENTS

   Conform existing compliance manual to the Louisiana Office of Financial Institutions Securities Division Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION
Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

**Step 1. Access Form ADV-W**
A. Log on to your firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV-W” select “New Filing.”

**Step 2. Complete the Status Section**
The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

**Step 3. Complete Items 1A Through 1D**
*Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.*

**Step 4. Sign the Execution Page and Submit**

**IX. IMPORTANT INFORMATION**
The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Maine Office of Securities (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Mailing Address
Department of Professional & Financial Regulation
Office of Securities
121 State House Station
Augusta, ME 04333

Overnight Address
Department of Professional & Financial Regulation
Office of Securities
76 Northern Ave.
Gardiner, ME 04345

Phone/Fax
Phone: 207-624-8551
Fax: 207-624-8590

Website
www.state.me.us/pfr/securities/index.shtml

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Maine Uniform Securities Act, Title 32, Chapter 135
Office of Securities Rules Chapter 515

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $200.00 for the investment advisory firm
B. $50.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:
   “XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”
B. Respond fully to Item 19 (Requirements for State-Registered Advisers):
1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.

   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

   Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

   A. Log on to your advisory firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV,” select “New Filing.”
   D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

   Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

   A. Item 1 through Item 4 will probably not need to be updated.
   B. Do not delete the information in Item 2 (SEC Registration).
   C. Update the information in Item 5 (Information About Your Advisory Business).
   D. Update any other information (as necessary) in Item 6 through Item 11.
Step 3. Complete Part 1B of the Form ADV

**Important Note:** Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.

A. Item 1 (State Registration)—Check the box for Maine (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

   Every investment adviser licensed in the State of Maine having custody of or discretionary authority over client funds or securities that does not meet the required minimum net worth standard, must be bonded in the amount of the net worth deficiency rounded up to the nearest $5,000.

   Any bond required by this section shall be:
   - Issued by a company qualified to do business in this state;
   - In the form determined by the Administrator; and
   - Subject to the claims of all clients of the investment adviser regardless of the client’s state of residence.

   An investment adviser that has its principal place of business in a state other than Maine shall be exempt from the requirements of this section, provided that the investment adviser is licensed as an investment adviser in such state and is in compliance with such state’s requirements relating to bonding.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

   An investment adviser licensed or required to be licensed in the State of Maine that has custody of client funds or securities shall maintain at all times a minimum net worth of $35,000. An investment adviser licensed or required to be licensed in the State of Maine that has discretionary authority over client funds or securities but does not have custody of client funds or securities shall maintain at all times a minimum net worth of $10,000. An investment adviser licensed or required to be licensed in the State of Maine that accepts prepayment of fees of more than $500 per client six (6) or more months in advance shall maintain at all times a positive net worth.

   Unless otherwise exempted, as a condition of the right to transact business in the State of Maine, every investment adviser licensed or required to be licensed in the State of Maine must by the close of business on the next business day notify the Administrator if that investment adviser’s net worth is less than the minimum required. After transmitting such notice, each investment adviser must file by the close of business on the next business day a report with the Administrator of its financial condition, including the following:
   - A trial balance of all ledger accounts;
   - A statement of all client funds or securities which are not segregated;
   - A computation of the aggregate amount of client ledger debit balances; and
   - A statement as to the number of client accounts.

   Every licensed investment adviser that has its principal place of business in a state other than Maine shall maintain only such minimum capital as required by such state, provided the investment adviser is licensed in such state and is in compliance with such state’s minimum capital requirement.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

   **Important Note:** Recent changes to federal custody rules have not yet been adopted by the State of Maine.
J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

Important Note: The following documents are filed directly with the Maine Office of Securities.

A. Financial Statement
B. Form BR for branch office(s) (if applicable)

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

Step 1: File a Form U-4

For all individuals in the advisory firm who provide investment advisory services.

Step 2: Fingerprints.

A complete set of fingerprints taken by an authorized law enforcement officer is required. In Maine, authorized law enforcement officers are set forth in Title 25, Section 1549. Applicants who are residents of other jurisdictions shall use law enforcement officers in their home jurisdiction who are authorized by law to take fingerprints. This requirement shall be waived if the applicant is currently registered or licensed by a state securities regulator at the time application for licensure in this state is made and the applicant has previously submitted fingerprint impressions to NASD, the CRD, or another securities regulator in connection with registration or licensure.

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Maine Office of Securities Rules and Regulations.

VIII. WITHDRAWAL FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice (a), which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D

Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.
**Step 4. Sign the Execution Page and Submit**

**IX. IMPORTANT INFORMATION**

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Maryland Securities Division (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Mailing Address
Maryland Securities Division
200 St. Paul Place
Baltimore, MD 21202

Phone/Fax
Phone: 410-576-6360
Fax: 410-576-6532

Email
securities@oag.state.md.us

Website
www.oag.state.md.us/securities/

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Code of Maryland Title 2 Subtitle 02 Division of Securities
Maryland Securities Act

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $300.00 for the investment advisory firm
B. $50.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this item.
2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

   Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

   A. Log on to your advisory firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV,” select “New Filing.”
   D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

   Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

   A. Item 1 through Item 4 will probably not need to be updated.
   B. Do not delete the information in Item 2 (SEC Registration).
   C. Update the information in Item 5 (Information About Your Advisory Business).
   D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

   Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.
A. Item 1 (State Registration)—Check the box for Maryland (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

An investment adviser registered or required to be registered in the State of Maryland that has custody of client funds, assets, or securities, or requires payment of advisory fees more than 6 months in advance and in excess of $500 per client, shall:

- Maintain at all times a minimum net capital of $20,000, or minimum tangible net assets of $35,000; or
- Be bonded in the amount of $10,000 by a bonding company qualified to do business in this State, or deposit cash or any other equivalent form of security as the Securities Commissioner of the Division of Securities may permit in the amount of $10,000.

An investment adviser registered or required to be registered in the State of Maryland shall notify the Securities Commissioner of the Division of Securities by the close of business on the next business day if the investment adviser’s total net capital or tangible net assets falls below the minimum required net capital or minimum required tangible net assets. After transmitting the notice, the investment adviser shall, by the close of business on the following business day, file with the Securities Commissioner of the Division of Securities a report of its financial condition, including the following:

- A trial balance of all ledger accounts;
- A computation of net capital or tangible net assets;
- A statement of all client funds, securities, or assets that are not segregated;
- A computation of the aggregate amount of client ledger debit balances; and
- A statement of the number of client accounts.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

*Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Maryland.*

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

**Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System**

*Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.*

**Step 5: Sign the Execution Page and Submit the Form ADV Part 1**
V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

Important Note: The following documents are filed directly with the Maryland Securities Division.

A. Investment Advisory Agreements

B. Financial Statements

An investment adviser registered in the State of Maryland that has custody of client funds or securities, or requires payment of advisory fees 6 months or more in advance and in excess of $500 per client, shall file with the Securities Commissioner of the Division of Securities an audited balance sheet as of the end of the investment adviser's fiscal year. Each balance sheet filed shall be:

- Audited by an independent certified public accountant;
- Prepared in conformity with generally accepted accounting principles; and
- Accompanied by a note stating the principles used to prepare it, the basis of included securities or assets, and any other explanations required for clarity.

The financial statements required by this regulation shall be filed with the Securities Commissioner of the Division of Securities within 90 days following the end of the investment adviser's fiscal year.

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

Important Note: At present, Maryland does not require investment adviser representatives to be fingerprinted.

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Maryland Division of Securities Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.

B. Select IARD Main Tab.

C. In the “Forms” column under “ADV-W” select “New Filing.”


Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D

Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.
U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Massachusetts Securities Division (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Mailing Address
Secretary of the Commonwealth
Massachusetts Securities Division
One Ashburton Place
17th Floor
Boston, MA 02108

Phone/Fax
Phone: 617-727-3548
Fax: 617-248-0177

Email
securities@sec.state.ma.us

Website
www.sec.state.ma.us/sct/sctidx.htm

II. STATUTORY REQUIREMENTS FOR REGISTRATION

General Laws of Massachusetts: Chapter 110A. Uniform Securities Act
Code of Massachusetts Regulations Title 950; Chapter 12.200

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $300.00 for the investment advisory firm
B. $50.00 for each investment adviser representative

Step 2. Update Advisory Firm's Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional Item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this
information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.

   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

   Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

   A. Log on to your advisory firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV,” select “New Filing.”
   D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

   Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

   A. Item 1 through Item 4 will probably not need to be updated.
   B. Do not delete the information in Item 2 (SEC Registration).
   C. Update the information in Item 5 (Information About Your Advisory Business).
   D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV
Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be "pre-populated" with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.

A. Item 1 (State Registration)—Check the box for Massachusetts (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

   Important Note: Recent changes to federal custody rules have not yet been adopted by the Commonwealth of Massachusetts.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

Important Note: The following documents are filed directly with the Massachusetts Securities Division.

A. Investment Advisory Agreements

B. Affidavit

Because registration of an investment adviser under Section 202(a) of the Massachusetts Uniform Securities Act automatically constitutes registration as an investment adviser representative of any partner, officer, or director, or a person occupying a similar status or performing similar functions, a registration fee, a completed Form U-4, and evidence of meeting the examination or certification requirements of 950 Code of Massachusetts Regulations 12.205(4) must be filed electronically with the Massachusetts Securities Division via the IARD for each such person. [See the section below on Investment Adviser Representative Registration for details.] However, if such a person will not be performing any of the functions of an investment adviser representative as listed in Section 401(n) of the Massachusetts Uniform Securities Act, he or she may, instead of becoming registered as an investment adviser representative, file an affidavit and a completed Form U-4 directly with the Massachusetts Securities Division.
C. Financial Statement or Surety Bond

Investment advisers registering in Massachusetts that have (i) custody; (ii) discretionary authority or (iii) require the payment of more than $500 in advisory fees more than 6 months in advance must include in the material sent to the Massachusetts Securities Division:

- Evidence of a separate, segregated, liquid account of $10,000 for (i) and (iii) above and evidence of positive net worth or a separate, segregated, liquid account of $5,000 for (ii) above and evidence of a positive net worth; or
- A copy of a $10,000 surety bond.

Evidence of positive net worth must be demonstrated by a certified balance sheet prepared in accordance with GAAP.

Important Note: The positive net worth requirement is not applicable if investment adviser’s principal place of business is in a state other than Massachusetts, the investment adviser is registered in such state and the investment adviser is in compliance with that state’s financial requirements.

VII. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

Important Note: At present, Massachusetts does not require investment adviser representatives to be fingerprinted.

VIII. POST-REGISTRATION REQUIREMENTS

Step 1. Conform Existing Compliance Manual to the Code of Massachusetts Regulations

In a Policy Statement issued by the Massachusetts Securities Division, it was noted that existing state regulations require state-registered investment advisers to adopt and implement written compliance policies and procedures in accordance with the provisions of the SEC Compliance Rule.

In keeping with the requirements of the SEC Compliance Rule, all Massachusetts-registered investment advisers must: (i) adopt and implement policies and procedures reasonably designed to prevent violations of state and federal securities laws; (ii) review the policies and procedures at least annually to determine their adequacy and effectiveness of their implementation; and (iii) designate a chief compliance officer responsible for administering the policies and procedures.

At a minimum, an investment adviser registered in Massachusetts must adopt and implement written policies and procedures that address the following areas of compliance concern:

- Portfolio management processes, including allocation of investment opportunities among clients and consistency of portfolios with clients’ investment objectives, disclosures by the adviser, and applicable regulatory restrictions;
- Trading practices, including procedures by which the adviser satisfies its best execution obligation, uses client brokerage to obtain research and other services (“soft dollar arrangements”), and allocates aggregated trades among clients;
- Proprietary trading of the adviser and personal trading activities of supervised persons;
- The accuracy of disclosures made to investors, clients, and regulators, including account statements and advertisements;
- Safeguarding of client assets from conversion or inappropriate use by advisory personnel;
- The accurate creation of required records and their maintenance in a manner that secures them from unauthorized alteration or use and protects them from untimely destruction;
- Marketing advisory services, including the use of solicitors;
- Processes to value client holdings and assess fees based on those valuations;
- Safeguards for the privacy protection of client records and information; and
- Business continuity plans.

Step 2. Draft Code of Ethics

The Massachusetts Securities Division has strongly recommended that state-registered advisors adopt codes of ethics and generally comply with the Code of Ethics Rule adopted by the SEC. Pursuant to the SEC Code of Ethics Rule, an investment adviser’s codes of ethics must, at a minimum:

- Set forth a standard of business conduct expected of advisory personnel. The standard chosen must reflect the adviser’s fiduciary obligations and those of its supervised persons, and must require compliance with the federal securities laws.
- Include provisions reasonably designed to prevent access to material non-public information about the adviser’s securities recommendations and client securities holdings and transactions.
- Require an adviser’s “access persons” to periodically report their personal securities transactions and holdings to the adviser’s chief compliance officer or other designated person.
• Require access persons to pre-clear investments in initial public offerings and private placements.
• Require prompt internal reporting of any violations of the code of ethics to the investment adviser’s chief compliance officer.

**Step 3. Update Privacy Policies to Conform to New Massachusetts Data Security Regulations**

Massachusetts requires businesses that store or use “personal information” about Massachusetts residents to implement comprehensive information security programs. Therefore, any investment adviser that has just one client who is a Massachusetts resident must develop and implement information security measures. These measures must (i) be commensurate with the size and scope of their advisory business and (ii) contain administrative, technical and physical safeguards to ensure the security of such personal information.

**VIII. WITHDRAW FROM SEC REGISTRATION**

*Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.*

**Step 1. Access Form ADV-W**
- A. Log on to your firm’s IARD account.
- B. Select IARD Main Tab.
- C. In the “Forms” column under “ADV-W” select “New Filing.”

**Step 2. Complete the Status Section**

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

**Step 3. Complete Items 1A Through 1D**

*Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.*

**Step 4. Sign the Execution Page and Submit**

**IX. IMPORTANT INFORMATION**

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
MICHIGAN
State Registration Fact Sheet

SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Michigan Office of Financial and Insurance Regulation (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Mailing Address
Department of Energy, Labor, and Economic Growth
Office of Financial and Insurance Regulation
Attention: Securities Section
PO Box 30701
Lansing, MI 48909-8201

For Overnight Packages or Certified Mail
Department of Energy, Labor, and Economic Growth
Office of Financial and Insurance Regulation
Attention: Securities Section
Ottawa Building
611 West Ottawa Street
3rd Floor
Lansing, MI 48909-8201

Phone/Fax
Phone: 517-373-0220
Fax: 517-241-6356

Website
www.michigan.gov/dleg/0,1607,7-154-10555---,00.html

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Michigan Uniform Securities Act, 265 PA 1964
Office of Financial and Insurance Regulation R 451.601.1–451.818.8

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $200.00 for the investment advisory firm
B. $65.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:
“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.

   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

A. Log on to your advisory firm’s IARD account.

B. Select IARD Main Tab.

C. In the “Forms” column under “ADV,” select “New Filing.”

D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

A. Item 1 through Item 4 will probably not need to be updated.
B. Do not delete the information in Item 2 (SEC Registration).
C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be "pre-populated" with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.

A. Item 1 (State Registration)—Check the box for Michigan (as well as for any other state in which your advisory firm will be registering).
B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.
C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.
D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.
E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).
F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.
G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.
H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.
I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Michigan.
J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.
K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.
L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

Important Note: The following documents are filed directly with the Michigan Office of Financial and Insurance Regulation, Securities Division.

A. Investment Advisory Contract

An investment adviser registered in the State of Michigan shall not enter into, extend, or renew any investment advisory contract unless it provides in writing all of the following:
The services to be provided, the term of the contract, the investment advisory fee, the formula for computing the fee, the amount of prepaid fee to be returned in the event of termination or non-performance of the contract, and any grant of discretionary power to the investment adviser, investment adviser representative, or federal covered investment adviser.

That the investment adviser, investment adviser representative, or federal covered investment adviser shall not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of the client.

That no assignment of the investment advisory contract may be made by any investment adviser, investment adviser representative or federal covered investment adviser without the consent of the other party to the contract.

That the investment adviser, investment adviser representative, or federal covered investment adviser, if a partnership, shall notify the other party to the investment advisory contract of any change in the membership of the partnership within fifteen (15) days after the change.

B. Balance Sheet

Investment advisers registering in the State of Michigan must provide the Michigan Securities Division with an accrual basis balance sheet in conformity to Generally Accepted Accounting Principles (GAAP) no older than 45 days and must be signed as to its accuracy by an officer, partner, member, or sole proprietor. The accrual basis accounting method recognizes assets when they are earned (but not necessarily collected) and records liabilities when they are incurred (but not necessarily paid). This is different than the cash basis accounting method, which recognizes revenues when they are collected and expenses when they are paid. Section 412(4)(g) of the Michigan Uniform Securities Act requires that the applicant be solvent in the sense that its assets exceed its liabilities and in the sense that it can meet its obligations as they mature.

C. Supplemental Application Form

List anyone who will be providing investment advice to Michigan clients. List anyone associated with the investment adviser who is also registered as a securities agent for Michigan with a broker-dealer. If no one is registered as a securities agent with Michigan, please answer “none”.

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

Step 1. File a Form U-4
For all individuals in the advisory firm who provide investment advisory services.

Important Note: At present, Michigan does not require investment adviser representatives to be fingerprinted.

Step 2. File Consent and Guaranty Form
For each individual associated with the applicant who is also registered as a securities agent in Michigan.

VII. POST-REGISTRATION REQUIREMENTS

Step 1. Conform existing compliance manual to the Michigan Regulations.

Step 2. Complete the Registered Investment Advisers Online Questionnaire (annually).

Important Note: Unlike other states, the State of Michigan does not require an annual filing of Form ADV, Part I. However, you must file an amendment within 30 days of a material change.

VIII. WITHDRAWAL FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W
   A. Log on to your firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section
The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off.
The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D

Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

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SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Minnesota Department of Commerce (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Mailing Address
Minnesota Department of Commerce
85 7th Place East
Suite 500
St. Paul, MN 55101

Phone
651-296-4973

Email
securities.commerce@state.mn.us

Website
www.state.mn.us/portal/mn/jsp/home.do?agency=Commerce

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Minnesota Statutes 80A.61 §406
Minnesota Administrative Rules §2876.4061

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

*Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.*

A. $200.00 for the investment advisory firm
B. $65.00 for each investment adviser representative

Step 2. Update Advisory Firm's Current Form ADV Part 2A

*Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.*

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.
2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

   Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

   A. Log on to your advisory firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV,” select “New Filing.”
   D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

   Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

   A. Item 1 through Item 4 will probably not need to be updated.
   B. Do not delete the information in Item 2 (SEC Registration).
   C. Update the information in Item 5 (Information About Your Advisory Business).
   D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

   Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.
A. Item 1 (State Registration)—Check the box for Minnesota (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.
   A $25,000 surety bond is required for investment advisers applying for registration in Minnesota unless:
   - Applicant has no custody of, or discretionary authority over, any client assets; or
   - Applicant has $100,000 net capital.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.
   Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Minnesota.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System
   Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents
   Important Note: The following documents are filed directly with the Minnesota Department of Commerce.

A. Investment Advisory Agreements

B. Financial Statements
   An investment adviser applying for registration in Minnesota must submit audited financial statements dated within 135 days of application (current balance sheet required). If audit is in excess of 135 days, also submit an unaudited financial statement.
   An unaudited financial statement or balance sheet is acceptable from investment advisers who do not have custody of client funds or any discretionary authority, or who does not require pre-payment of more than $500 in fees per client and six or more months in advance.

C. Copies of advertising or other literature
D. Consent to service (for non-Minnesota businesses)

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

Minnesota requires one full-time supervisor who is responsible for compliance matters and who has:

- Completed and passed the Series 65 or Series 66 exam; and
- Acted in a similar supervisory capacity for three of the past five years.

Must submit a detailed narrative description of the supervisor's employment history.

*Important Note: The form U-4 does not provide a sufficiently detailed description.*

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Minnesota Department of Commerce Rules and Regulations.

VIII. WITHDRAWAL FROM SEC REGISTRATION

*Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.*

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D

*Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.*

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

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MISSISSIPPI
State Registration Fact Sheet

SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Mississippi Securities and Charities Division (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Street Address
Securities and Charities
700 North St.
Jackson, MS 39202

Mailing Address
Securities and Charities
PO Box 136
Jackson, MS 39205-0136

Phone/Fax
Phone: 601-359-1048
Fax: 601-359-1499

Website
www.sos.ms.gov/securities_and_charities.aspx

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Mississippi Securities Act §75-71-406
Mississippi Securities Act Rules §605

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $200.00 for the investment advisory firm

B. $50.00 for each investment adviser representative

Step 2. Update Advisory Firm's Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 Items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):
   1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this
information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

   Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

   A. Log on to your advisory firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV,” select “New Filing.”
   D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

   Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

   A. Item 1 through Item 4 will probably not need to be updated.
   B. Do not delete the information in Item 2 (SEC Registration).
   C. Update the information in Item 5 (Information About Your Advisory Business).
   D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV
Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.

A. Item 1 (State Registration)—Check the box for Mississippi (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

Unless an investment adviser posts a surety bond, an investment adviser registered or required to be registered in the State of Mississippi who has custody of client funds or securities must maintain at all times a minimum net worth of $35,000, and every investment adviser registered or required to be registered under the Act who has discretionary authority over client funds or securities but does not have custody of client funds or securities, must maintain at all times a minimum net worth of $10,000. An investment adviser registered or required to be registered in the State of Mississippi who accepts prepayment of more than Five Hundred Dollars ($500.00) and six (6) or more months in advance for any client shall maintain at all times a positive net worth.

Unless otherwise exempted, as a condition of the right to continue to transact business in Mississippi, every investment adviser registered or required to be registered in the State of Mississippi must by the close of business on the next business day notify the Mississippi Securities and Charities Division if such investment adviser’s total worth is less than the minimum required. After transmitting such notice, each investment adviser shall file by the close of business on the next day a report with the Securities Division of its financial condition, including the following:

- A trial balance of all ledger accounts;
- A statement of all client funds or securities which are not segregated;
- A computation of the aggregate amount of client ledger debit balances; and
- A statement as to the number of client accounts.

Every investment adviser that has its principal place of business in a state other than Mississippi and the investment adviser representatives of such investment adviser shall maintain only such minimum capital as required by the state in which the investment adviser maintains its principal place of business, provided the investment adviser is licensed or registered in such state and is in compliance with such state’s minimum capital requirements.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Mississippi.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System
Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

Important Note: The following documents are filed directly with the Mississippi Securities and Charities Division.

A. Corporate Formation Document
   A copy of the articles of incorporation or articles of limited partnership currently in effect, certified by the governmental agency where filed.

B. Audited Balance Sheet
   An audited balance sheet as of the end of the investment adviser’s most recent fiscal year. Each balance sheet filed pursuant to this Rule must be:
   - Examined in accordance with generally accepted auditing standards and prepared in conformity with generally accepted accounting principles;
   - Audited by an independent certified public accountant; and
   - Accompanied by an opinion of the accountant as to the report of financial position, and by a note stating the principles used to prepare it, the basis of included securities, and any other explanations required for clarity.

   If such audited balance sheet is dated more than forty-five (45) days prior to submission of FORM ADV, a current unaudited balance sheet must also be submitted.

C. Surety Bond (if applicable)

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

Important Note: At present, Mississippi does not require investment adviser representatives to be fingerprinted.

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Mississippi Securities and Charities Division Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W
   A. Log on to your firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section
   The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D
   Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit
IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Missouri Securities Division (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Mailing Address
Office of the Missouri Secretary of State
Securities Division
Attn: Registration Unit
600 West Main St., 2nd Floor
Jefferson City, MO 65101-1276

Phone/Fax
Phone: 573-751-2061
Fax: 573-526-3124

Email
securities@sos.mo.gov

Website
www.sos.mo.gov/securities/

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Missouri Revised Statutes, Chapter 409 Regulation of Securities §409-004.403
Code of State Regulations (Securities) Chapter 51

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $200.00 for the investment advisory firm
B. $50.00 for each investment adviser representative

Step 2. Update Advisory Firm's Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):
   1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this
information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

   Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

   A. Log on to your advisory firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV,” select “New Filing.”
   D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

   Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

   A. Item 1 through Item 4 will probably not need to be updated.
   B. Do not delete the information in Item 2 (SEC Registration).
   C. Update the information in Item 5 (Information About Your Advisory Business).
   D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV
A. Item 1 (State Registration)—Check the box for Missouri (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

Every investment adviser registered in the State of Missouri must have and maintain net worth (assets minus liabilities), to include all cash, securities and tangible assets of not less than five thousand dollars.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Missouri.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

Important Note: The following documents are filed directly with the Missouri Securities Division.

A. Financial Statements

Every Missouri-based applicant for initial registration as investment adviser in the State of Missouri must file a verified balance sheet current within thirty (30) days prior to filing. A financial statement consists of a balance sheet, a profit and loss statement, a statement of change in financial condition, certified unless otherwise prescribed therein, or permitted by the commissioner.

Out-of-state applicants governed by the capital requirements of their home state. The applicant must specify on the balance sheet the name of the state that will govern its capital requirement.

Sole proprietors may file a personal financial statement or they may set aside money to run the business and report only that money on their financial statement.
B. State Covered Investment Adviser Affidavit

The affidavit must be originally signed by the principal and notarized.

C. Designation of a Qualifying Officer

The name of this individual shall be designated in a cover letter and must have completed the following examination requirements: (1) the Series 7 examination; and (2) either the Series 65 or Series 66 examination with a score of at least eighty percent (80%).

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

*Important Note: At present, Missouri does not require investment adviser representatives to be fingerprinted.*

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Missouri Securities Division Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

*Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.*

**Step 1. Access Form ADV-W**

A. Log on to your firm’s IARD account.

B. Select IARD Main Tab.

C. In the “Forms” column under “ADV-W” select “New Filing.”


**Step 2. Complete the Status Section**

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

**Step 3. Complete Items 1A Through 1D**

*Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.*

**Step 4. Sign the Execution Page and Submit**

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

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MONTANA
State Registration Fact Sheet

SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Montana Securities Department (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Address
Montana Securities Department
840 Helena Ave.
Helena, MT 59601

Phone/Fax
Phone: 406-444-2040
Fax: 406-444-5558

Website
sao.mt.gov/securities/index.asp

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Montana Code Annotated 2009 §30-10-201
Securities Regulation §6.10.501

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $200.00 for the investment advisory firm
B. $50.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If
you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.

   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

   Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

   A. Log on to your advisory firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV,” select “New Filing.”
   D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

   Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

   A. Item 1 through Item 4 will probably not need to be updated.
   B. Do not delete the information in Item 2 (SEC Registration).
   C. Update the information in Item 5 (Information About Your Advisory Business).
   D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

   Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.
A. Item 1 (State Registration)—Check the box for Montana (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Montana.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

Important Note: The Montana Securities Commission does not require any additional filings.

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

Important Note: At present, Montana does not require investment adviser representatives to be fingerprinted.

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Montana Securities Division Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D

Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

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SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Nebraska Department of Banking & Finance (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Street Address
Nebraska Department of Banking & Finance
Commerce Court
1230 ‘O’ St., Suite 400
Lincoln, NE 68508-1402

Mailing Address
Nebraska Department of Banking & Finance
PO Box 95006
Lincoln, NE 68509-5006

Phone
402-471-3445

Website
www.ndbf.ne.gov/index.shtml

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Nebraska Revised Statute 8-1103
Nebraska Administrative Code, Title 48, Chapter 7 §002

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $200.00 for the investment advisory firm
B. $40.00 for each investment adviser representative

Step 2. Update Advisory Firm's Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied
information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

A. Log on to your advisory firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV,” select “New Filing.”
D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

A. Item 1 through Item 4 will probably not need to be updated.
B. Do not delete the information in Item 2 (SEC Registration).
C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV
Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.

A. Item 1 (State Registration)—Check the box for Nebraska (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

An investment adviser registered or required to be registered in the State of Nebraska must:

- Maintain at all times a minimum net capital of $25,000; or
- Post a surety bond on a form acceptable to the Director of Nebraska Banking and Finance in the amount of $25,000.

Unless otherwise exempted, as a condition of the right to continue to transact business in this state, every investment adviser registered or required to be registered in the State of Nebraska shall notify the Director of Nebraska Banking and Finance if such investment adviser’s net capital is less than the minimum required by the close of business on the next business day. After transmitting such notice, the investment adviser shall file a report with the Director of Nebraska Banking and Finance of its financial condition by the close of business on the next business day. The report shall include:

- A trial balance of all ledger accounts;
- A statement of all client funds or securities which are not segregated;
- A computation of the aggregate amount of debit balances in the client ledger;
- A statement as to the number of client accounts; and
- Any other information the Director of Nebraska Banking and Finance may require.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Nebraska.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.
Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

*Important Note: The following documents are filed directly with the Nebraska Department of Banking & Finance.*

A. Investment Advisory Agreements

B. A current and correct copy of the firm’s articles of incorporation, partnership or organization, and any amendments (if applicable)

C. A corporate resolution (if applicable)

D. Affidavit of Investment Advisory Activity in Nebraska

E. Financial Statements

Every registered investment adviser registered in the State of Nebraska who has custody of client funds or securities or requires payment of advisory fees six months or more in advance and in excess of $500 per client shall file with the Director of Nebraska Banking and Finance audited financial statements showing the assets, liabilities and net capital of the investment adviser as of the end of the investment adviser's fiscal year. The financial statements must be:

- Examined in accordance with generally accepted auditing standards and prepared in conformity with generally accepted accounting principles;
- Audited by an independent public accountant or an independent certified public accountant; and
- Accompanied by an opinion of the accountant as to the report of financial position, and by a note stating the principles used to prepare it, the basis of included securities, and any other explanations required for clarity.

If the date of the audited financial statements is not within 90 days of the date of the initial application or the expiration of the current registration, the investment adviser must also submit a financial statement showing the assets, liabilities and net capital of the investment adviser as of a date within 90 days of the date of the initial application or within 90 days of the expiration of the current registration, as the case may be, and signed by an officer, director, partner or member, of the investment adviser, or by the person who prepared the statement, attesting that the statement is true and correct.

All other investment advisers registered or required to be registered in the State of Nebraska shall file with the Director of Nebraska Banking and Finance financial statements showing the assets, liabilities and net capital of the investment adviser, prepared in accordance with accepted accounting principles. The financial statements need not be audited but must be signed by the investment adviser, by an officer, director, partner, or member of the investment adviser, or by the person who prepared the statement attesting that the statement is true and accurate, as of a date within 90 days of the date of initial application, or within 90 days of the expiration of a current registration, as the case may be.

F. Promotional or disclosure literature to be furnished or disseminate to any client or prospective client in Nebraska

G. Surety Bond (if applicable)

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

*Important Note: At present, Nebraska does not require investment adviser representatives to be fingerprinted.*

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Nebraska Department of Banking & Finance Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

*Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.*

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.

B. Select IARD Main Tab.
C. In the “Forms” column under “ADV-W” select “New Filing.”

**Step 2. Complete the Status Section**

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

**Step 3. Complete Items 1A Through 1D**

*Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.*

**Step 4. Sign the Execution Page and Submit**

**IX. IMPORTANT INFORMATION**

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
NEVADA
State Registration Fact Sheet

SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Nevada Securities Division (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Street Address
Nevada Securities Division
555 East Washington Ave.
Suite 5200
Las Vegas, NV 89101

Phone/Fax
Phone: 702-486-2440
Fax: 702-486-2452

Email
nvsec@sos.nv.gov

Website

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Nevada Revised Statute Chapter 90
Nevada Administrative Code Chapter 90

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $300.00 for the investment advisory firm

B. $110.00 for each investment adviser representative

Step 2. Update Advisory Firm's Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser's ADV Part 2A often contains the following language:

"XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission."

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.
2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

   Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

   A. Log on to your advisory firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV,” select “New Filing.”
   D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

   Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

   A. Item 1 through Item 4 will probably not need to be updated.
   B. Do not delete the information in Item 2 (SEC Registration).
   C. Update the information in Item 5 (Information About Your Advisory Business).
   D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

   Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.
A. Item 1 (State Registration)—Check the box for Nevada (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

An investment adviser registered in the State of Nevada, and who takes or retains custody of securities or money of a client, must:

- Maintain net capital of not less than $20,000 or a tangible net worth of not less than $35,000; and
- Promptly submit to the Office of the Administrator a copy of the certificate of an accountant that is required to be filed with the Securities and Exchange Commission pursuant to 17 C.F.R. § 275.206(4)-2.

An investment adviser who has a principal place of business in a state other than the State of Nevada must maintain only such minimum capital as is required by the state in which the adviser maintains his principal place of business, if the investment adviser is licensed in that state and is in compliance with that state’s requirements for minimum capital.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Nevada.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

Important Note: The Nevada Securities Division does not require any additional registration filings.

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

Important Note: At present, Nevada does not require investment adviser representatives to be fingerprinted.
VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Nevada Securities Division.

VIII. WITHDRAW FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D

Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the New Hampshire Bureau of Securities Regulation (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

   Street Address
   State House Annex
   Suite 317A,
   3rd Floor
   Concord, NH 03301

   Mailing Addresses
   Bureau of Securities Regulation
   Department of State
   107 North Main St., #204
   Concord, NH 03301

   Phone/Fax
   Phone: 603-271-1463
   Fax: 603-271-7933

   Email
   Securities@sos.nh.gov

   Website
   www.sos.nh.gov/securities/

II. STATUTORY REQUIREMENTS FOR REGISTRATION

   New Hampshire Securities Act, Chapter 421-B:6

III. PRELIMINARY REGISTRATION ACTIONS

   Step 1. Calculate State Registration Fees

   Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

   A. $250.00 for the investment advisory firm
   B. $130.00 for each investment adviser representative

   Step 2. Update Advisory Firm’s Current Form ADV Part 2A

   Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

   A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

   “XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

   B. Respond fully to Item 19 (Requirements for State-Registered Advisers):
1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

A. Log on to your advisory firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV,” select “New Filing.”
D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

A. Item 1 through Item 4 will probably not need to be updated.
B. Do not delete the information in Item 2 (SEC Registration).
C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.
Step 3: Complete Part 1B of the Form ADV

Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be "pre-populated" with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.

A. Item 1 (State Registration)—Check the box for New Hampshire (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer "yes" or "no" as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

E. Item 2C through Item 2F (Disclosures)—For any "yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of New Hampshire.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

Important Note: The following documents are filed directly with the New Hampshire Bureau of Securities Regulation.

A. Investment Advisory Agreements

B. Organizational Documents

Investment adviser applicants in the State of New Hampshire must submit corporate formation documents as follows:

- If the applicant is a corporation, a copy of its articles of incorporation and amendments thereto, and a copy of its by-laws certified by the secretary of the corporation.

- If the applicant is a limited partnership, a copy of its certificate of formation and limited partnership agreement, certified by a general partner.
• If the applicant is a limited liability company, a copy of its certificate of formation as filed within the state in which it was formed and a copy of its operating agreement, if any, certified by a managing member.

• If the applicant is a limited liability partnership, a copy of its certificate of formation and partnership agreement, certified by a general partner.

C. Balance Sheet
   Must be certified by the principal as true and accurate to the best belief and knowledge of the preparer (applies to New Hampshire based investment advisors only).

D. Proof of License
   If applicant is a state-regulated adviser with its principal office in a state other than New Hampshire, submit certificate or other proof of licensure from the state of domicile including current renewal information.

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES
   File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

   Important Note: At present, New Hampshire does not require investment adviser representatives to be fingerprinted.

VII. POST-REGISTRATION REQUIREMENTS
   Conform existing compliance manual to the New Hampshire Bureau of Securities Regulation Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION
   Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

   Step 1. Access Form ADV-W
      A. Log on to your firm’s IARD account.
      B. Select IARD Main Tab.
      C. In the “Forms” column under “ADV-W” select “New Filing.”

   Step 2. Complete the Status Section
      The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

   Step 3. Complete Items 1A Through 1D
      Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

   Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION
   The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

   U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
NEW JERSEY
State Registration Fact Sheet

SEC-registered investment advisers transitioning to state registration **must not** withdraw their SEC registration until their advisory firm has been notified by the New Jersey Bureau of Securities (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

**Mail**
Investment Advisory Section
NJ Bureau of Securities
PO Box 47029
Newark NJ 07101

**Messenger**
Investment Advisory Section
NJ Bureau of Securities
153 Halsey St., 6th Floor
Newark, NJ 07102

**Phone/Fax**
Phone: 973-504-3668
Fax: 973-504-3601

**Website**
[www.state.nj.us/lps/ca/bos/](http://www.state.nj.us/lps/ca/bos/)

II. STATUTORY REQUIREMENTS FOR REGISTRATION

New Jersey Uniform Securities Law


III. PRELIMINARY REGISTRATION ACTIONS

**Step 1. Calculate State Registration Fees**

*Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.*

A. $200.00 for the investment advisory firm

B. $50.00 for each investment adviser representative

**Step 2. Update Advisory Firm’s Current Form ADV Part 2A**

*Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 Items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional Item.*

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

   “XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):
1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

A. Log on to your advisory firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV,” select “New Filing.”
D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

A. Item 1 through Item 4 will probably not need to be updated.
B. Do not delete the information in Item 2 (SEC Registration).
C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.
Step 3. Complete Part 1B of the Form ADV

**Important Note:** Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.

A. Item 1 (State Registration)—Check the box for New Jersey (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Check “yes” if your advisory firm meets New Jersey’s net capital requirements.

*Investment advisers in the State of New Jersey that have custody of clients’ funds or securities must have a minimum capital of $25,000 or post a surety bond in the amount of $25,000.*

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 21 (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

*Important Note: Recent changes to federal custody rules have not yet been adopted by the State of New Jersey.*

J. Item 21 (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 21 (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

*Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.*

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

*Important Note: New Jersey accepts two types of state registrations:

1. An investment adviser which maintains its principal place of business in New Jersey and has less than $25 million or $30 million of assets under management must make an in-state registration with the New Jersey Bureau of Securities.

2. An investment adviser which is headquartered in another state and registered with such other state, but which has a place of business in New Jersey, or more than five clients in New Jersey, must make an out-of-state registration with the New Jersey Bureau of Securities. (Such an investment adviser observes the books and records, bonding, and net capital requirements of its home state.)*

In-State Registration

File Supplemental Registration Documents
Important Note: The following documents (as applicable) are filed directly with the New Jersey Bureau of Securities.

A. Investment Advisory Agreements
B. Balance Sheet

Investment adviser applicants in the State of New Jersey must file a certified statement of the applicant’s must current financial condition as of a date within 60 days of the application, or provided the applicant has been engaged in business for one year or more preceding the date of the application, a certified financial statement as of the end of its last fiscal period, along with an unaudited balance sheet as of a date within 60 days of the application.

C. Sample business card, letterhead, brochure, circular, advisory newsletter, form letter, advertisement, or sales literature intended for distribution to prospective clients
D. ADV-W—in the event that the New Jersey registration was prompted by a withdrawal from SEC registration, a copy of the Form ADV-W filed to withdraw from SEC registration
E. Code of Ethics and Compliance Manual

Out-of-State Registration

File Supplemental Registration Documents

Important Note: The following documents (as applicable) are filed directly with the New Jersey Bureau of Securities.

A. Investment Advisory Agreements
B. Written declaration that the investment adviser is in compliance with the requirements of its home state as to books and records, bonding, and net capital

An applicant with its principal place of business outside of New Jersey may file with the New Jersey Bureau of Securities its statement of most current financial condition, as defined under the law of the state in which the applicant has its principal place of business, to satisfy this requirement, provided that the applicant is registered or licensed in the state that is its principal place of business and the applicant is in compliance with the applicable books and records requirements of the state in which the applicant maintains its principal place of business.

C. Sample business card, letterhead, brochure, circular, advisory newsletter, form letter, advertisement, or sales literature intended for distribution to prospective clients
D. Code of Ethics and Compliance Manual

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

Step 1: File a Form U-4

For all individuals in the advisory firm who provide investment advisory services.

Step 2: File a Fingerprint Card

Directly with the New Jersey Bureau of Securities for all individuals in the advisory firm who provide investment advisory services.

Important Note: As of the date of publication, New Jersey has SUSPENDED the fingerprint requirement for investment adviser representatives.

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the New Jersey Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section
The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off.

The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

**Step 3. Complete Items 1A Through 1D**

*Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.*

**Step 4. Sign the Execution Page and Submit**

**IX. IMPORTANT INFORMATION**

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

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SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the New Mexico Securities Division (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Address
New Mexico Securities Division
Toney Anaya Building
2550 Cerrillos Road, Third Floor
Santa Fe, NM 87505

Phone/Fax
Phone: 505-476-4580
Fax: 505-984-0617

Website
www.rld.state.nm.us/Securities/index.html

II. STATUTORY REQUIREMENTS FOR REGISTRATION

New Mexico Securities Act §12.11.5.9

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $300.00 for the investment advisory firm
B. $50.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 Items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If
you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

A. Log on to your advisory firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV,” select “New Filing.”
D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

A. Item 1 through Item 4 will probably not need to be updated.
B. Do not delete the information in Item 2 (SEC Registration).
C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.
A. Item 1 (State Registration)—Check the box for New Mexico (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

An investment adviser registered or required to be registered under the New Mexico Uniform Securities Act that shall maintain at all times a minimum net worth of $5,000 or such amount as may be required by any other applicable subsection of this rule, whichever requirement is higher.

An investment adviser registered or required to be registered under the Act that has custody of client funds or securities shall maintain at all times a minimum net worth of $2,000,000, or post a surety bond in the amount set by order of the director up to a maximum of $2,000,000.

An investment adviser registered or required to be registered under the New Mexico Uniform Securities Act that has discretionary authority over client funds or securities but does not have custody of client funds or securities shall maintain at all times a minimum net worth of $10,000, unless the director by order approves a lesser minimum net worth.

Unless otherwise exempted, as a condition of the right to transact business in this state, every investment adviser registered or required to be registered under the New Mexico Uniform Securities Act shall by the close of business on the next business day notify the director if that investment adviser’s net worth is less than the minimum required.

After transmitting such notice, each investment adviser shall file by the close of business on the next business day a report with the director of its financial condition, including the following:

- a trial balance of all ledger accounts;
- a statement of all client funds or securities which are not segregated;
- a computation of the aggregate amount of client ledger debit balances; and
- a statement as to the number of client accounts.

The term “net worth” shall mean an excess of assets over liabilities, as determined by generally accepted accounting principles. Net worth shall not include the following assets:

- prepaid expenses, except as to items properly classified as assets under generally accepted accounting principles;
- deferred charges;
- goodwill;
- franchise rights;
- organizational expenses;
- patents;
- copyrights;
- marketing rights;
- debt discount and expense; and
- all other assets of intangible nature.

In addition, for individuals, net worth shall not include home, home furnishings, automobile(s) and any other personal items not readily marketable. In addition, for corporations and limited liability companies, net worth shall not include advances or loans to stockholders, officers or members. In addition, for partnerships, net worth shall not include advances or loans to partners.

The director may require that a current appraisal be submitted in order to establish the worth of any asset.

Every registered investment adviser that has its principal place of business in a state other than New Mexico shall maintain only such minimum capital as required by such state, provided the investment adviser is licensed or registered in such state and is in compliance with such state’s minimum capital requirement.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.
G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

   Important Note: Recent changes to federal custody rules have not yet been adopted by the State of New Mexico.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

   Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

   File Supplemental Registration Documents

   Important Note: The following documents are filed directly with the New Mexico Securities Division.

   A. Investment Adviser Affidavit
   B. Licensing Resolution
   C. Financial Statements

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

   File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

   Important Note: At present, New Mexico does not require investment adviser representatives to be fingerprinted.

VII. POST-REGISTRATION REQUIREMENTS

   Conform existing compliance manual to the New Mexico Securities Division Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

   Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

   Step 1. Access Form ADV-W

      A. Log on to your firm’s IARD account.
      B. Select IARD Main Tab.
      C. In the “Forms” column under “ADV-W” select “New Filing.”

   Step 2. Complete the Status Section

      The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off.
The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D

Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
NORTH CAROLINA
State Registration Fact Sheet

SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the North Carolina Securities Division (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Mailing Address
The Securities Division
Department of the Secretary of State
PO Box 29622
Raleigh, NC 27626-0622
(919) 733-3924

Overnight Mail
The Securities Division
Department of the Secretary of State
2 South Salisbury St.
Raleigh, NC 27601-2903

Phone/Fax
Phone: 919-733-3924
Fax: 919-821-0818

Website
www.secretary.state.nc.us/sec/

II. STATUTORY REQUIREMENTS FOR REGISTRATION

North Carolina Securities Act
North Carolina Investment Advisers Act
Title 18, Chapter 06A of the North Carolina Administrative Code

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees
Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $300.00 for the investment advisory firm
B. $75.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A
Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”
B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

*Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.*

A. Log on to your advisory firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV,” select “New Filing.”
D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

*Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.*

A. Item 1 through Item 4 will probably not need to be updated.
B. Do not delete the information in Item 2 (SEC Registration).
C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.

**Step 3. Complete Part 1B of the Form ADV**

*Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.*

A. Item 1 (State Registration)—Check the box for North Carolina (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

*Every investment adviser having custody of or discretionary authority over client funds or securities that does not meet the minimum net worth requirements shall be bonded in an amount of not less than thirty-five thousand dollars ($35,000.00) by a bonding company qualified to do business in North Carolina or in lieu thereof may provide evidence of a deposit of cash or securities in such amount.*

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

*Unless an investment adviser posts a bond (see below), an investment adviser registered or required to be registered in the State of North Carolina who has custody of client funds or securities shall maintain at all times a minimum net worth of thirty-five thousand dollars ($35,000.00), and every investment adviser registered or required to be registered the State of North Carolina who has discretionary authority over client funds or securities but does not have custody of client funds or securities shall maintain at all times a minimum net worth of ten thousand dollars ($10,000.00).*

*Unless otherwise exempted, as a condition of the right to continue to transact business in North Carolina, every investment adviser registered or required to be registered the State of North Carolina shall by the close of business on the next business day notify the administrator if such investment adviser’s total net worth is less than the minimum required. After transmitting such notice, each investment adviser shall file by the close of business on the next business day a written report with the administrator of its financial condition, including the following:*  
  * A trial balance of all ledger accounts;*  
  * A statement of all client funds or securities which are not segregated;*  
  * A computation of the aggregate amount of client ledger debit balances; and*  
  * A statement as to the number of client accounts.*

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

*Important Note: Recent changes to federal custody rules have not yet been adopted by the State of North Carolina.*

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.
Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

**Important Note:** Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

**Important Note:** The following documents are filed directly with the North Carolina Securities Division.

A. Financial Statements

An investment adviser applying for registration in North Carolina who has custody of client funds or securities or who requires payment of advisory fees six months or more in advance and in excess of five hundred dollars ($500.00) per client shall file with the administrator an audited balance sheet as of the end of the investment adviser’s fiscal year. Each balance sheet filed must be:

- Examined in accordance with generally accepted auditing standards and prepared in conformity with generally accepted accounting principles;
- Audited by an independent public accountant or an independent certified public accountant; and
- Accompanied by an opinion of the accountant as to the report of financial position, and by a note stating the principles used to prepare it, the basis of included securities, and any other explanations required for clarity.

Every registered investment adviser who has discretionary authority over client funds or securities, but not custody, shall file with the administrator a balance sheet, which need not be audited, but which must be prepared in accordance with generally accepted accounting principles and represented by the investment adviser or the person who prepared the statement as true and accurate, as of the end of the investment adviser’s fiscal year.

Every investment adviser that has its principal place of business in a state other than this state shall maintain such capital as required by the state in which the investment adviser maintains its principal place of business, provided the investment adviser is licensed in such state and is in compliance with such state’s minimum capital requirements, if any.

B. Evidence of compliance with the minimum financial requirements (see above)

C. A copy of the Surety Bond (if applicable—see above)

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

**Important Note:** At present, North Carolina does not require investment adviser representatives to be fingerprinted.

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the North Carolina Securities Division Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

**Important Note:** A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.

B. Select IARD Main Tab.

C. In the “Forms” column under “ADV-W” select “New Filing.”


Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.
Step 3. Complete Items 1A Through 1D

Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the North Dakota Securities Department (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Address
ND Securities Department
State Capitol, 5th Floor
600 East Boulevard Ave.
Bismarck, ND 58505-0510

Phone/Fax
Phone: 701-328-2910
Fax: 701-328-2946

Email
ndsecurities@nd.gov

Website
www.ndsecurities.com/department-info/default.asp

II. STATUTORY REQUIREMENTS FOR REGISTRATION

North Dakota Securities Act §10-04-10
North Dakota Administrative Rules

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $100.00 for the investment advisory firm
B. $50.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.
2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

A. Log on to your advisory firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV,” select “New Filing.”
D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

A. Item 1 through Item 4 will probably not need to be updated.
B. Do not delete the information in Item 2 (SEC Registration).
C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.
A. Item 1 (State Registration)—Check the box for North Dakota (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

   Important Note: Recent changes to federal custody rules have not yet been adopted by the State of North Dakota.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

   Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

   Important Note: The following documents are filed directly with the North Dakota Securities Department.

   List of other jurisdictions if any, that have refused, revoked or suspended the applicant or in which the applicant has been withdrawn

VII. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

   Important Note: At present, North Dakota does not require investment adviser representatives to be fingerprinted.

VIII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the North Dakota Securities Department Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION
Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W
A. Log on to your firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section
The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D
Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION
The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Ohio Division of Securities (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Mailing Address
The Ohio Department of Commerce
Division of Securities
77 South High Street, 22nd Floor
Columbus, OH 43215-6131

Phone
614-644-7381

Website
www.com.ohio.gov/secu/

II. STATUTORY REQUIREMENTS FOR REGISTRATION

The Ohio Revised Code Title 17
The Ohio Administrative Code—OAC Chapters 1301:6-1 and 1301:6-3

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $100.00 for the investment advisory firm

B. $35.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If
you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

   Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

   A. Log on to your advisory firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV,” select “New Filing.”
   D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

   Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

   A. Item 1 through Item 4 will probably not need to be updated.
   B. Do not delete the information in Item 2 (SEC Registration).
   C. Update the information in Item 5 (Information About Your Advisory Business).
   D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

   Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.
A. Item 1 (State Registration)—Check the box for Ohio (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Ohio.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

Ohio does not require any additional filings.

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

Step 1. File a Form U-4

For all individuals in the advisory firm who provide investment advisory services.

An investment adviser licensed, or required to be licensed, by the Ohio Division of Securities must adopt and implement written policies and procedures reasonably designed to prevent violations by the adviser (and its supervised persons) of the Ohio Securities Act and the administrative rules promulgated by the Division. In connection with adopting and implementing this written compliance program, an adviser must designate a person, who is a supervised person, as the “Chief Compliance Officer” ("CCO") responsible for administering the program. This compliance program requirement provides an adviser with the opportunity to establish a comprehensive set of standards governing its operations and compliance obligations.

Adoption and implementation of a compliance program, however, is not amenable to an “off-the-shelf” approach. Rather, an adviser must consider the scope of its services and its fiduciary duties, inventory its compliance requirements, and identify actual and potential conflicts of interest. From this starting point, an adviser must develop a program consisting of written policies and procedures that address its relevant fiduciary, operational and regulatory obligations.

Step 2. Fingerprints
VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Ohio Division of Securities Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D

Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
OKLAHOMA
State Registration Fact Sheet

SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Oklahoma Department of Securities (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Address
Oklahoma Department of Securities
Suite 860, First National Center
120 N. Robinson
Oklahoma City, OK 73102

Phone/Fax
Phone: 405-280-7700
Fax: 405-280-7742

Website
www.securities.ok.gov/

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Oklahoma Uniform Securities Act of 1984, Article 4, §1-403
Administrative Rules of the Oklahoma Securities Commission, §660:11-7-11

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $300.00 for the investment advisory firm
B. $35.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If
you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

   Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

   A. Log on to your advisory firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV,” select “New Filing.”
   D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

   Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

   A. Item 1 through Item 4 will probably not need to be updated.
   B. Do not delete the information in Item 2 (SEC Registration).
   C. Update the information in Item 5 (Information About Your Advisory Business).
   D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

   Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.
A. Item 1 (State Registration)—Check the box for Oklahoma (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

   Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Oklahoma.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

   Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

   Important Note: The following documents are filed directly with the Oklahoma Department of Securities.

   A. Investment Advisory Agreements

   B. Financial Statements

   Applications for registration as investment advisers in the State of Oklahoma must contain audited financial statements for the applicant as of the end of its last fiscal year. If the audited financial statements are not current to within ninety (90) days of the date of filing, additional unaudited financial statements shall be submitted covering the period from the beginning of the current fiscal year through a month ending within the 90-day time frame.

   Investment advisers who are individuals or sole proprietorships, in lieu of audited financial statements, may provide financial statements that have been prepared in accordance with generally accepted accounting principles and which have been reviewed and reported upon by independent accountants in accordance with the standards for the review of financial statements promulgated by the American Institute of Certified Public Accountants.

   The financial statement requirements do not apply to an investment adviser unless the investment adviser has custody or possession of clients’ funds or securities or requires prepayment of advisory fees six (6) months or more in advance and in excess of $500.00 per client.
VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

*Important Note: At present, Oklahoma does not require investment adviser representatives to be fingerprinted.*

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Oklahoma Department of Securities Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

*Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.*

**Step 1. Access Form ADV-W**

A. Log on to your firm's IARD account.

B. Select IARD Main Tab.

C. In the “Forms” column under “ADV-W” select “New Filing.”


**Step 2. Complete the Status Section**

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

**Step 3. Complete Items 1A Through 1D**

*Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.*

**Step 4. Sign the Execution Page and Submit**

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

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OREGON
State Registration Fact Sheet

SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Oregon Division of Finance and Securities (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Street Address
Department of Consumer & Business Services
Div. of Finance & Corp. Securities
350 Winter St., NE
Room 410
Salem, OR 97301-3881

Mailing Addresses

Forms only:
Department of Consumer & Business Services
Division of Finance and Corporate Securities
PO Box 14480
Salem, OR 97309-0405

Forms with fees:
Fiscal Services Section
Department of Consumer & Business Services
PO Box 14610
Salem, OR 97309-0445

Phone/Fax
Phone: 503-378-4140
Fax: 503-947-7862

Email
dcbs.dfcsmail@state.or.us

Website
www.cbs.state.or.us/external/dfcs/

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Oregon Securities Law §59.165
Oregon Administrative Rules, Division 175

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $300.00 for the investment advisory firm
B. $35.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A
A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.

   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

A. Log on to your advisory firm’s IARD account.

B. Select IARD Main Tab.

C. In the “Forms” column under “ADV,” select “New Filing.”
D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

A. Item 1 through Item 4 will probably not need to be updated.
B. Do not delete the information in Item 2 (SEC Registration).
C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.

A. Item 1 (State Registration)—Check the box for Oregon (as well as for any other state in which your advisory firm will be registering).
B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.
C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

Every applicant for a license as an Oregon based state investment adviser, must file with the Director of the Division of Finance and Corporate Securities a surety bond or a letter of credit. Every person licensed as an Oregon based state investment adviser must maintain a surety bond or a letter of credit during the period of licensing and for at least six years after the person ceases to be licensed as an Oregon based state investment adviser. In no less than six years after a person ceases to be required to maintain a surety bond or a letter of credit, the person may apply to the Director of the Division of Finance and Corporate Securities for release of the surety bond or letter of credit. Unless the Director of the Division of Finance and Corporate Securities determines that claims are pending against the person for violation of the Oregon Securities Law, the Director of the Division of Finance and Corporate Securities shall release the surety bond or letter of credit.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.
E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).
F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.
G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.
H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.
I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Oregon.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.
K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.
L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.
Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

Important Note: The following documents are filed directly with the Oregon Division of Finance and Securities.

A. Investment Advisory Agreements
B. Financial Statements
   Any investment adviser registering in the State of Oregon who has or will have custody of client funds or securities or requires or will require payment of advisory fees six months or more in advance and in excess of $500 per client, an audited balance sheet and for all other such investment advisers, a reviewed or compiled balance sheet;
   The financial statements must be submitted for the last two fiscal years. If an application for investment adviser registration is made less than 90 days after the end of the applicant's fiscal year, the financial statements shall be for the two most recent fiscal years, not including the most recently completed fiscal year. For persons with less than two years of operations, the same financial statements must be submitted for the period of operations and if the year-end financial statements are dated more than 90 days from the completed application, interim financial statements within 90 days must accompany the application.
C. Surety Bond or Letter of Credit
D. Designation of Supervisor (as applicable)

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

Important Note: At present, Oregon does not require investment adviser representatives to be fingerprinted.

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Oregon Division of Finance Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W
   A. Log on to your firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section
   The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D
   Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION
The information contained in this section is only a summary of the rules and regulations that apply to investment advisers registering in the State of Oregon. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to Oregon-registered investment advisers. It is not intended to constitute legal or compliance consulting advice or apply to any one investment adviser's particular situation. If you are in need of further information or have specific questions regarding the registration and compliance obligations applicable to the conduct of your investment advisory business, please contact U.S. Compliance Consultants toll-free at 888-798-2930.
SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Pennsylvania Securities Commission (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Mailing Address
Pennsylvania Securities Commission
Attention: Division of Licensing
1010 N. Seventh St.
Eastgate Bldg, 2nd Floor
Harrisburg, PA 17102–1410

Phone/Fax
Phone: 717-783-4244
Fax: 717-705-2955

Website
www.psc.state.pa.us/licensing/index.html

II. STATUTORY REQUIREMENTS FOR REGISTRATION

§102(j) of the Pennsylvania Securities Act
64 Pennsylvania Code §303

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $350.00 for the investment advisory firm
B. $120.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.
2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

A. Log on to your advisory firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV,” select “New Filing.”
D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

A. Item 1 through Item 4 will probably not need to be updated.
B. Do not delete the information in Item 2 (SEC Registration).
C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.
A. Item 1 (State Registration) — Check the box for Pennsylvania (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance) — Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information) — If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement) — Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

E. Item 2C through Item 2F (Disclosures) — For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities) — Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities) — If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning) — If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees) — Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the Commonwealth of Pennsylvania.

J. Item 2I (Custody—General Partner) — Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees) — Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors) — Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

Step 1: File Supplemental Registration Documents

Important Note: The following documents (as applicable) are filed directly with the Pennsylvania Securities Commission.

A. Investment Advisory Agreements

B. Solicitor’s Agreement(s)

If applicant has provided an affirmative response to Item 8F on Form ADV Part 1 (e.g., do you use solicitors), provide specimen copies of the solicitor’s agreement and disclosure statement.

C. Statement of Financial Condition

An applicant that has custody of client funds or securities or an applicant that requires payment of advisory fees 6 months or more in advance and in excess of $1,200 per client shall file an audited balance sheet of the applicant prepared in accordance with generally accepted accounting principles and accompanied by a standard audit report containing an unqualified opinion of an independent certified public accountant. The accountant shall submit, as a supplementary opinion, comments based upon the audit as to material inadequacies found to exist in the accounting system, the internal accounting controls and the procedures for safeguarding securities and funds and shall indicate corrective action taken or proposed. The balance sheet required by this paragraph shall be as of the end of the applicant’s most recent fiscal year. If that balance sheet is as of a date more than 45 days prior to the date of filing
the application, the applicant also shall file a subsequent balance sheet prepared in accordance with generally accepted accounting principles as of a date within 45 days of the date of filing. This balance sheet may be unaudited and may be prepared by management of the applicant.

An applicant that has discretionary authority over client funds or securities, but not custody, shall file a balance sheet which need not be audited but shall be prepared in accordance with generally accepted accounting principles. The balance sheet required by this paragraph shall be as of the end of the applicant’s most recent fiscal year. If that balance sheet is as of a date more than 45 days prior to the date of filing the application, the applicant also shall file a subsequent balance sheet, which must be prepared in accordance with generally accepted accounting principles as of a date within 45 days of filing the application. Each balance sheet required by this paragraph may be unaudited and prepared by management of the applicant. Each balance sheet required by this paragraph also shall contain a representation by the applicant that the balance sheet is true and accurate.

D. Surety Bond

An investment adviser that has its principal place of business in this Commonwealth and does not meet the minimum net worth requirements of §303.042 (relating to investment adviser capital requirements) may, by order of the Commission, have and maintain a surety bond in the amount of the net worth deficiency rounded up to the nearest $5,000. The surety bond shall be filed with the Commission on Uniform Surety Bond Form (Form U-SB) or successor form thereto; shall be subject to the claims of all clients of the investment adviser regardless of the client’s state of residence; and shall be issued by a person licensed to issue surety bonds in this Commonwealth.

An investment adviser that has its principal place of business in a state other than this Commonwealth shall comply with paragraph (1) unless the investment adviser meets the following qualifications:

(i) Is registered as an investment adviser in that state.

(ii) Is in compliance with the applicable net worth and bonding requirements of the state in which it maintains its principal place of business.

Step 2: Computation of Net Worth

A. An investment adviser that has its principal place of business in the Commonwealth of Pennsylvania and has custody of client funds or securities shall maintain at all times a minimum net worth of $35,000 unless the investment adviser meets any of the following:

- The investment adviser has custody solely as a result of receiving fees directly deducted from clients’ funds or securities if the investment adviser:
  - Possesses written authorization from the client to deduct advisory fees from an account held by a qualified custodian.
  - Sends the qualified custodian written notice of the amount of the fee to be deducted from the client’s account.
  - Sends the client a written invoice itemizing the fee, including any formulae used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

B. The investment adviser has custody solely as a result of serving as a general partner, manager of a limited liability company or a person occupying a similar status or performing a similar function which gives the investment adviser or its supervised person legal ownership or access to client funds or securities if:

- The pooled investment vehicle is subject to audit at least annually and distributes its audited financial statements which have been prepared by an independent certified public accountant in accordance with generally accepted accounting principles to all limited partners, members or beneficial owners within 120 days of the end of its fiscal year.

- The investment adviser:
  - Hires an independent party to review all fees, expenses and capital withdrawals from the accounts included in the pooled investment vehicle prior to forwarding them to the qualified custodian with the independent party’s approval for payment.
  - Sends written invoices or receipts to the independent party which describe the amount of the fees (including any formulae used to calculate the fees, the time period covered by the fees and the...
amount of assets under management on which the fees were based), expenses or capital withdrawals for the independent party to verify that payment of the fees, expenses or capital withdrawals is in accordance with the documents governing the operation of the pooled investment vehicle and any statutory requirements applicable thereto.

- The investment adviser has custody solely as a result of acting as trustee for a beneficial trust in which the beneficial owners of the trust are a parent or step-parent; grandparent or step-grandparent; spouse, brother or step-brother, sister or step-sister; or grandchild or step-grandchild of the investment adviser.

C. An investment adviser that has its principal place of business in the Commonwealth of Pennsylvania and has discretionary authority over client funds or securities but does not have custody of client funds or securities shall maintain at all times a minimum net worth of $10,000. An investment adviser will not be deemed to be exercising discretion and subject to the requirements of this paragraph when it places trade orders with a broker-dealer under a third-party trading agreement if:

- The investment adviser has executed a separate investment adviser contract exclusively with its clients that acknowledges that a third-party agreement will be executed to allow the investment adviser to effect securities transactions for the client in the client’s broker-dealer account.
- The investment adviser contract specifically states that the client does not grant discretionary authority to the investment adviser and the investment adviser, in fact, does not exercise discretion with respect to the account.
- A third-party trading agreement is executed between the investment adviser, the client and the broker-dealer which specifically limits the investment adviser’s authority in the client’s broker-dealer account to the placement of trade orders and deduction of investment adviser fees.

D. An investment adviser that has its principal place of business in the Commonwealth of Pennsylvania and accepts prepayment of advisory fees of more than 6 months in advance and more than $1,200 per client shall maintain at all times a positive net worth.

E. The following applies when an investment adviser has its principal place of business in a state other than the Commonwealth of Pennsylvania:

- If the investment adviser currently is licensed as an investment adviser in the state in which it maintains its principal place of business and is in compliance with that state’s net worth requirements, the net worth required by this section shall be the same as the net worth requirement imposed by that state.
- If the investment adviser currently is not licensed as an investment adviser in the state in which it maintains its principal place of business, the net worth required by this section shall be the same as if the investment adviser had its principal place of business in the Commonwealth of Pennsylvania.

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

*Important Note: At present, Pennsylvania does not require investment adviser representatives to be fingerprinted.*

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Pennsylvania Code.

VIII. WITHDRAW FROM SEC REGISTRATION

*Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.*
Step 1. Access Form ADV-W
   A. Log on to your firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section
   The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D
   Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION
   The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

   U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration **must not** withdraw their SEC registration until their advisory firm has been notified by the Rhode Island Department of Business Regulation (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

**Address**
Rhode Island Department of Business Regulation
1511 Pontiac Avenue
Cranston, RI 02920

**Phone/Fax**
Phone: 401-462-9500
Fax: 401-462-9532

**Email**
DirectorOfficeInquiry@dbr.state.ri.us

**Website**
www.dbr.state.ri.us/

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Rhode Island Uniform Securities Act §7-11-203
Securities Division Regulations Rule 205(a)-1

III. PRELIMINARY REGISTRATION ACTIONS

**Step 1. Calculate State Registration Fees**

*Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.*

A. $300.00 for the investment advisory firm
B. $60.00 for each investment adviser representative

**Step 2. Update Advisory Firm's Current Form ADV Part 2A**

*Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.*

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

   “XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

   1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.
2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

   Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

   A. Log on to your advisory firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the "Forms" column under “ADV,” select "New Filing."
   D. On "ADV—New Filing Page,” select "Apply for Registration as an Investment Adviser with One or More States."

Step 2. Complete Part 1A of Form ADV

   Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

   A. Item 1 through Item 4 will probably not need to be updated.
   B. Do not delete the information in Item 2 (SEC Registration).
   C. Update the information in Item 5 (Information About Your Advisory Business).
   D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

   Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.
A. Item 1 (State Registration)—Check the box for Rhode Island (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

An investment adviser registered in the State of Rhode Island must at all times maintain a minimum net worth of not less than $5,000.

An investment adviser that maintains custody of client funds or assets must at all times maintain a minimum net worth of not less than $25,000 and have filed a surety bond with the Director of the Department of Business Regulation. Investment adviser representatives must also file a surety bond.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Rhode Island.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

Important Note: The following document is filed directly with the Rhode Island Department of Business Regulation.

Prior Activity Affidavit and Questionnaire

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

Step 1: File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

Step 2: File Investment Adviser Representative Examination Affidavit.

Important Note: At present, Rhode Island does not require investment adviser representatives to be fingerprinted.
VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Delaware Securities Division Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D

Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the South Carolina Securities Division (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Mailing Address
Office of the S. C. Attorney General
Securities Division
PO Box 11549
Columbia, SC 29211-1549

Overnight Delivery Address
Securities Division
Rembert Dennis Building
1000 Assembly St.
Columbia, SC 29201

Phone
803-734-9916

Website
www.scag.gov/securities/index.html

II. STATUTORY REQUIREMENTS FOR REGISTRATION

South Carolina Uniform Securities Act §35-1-406

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $210.00 for the investment advisory firm
B. $55.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this
information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

A. Log on to your advisory firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV,” select “New Filing.”
D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

A. Item 1 through Item 4 will probably not need to be updated.
B. Do not delete the information in Item 2 (SEC Registration).
C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV
Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.

A. Item 1 (State Registration)—Check the box for South Carolina (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of South Carolina.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

Important Note: The following documents are filed directly with the South Carolina Securities Division.

A. Investment Advisory Agreements

B. Financial Statements and Verification Form

Every investment adviser registered in the State of Carolina who has custody of client funds or securities or requires payment of advisory fees six months or more in advance and in excess of $500 per client must file with the South Carolina Securities Division an audited balance sheet as of the end of the investment adviser’s fiscal year. Each balance sheet filed must be:

- Examined in accordance with generally accepted auditing standards and prepared in conformity with generally accepted accounting principles;
- Audited by an independent public accountant or an independent certified public accountant; and
• Accompanied by an opinion of the accountant as to the report of financial position, and by a note stating the principles used to prepare it, the basis of included securities, and any other explanations required for clarity.

Every registered investment adviser who has discretionary authority over client funds or securities, but not custody, must file with the South Carolina Securities Division a balance sheet, which need not be audited, but which must be prepared in accordance with generally accepted accounting principles and represented by the investment adviser or the person who prepared the statement as true and accurate, as of the end of the investment adviser's fiscal year.

The financial statements must be filed with the South Carolina Securities Division within 90 days following the end of the investment adviser's fiscal year.

C. Surety Bond

State registered firms that have custody of or discretionary authority over client funds need to either meet net capital requirements or post the applicable bond. No bond is required of state registered firms that do not have custody of or discretionary authority over client funds.

D. South Carolina Law Enforcement Division Criminal Record History (for non-FINRA members)

To obtain a South Carolina Law Enforcement Division Criminal Record History, send $25.00 (money order or business check only; no cash or personal checks) to:

Records Check Department
c/o SLED
PO Box 21398
Columbia, SC 29211-1398

Complete the enclosed form and include a stamped envelope addressed to:

Office of the Attorney General
Securities Section—Attn: Lisa Lomas
PO Box 11549
Columbia, SC 29211-1549

E. List of investment adviser representatives with a place of business in South Carolina and their CRD numbers

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

Important Note: At present, South Carolina does not require investment adviser representatives to be fingerprinted.

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the South Carolina Securities Division Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.

B. Select IARD Main Tab.

C. In the “Forms” column under “ADV-W” select “New Filing.”


Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.
Step 3. Complete Items 1A Through 1D

*Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.*

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser's particular situation.

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SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the South Dakota Securities Division (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Address
South Dakota Securities Division
445 East Capitol Ave.
Pierre, SD 57501-3185

Phone/Fax
Phone: 605-773-4823
Fax: 605-773-5953

Email
drr.securities@state.sd.us

Website
www.state.sd.us/drr2/reg/securities/index.htm

II. STATUTORY REQUIREMENTS FOR REGISTRATION

South Dakota Uniform Securities Act §47-31B-403
South Dakota Administrative Rules §20:08:05:01.02

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $100.00 for the investment advisory firm
B. $50.00 for each investment adviser representative

Step 2. Update Advisory Firm's Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.
2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

   Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

   A. Log on to your advisory firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV,” select “New Filing.”
   D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

   Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

   A. Item 1 through Item 4 will probably not need to be updated.
   B. Do not delete the information in Item 2 (SEC Registration).
   C. Update the information in Item 5 (Information About Your Advisory Business).
   D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

   Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.
A. Item 1 (State Registration)—Check the box for South Dakota (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

   Every investment adviser registered or required to be registered in South Dakota having custody of or discretionary authority over client funds or securities shall be bonded in an amount determined by the director based upon the number of clients and the total assets under management of the investment adviser.

   Every investment adviser registered or required to be registered in South Dakota who has custody or discretion of client funds or securities who does not meet the minimum net worth standard shall be bonded in the amount of the net worth deficiency rounded up to the nearest $5,000.

   A bond required by this section shall be issued by a company qualified to do business in this state in the form determined by the director and shall be subject to the claims of all clients of such investment adviser regardless of the client's state of residence.

   An investment adviser that has its principal place of business in a state other than South Dakota shall be exempt from the requirements of this section, provided that the investment adviser is registered as an investment adviser in the state where it has its principal place of business and is in compliance with such state's requirements relating to bonding.

D. Item 2B (Minimum Capital Requirement)—Answer "yes" or "no" as to whether your advisory firm is in compliance with its home state's minimum capital requirement.

   An investment adviser registered or required to be registered in South Dakota, who has custody of client funds or securities, shall maintain at all times a minimum net worth of $35,000 except:

   - Advisers having custody solely due to direct fee deduction and complying with the terms described under South Dakota Administrative Rule §20:08:05:05(a)(6) and related books and records, as described in South Dakota Administrative Rule §§20:08:05:08(a)(21) and (22), may not be required to comply with the net worth or bonding requirements of this rule.

   - Advisers having custody solely due to advising pooled investment vehicles, as defined in South Dakota Administrative Rule §20:08:05:05(c)(1)(iv), and complying with the terms described under South Dakota Administrative Rule §§20:08:05:08(a)(21) and (22), may not be required to comply with the net worth or bonding requirements of this rule.

   Every investment adviser registered or required to be registered in South Dakota, who has discretionary authority over client funds or securities but does not have custody of client funds or securities, shall maintain at all times a minimum net worth of $10,000.

   An investment adviser registered or required to be registered in South Dakota, who accepts prepayment of more than $500 per client and six or more months in advance, shall maintain at all times a positive net worth.

   Unless otherwise exempted as a condition of the right to transact business in South Dakota, every investment adviser registered or required to be registered in South Dakota shall by the close of business on the next business day notify the director if such investment adviser's net worth is less than the minimum required. After transmitting such notice, each investment adviser shall file by the close of business on the next business day a report with the director of its financial condition, including the following:

   - A trial balance of all ledger accounts;
   - A statement of all client funds or securities which are not segregated;
   - A computation of the aggregate amount of client ledger debit balances; and
   - A statement as to the number of client accounts.

   For purposes of this section, the term "net worth" means an excess of assets over liabilities, as determined by generally accepted accounting principles, but does not include as assets: prepaid expenses (except as to items properly classified under generally accepted accounting principles), deferred charges, goodwill, franchise rights, organizational expenses, patents, copyrights, marketing rights, unamortized debt discount and expense, all other assets of intangible nature, home furnishings, automobile(s), and any other personal items not readily marketable in the case of an individual; advances or loans to stockholders and officers in the case of a corporation; and advances or loans to partners in the case of a partnership.

   For purposes of this section, an investment adviser is not deemed to be exercising discretion when it places trade orders with a broker-dealer pursuant to a third party trading agreement if:

   - The investment adviser has executed a separate investment adviser contract exclusively with its client which acknowledges that a third-party trading agreement will be executed to allow the investment adviser to effect securities transactions for the client in the client's broker-dealer account; and
The investment adviser contract specifically states that the client does not grant discretionary authority to the investment adviser and the investment adviser in fact does not exercise discretion with respect to the account; and

A third-party trading agreement is executed between the investment adviser, client and a broker-dealer which specifically limits the investment adviser's authority in the client's broker-dealer account to the placement of trade orders and deduction of investment adviser fees.

The director may require that a current appraisal be submitted in order to establish the worth of any asset.

Every investment adviser that has its principal place of business in a state other than this state shall maintain only such minimum net worth as required by the state in which the investment adviser maintains its principal place of business, if the investment adviser is licensed in such state and is in compliance with such state's minimum net worth requirements.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of South Dakota.

J. Item 21 (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

Important Note: The following document is filed directly with the South Dakota Securities Division.

Surety Bond (if applicable)

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

Important Note: At present, South Dakota does not require investment adviser representatives to be fingerprinted.

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the South Dakota Securities Division Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION
Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

**Step 1. Access Form ADV-W**

A. Log on to your firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV-W” select “New Filing.”

**Step 2. Complete the Status Section**

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

**Step 3. Complete Items 1A Through 1D**

Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

**Step 4. Sign the Execution Page and Submit**

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Tennessee Department of Commerce and Insurance, Securities Division (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Address
Tennessee Department of Commerce and Insurance
Securities Division
500 James Robertson Parkway
Nashville, TN 37243-0575

Phone/Fax
Phone: 615-741-2947
Fax: 615-532-8375

Email
Securities.1@tn.gov

Website
tn.gov/commerce/securities/index.shtml

II. STATUTORY REQUIREMENTS FOR REGISTRATION

The Tennessee Securities Rules Chapter 0780-4

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $200.00 for the investment advisory firm

B. $50.00 for each investment adviser representative

Step 2. Update Advisory Firm's Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.
2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

A. Log on to your advisory firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV,” select “New Filing.”
D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

A. Item 1 through Item 4 will probably not need to be updated.
B. Do not delete the information in Item 2 (SEC Registration).
C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.
A. Item 1 (State Registration)—Check the box for Tennessee (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

An investment adviser applicant who maintains his principal place of business in a state other than Tennessee shall demonstrate compliance with the net capital and bonding requirements of that state.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

Every investment adviser registered or to be registered in the State of Tennessee shall have and maintain a minimum net capital of fifteen thousand dollars ($15,000.00).

Net capital is defined as total assets less total liabilities (net worth) as computed in accordance with generally accepted accounting principles consistently applied minus the following non-allowable assets:

- In the case of an individual: home equity, home furnishings, automobiles, goodwill and any other personal item not readily marketable;
- In the case of a corporation: advances or loans to stockholders, officers or affiliates and uncollateralized receivables from stockholders, officers or affiliates;
- In the case of a limited liability corporation: advances or loans to members or affiliates and uncollateralized receivables from members or affiliates; and
- In the case of a partnership: advances or loans to partners or affiliates and uncollateralized receivables from partners or affiliates.

The Securities Division may require that a current appraisal be submitted in order to establish the value of any asset.

An investment adviser who has a principal place of business in another state shall not be subject to the above net capital requirements if:

- The investment adviser is licensed as an investment adviser in the state in which he maintains his principal place of business;
- The investment adviser is in compliance with the applicable net capital requirement in the state in which he maintains his principal place of business; and
- The investment adviser is in compliance with applicable net capital and bonding requirements in the state in which he maintains his principal place of business.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Tennessee.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.
Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

Important Note: The following documents are filed directly with the Tennessee Securities Division.

A. Investment Advisory Agreements

B. Financial Statements

Investment advisers applying for registration in the State of Tennessee must submit a balance sheet prepared in accordance with generally accepted accounting principles consistently applied as of a date not more than ninety (90) days prior to the date of such application, which shall demonstrate compliance with the net capital requirement for a registered investment adviser in the state in which the applicant maintains its principal place of business. “Principal place of business” means the executive office of the investment adviser from which the officers, partners, or managers of the investment adviser direct, control, and coordinate the activities of the investment adviser.

For any applicant which has or will have custody of client funds or securities, or which requires or will require prepayment of more than five hundred dollars ($500) in advisory fees six (6) or more months in advance, an audited balance sheet. If such applicant has not yet had an audit performed pursuant to its first fiscal year of existence it may submit an unaudited balance sheet in such detail as will disclose the nature and amount of assets and liabilities and the net worth and net capital of the applicant. Such financial statement shall be prepared as of a date within thirty (30) days of the filing date and shall be certified as to its correctness by the sole proprietor, a general partner or a duly authorized executive officer of the applicant, and shall be accompanied by a designation of accountant to be executed by the accountant so designated to perform the applicant’s first annual audit.

The balance sheet must be certified by an independent certified public accountant or independent public accountant, prepared in accordance with generally accepted accounting principles consistently applied, and accompanied by an opinion of the accountant as to the investment adviser’s financial condition which is unqualified, except as to matters which would not have a substantial effect on the financial condition of the investment adviser.

C. Demonstration of Compliance with Capital and Bonding Requirements (if applicable)

An investment adviser applicant who maintains his principal place of business in a state other than Tennessee shall demonstrate compliance with the net capital and bonding requirements of that state by submitting: (i) evidence of investment adviser registration in that state; (ii) a net capital computation pursuant to the requirements of that state as of a date not more than ninety (90) days prior to submission; and (iii) a photocopy of the current bond, if applicable, as filed to satisfy that state’s bonding requirements.

D. Organizational Documents

Investment adviser applicants in the State of Tennessee must submit corporate formation documents as follows:

- If the applicant is a corporation, a certified copy of its articles of incorporation and amendments thereto, and a copy of its by-laws certified by the secretary of the corporation.
- If the applicant is a partnership, a copy of its partnership agreement, certified by a general partner.
- If the applicant is a limited liability company, a copy of its articles of organization as filed within the state in which it was formed and a copy of its operating agreement, if any, certified by a managing member.

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

Important Note: At present, Tennessee does not require investment adviser representatives to be fingerprinted.

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Tennessee Securities Division Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W
A. Log on to your firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D

Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Texas State Securities Board (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

1. STATE CONTACT INFORMATION

   **Street Address**
   Texas State Securities Board
   208 East 10th St.
   5th Floor (Rusk Building)
   Austin, TX 78701

   **Mailing Address**
   Texas State Securities Board
   PO Box 13167
   Austin, TX 78711-3167

   **Phone/Fax**
   Phone: 512-305-8300
   Fax: 512-305-8310

   **Website**
   http://www.ssb.state.tx.us/

II. STATUTORY REQUIREMENTS FOR REGISTRATION

   Texas Securities Act §§12—21
   Texas Administrative Code—Title 7; Part 7; Chapter 116

III. PRELIMINARY REGISTRATION ACTIONS

   **Step 1. Calculate State Registration Fees**
   
   Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

   A. $275.00 for the investment advisory firm
   B. $285.00 for each investment adviser representative

   **Step 2. Update Advisory Firm’s Current Form ADV Part 2A**
   
   Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

   A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:
   
   “XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

   B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

   1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this
information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

*Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.*

A. Log on to your advisory firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV,” select “New Filing.”
D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

*Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.*

A. Item 1 through Item 4 will probably **not** need to be updated.
B. Do **not** delete the information in Item 2 (SEC Registration).
C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV
Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.

A. Item 1 (State Registration)—Check the box for Texas (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Texas.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

Step 1. Revise Advisory Agreement(s) to Conform to Texas Regulations

Pursuant to Rule §116.12(a), the advisory contract must contain the following language: “Client acknowledges receipt of Part 2 of Form ADV; a disclosure statement containing the equivalent information; or a disclosure statement containing at least the information required by 2A Appendix 1 of Form ADV, if the client is entering into a wrap fee program sponsored by the investment adviser. If the appropriate disclosure statement was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory contract with this investment adviser, then the client has the right to terminate the contract without penalty within five business days after entering into the contract. For the purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract, or, in the case of an oral contract, otherwise signified their acceptance, any other provisions of this contract notwithstanding.”

Step 2. File Supplemental Registration Documents

Important Note: The following documents are filed directly with the Texas State Securities Board.

A. Balance Sheet and Certificate of Balance Sheet Form
The balance sheet must be prepared in accordance with generally accepted accounting practices, reflecting the applicant's financial condition as of a date not more than 90 days prior to the date of filing. For sole proprietor applicants, a personal balance sheet must be furnished. The balance sheet should either be audited by an independent certified accountant or otherwise be attested by executing a sworn notarized statement (Certification of Balance Sheet Form) on behalf of the applicant.

B. Designated Officer Letter

Pursuant to Texas State Securities Board Rule §116.2(b), one control person of each corporation, limited liability company, or partnership must be registered, even if none is actively engaged in advisory activities under this registration. A letter must be submitted with application materials specifying which individual will be the designated officer.

C. Certified copy of articles of incorporation (or articles of organization for an LLC)

D. Bylaws (or operating agreement for an LLC)

E. Investment advisory and/or financial planning agreements

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

Section 4(p) of the Texas Securities Act states: “Investment adviser representative” or “representative of an investment adviser” includes each person or company who, for compensation, is employed, appointed, or authorized by an investment adviser to solicit clients for the investment adviser or who, on behalf of an investment adviser, provides investment advice, directly or through subagents, as defined by Board rule, to the investment adviser's clients. The term does not include a partner of a partnership or an officer of a corporation or other entity that is registered as an investment adviser under this Act solely because of the person’s status as an officer or partner of that entity.

File a Form U-4 for all individuals in the advisory firm that meet the definition of investment adviser representative.

Important Note: At present, Texas does not require investment adviser representatives to be fingerprinted.

VII. POST-REGISTRATION REQUIREMENTS

Step 1. Obtain Registration Certificate

A. Section 21 of the Texas Securities Act requires a registered dealer and registered investment adviser to conspicuously display a registration certificate in the registrant's principal place of business in Texas and in each registered branch office in Texas.

B. Effective September 1, 2009, the Texas State Securities Board will no longer print or mail these certificates. Instead, registration certificates must be obtained as follows:

1. Go to the Internet website: www.ssb.state.tx.us/cert;
2. Enter either the firm CRD Number, Texas File Number, or CRD Branch Number; and
3. Click on "Certificate of Registration" for the appropriate office location to print the certificate.

Step 2. Compliance

A. Conform existing compliance manual to the Texas Administrative Code.

B. Develop and implement anti-money laundering procedures.

Although there are no specific federal or State of Texas regulations requiring investment advisers to maintain anti-money laundering (AML) procedures, the Texas State Securities Board has cited state-registered advisers for failure to maintain adequate AML procedures.

VIII. WITHDRAW FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.

B. Select IARD Main Tab.

C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D

*Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.*

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
UTAH
State Registration Fact Sheet

SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Utah Department of Commerce, Division of Securities (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Street Address
Utah Division of Securities
160 East 300 South, 2nd Floor
Salt Lake City, UT 84111

Mailing Address
Utah Division of Securities
PO Box 146760
Salt Lake City, UT 84114-6760

Phone/Fax
Phone: 801-530-6600
Fax: 801-530-6980

Email
securities@utah.gov

Website
www.securities.state.ut.us/

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Utah Uniform Securities Act Title 61, Chapter 1, Section 3
Utah Administrative Code R164-4-2

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $50.00 for the investment advisory firm
B. $50.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):
1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

A. Log on to your advisory firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV,” select “New Filing.”
D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

A. Item 1 through Item 4 will probably not need to be updated.
B. Do not delete the information in Item 2 (SEC Registration).
C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.
Step 3. Complete Part 1B of the Form ADV

Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.

A. Item 1 (State Registration)—Check the box for Utah (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

Every investment adviser registered in the State of Utah having custody of or discretionary authority over client funds or securities must be bonded:

- In an amount determined by the Utah Division of Securities based upon the number of clients and the total assets under management of the investment adviser, which shall be at a minimum of $10,000;
- Issued by a bonding company qualified to do business in Utah;
- On or in substantially the same form as Utah Division of Securities Form 4-5BIA, Corporate Indemnity Bond of Investment Adviser.

These bonding shall not apply to those investment adviser applicants or licensees who comply with the minimum financial requirements.

An investment adviser that has its principal place of business in a state other than the State of Utah shall be exempt from these bonding requirements, provided that the investment adviser is licensed as an investment adviser in the state where it has its principal place of business and is in compliance with such state’s requirements relating to bonding.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

An investment adviser licensed or required to be licensed in the State of Utah who has custody of client funds or securities shall maintain at all times a minimum net worth of $35,000, and every investment adviser licensed or required to be licensed in the State of Utah who has discretionary authority over client funds or securities but does not have custody of client funds or securities, shall maintain at all times a minimum net worth of $10,000.

An investment adviser registered or required to be registered in the State of Utah who accepts prepayment of more than $500 per client and six or more months in advance shall maintain at all times a positive net worth.

Unless otherwise exempted, as a condition of the right to continue to transact business in this state, every investment adviser licensed or required to be licensed in the State of Utah shall by the close of business on the next business day notify the Utah Division of Securities if such investment adviser’s net worth is less than the minimum required. After transmitting such notice, each investment adviser shall file by the close of business on the next business day a report with the Utah Division of Securities of its financial condition, including the following:

- A trial balance of all ledger accounts;
- A statement of all client funds or securities which are not segregated;
- A computation of the aggregate amount of client ledger debit balances; and
- A statement as to the number of client accounts.

The Division may require that a current appraisal be submitted in order to establish the worth of any asset.

Every investment adviser that has its principal place of business in a state other than the State of Utah shall maintain such minimum capital as required by the state in which the investment adviser maintains its principal place of business, provided the investment adviser is licensed in such state and is in compliance with such state’s minimum capital requirements.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.
H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

   Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Utah.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

   Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

   Important Note: The following documents are filed directly with the Utah Division of Securities.

   A. Designated Official Information

   A State Covered Investment Adviser must identify its designated official in a letter submitted to the Division of Securities.

   B. Audited Financial Statements (if applicable)

   C. Discretionary Authority Information

   A State Covered Investment Adviser must state in a letter to the Utah Division of Securities whether they will have discretionary authority in a clients’ accounts. If so, Utah Administrative Code R164-4-4 and R164-4-5 outline the minimum financial requirements of either:

   • Providing the Division of Securities with proof of a bond in the amount of at least $10,000; or
   • Providing the Division of Securities with an audited balance sheet demonstrating a minimum net worth of at least $10,000, which must be maintained at all times.

   D. Division Form 4-5BIA: Corporate Indemnity Bond of Investment Adviser

   If the Investment Adviser is required by custody or discretionary authority to be bonded, it must be on or in substantially the same form as Division Form 4-5BIA.

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

   Important Note: At present, Utah does not require investment adviser representatives to be fingerprinted.

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Utah Division of Securities Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

   Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W

STATE REGISTRATION FACT SHEET—UTAH
A. Log on to your firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section
The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D

Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION
The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration **must not** withdraw their SEC registration until their advisory firm has been notified by the Vermont Department of Banking, Insurance, Securities and Health Care Administration (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

**Address**
Department of Banking, Insurance, Securities & Health Care Administration
89 Main St.
Montpelier, VT 05620-3101

**Phone**
802-828-3301

**Email**
www.bishca.state.vt.us

**Website**
www.bishca.state.vt.us/

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Vermont Uniform Securities Act §5403
Exhibit 6.5 to Order No. 06-04-S

III. PRELIMINARY REGISTRATION ACTIONS

**Step 1. Calculate State Registration Fees**

*Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.*

A. $250.00 for the investment advisory firm
B. $55.00 for each investment adviser representative

**Step 2. Update Advisory Firm’s Current Form ADV Part 2A**

*Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.*

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

   “XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

   1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.
2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

*Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.*

A. Log on to your advisory firm’s IARD account.

B. Select IARD Main Tab.

C. In the “Forms” column under “ADV,” select “New Filing.”

D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

A. Item 1 through Item 4 will probably not need to be updated.

B. Do not delete the information in Item 2 (SEC Registration).

C. Update the information in Item 5 (Information About Your Advisory Business).

D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

*Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.*
A. Item 1 (State Registration)—Check the box for Vermont (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

   An investment adviser registered in the State of Vermont having custody of client funds, assets or securities must either meet a $35,000 minimum net worth requirement or post a bond in the amount of the net worth deficiency, rounded up to the nearest $5,000.

   An investment adviser having discretion as described must meet a $10,000 minimum net worth requirement or post a bond in the amount of the net worth deficiency, rounded up to the nearest $5,000.

   Vermont's balance sheet, net worth and bonding requirements are not applicable to an investment adviser registered or licensed in a state where it maintains its principal place of business AND is in compliance with such state's requirements.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

   Vermont's balance sheet, net worth and bonding requirements are not applicable to an investment adviser registered or licensed in a state where it maintains its principal place of business AND is in compliance with such state's requirements.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

   Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Vermont.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

   Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

   File Supplemental Registration Documents

      Important Note: The following documents are filed directly with the Vermont Department of Banking, Insurance, Securities and Health Care Administration.

      A. Investment Advisory Agreements
B. Affidavit of Investment Adviser Activity Within or From Vermont

C. Vermont Tax Certification for Investment Adviser Firm

Under Vermont law, a professional license—including registration of an investment adviser—may not be issued or renewed unless the registrant provides certification of good standing with the Vermont Department of Taxes. “Good standing” means that no taxes are due, the taxpayer is in compliance with the payment plan approved by the Commissioner of taxes, or the licensing authority determines that immediate payment of taxes would impose an unreasonable hardship.

D. Vermont Branch Office Form

If the Investment Adviser will operate from locations within Vermont, other than the Adviser’s main office, complete the Branch Office Form. Please note that branch offices are not filed, amended or renewed via the CRD/IARD.

E. A certification that includes the name(s) of the designates supervisor and certifies that the applicant has established and shall maintain and enforce written supervisory procedures

F. Privacy Policy

G. Balance Sheet

An investment adviser registered in the State of Vermont having custody of client funds, assets or securities must file a current audited balance sheet.

An investment adviser registered in the State of Vermont having discretion over, but not custody of, client funds or securities, or requiring payment of fees six or more months in advance and in excess of $500 per client, must file a current certified balance sheet.

An investment adviser registered in the State of Vermont having neither custody nor discretion is not required to file a balance sheet.

Vermont’s balance sheet requirements are not applicable to an investment adviser registered or licensed in a state where it maintains its principal place of business and is in compliance with such state’s requirements.

H. Surety Bond (if applicable)

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

Step 1: File a Form U-4

For all individuals in the advisory firm who provide investment advisory services.

Step 2: File Vermont Tax Certification Form

Important Note: At present, Vermont does not require investment adviser representatives to be fingerprinted.

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Vermont Department of Banking, Insurance, Securities and Health Care Administration Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.

B. Select IARD Main Tab.

C. In the “Forms” column under “ADV-W” select “New Filing.”


Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D
IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Virginia Division of Securities and Retail Franchising (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Mailing Address
Division of Securities & Retail Franchising
PO Box 1197
Richmond, VA 23218

Street Address
Division of Securities & Retail Franchising
Tyler Building
9th floor
1300 E. Main St.
Richmond, VA 23219

Phone/Fax
Phone: 804-371-9051
Fax: 804-371-9911

Website

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Code of Virginia Title 13.1 Corporations Chapter 5—Securities Act
Virginia Administrative Code Agency 5 Chapter 80

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

*Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.*

A. $200.00 for the investment advisory firm

B. $30.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A

*Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.*

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):
1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

A. Log on to your advisory firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV,” select “New Filing.”
D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

A. Item 1 through Item 4 will probably not need to be updated.
B. Do not delete the information in Item 2 (SEC Registration).
C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.
Step 3. Complete Part 1B of the Form ADV

*Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.*

**A. Item 1 (State Registration)**—Check the box for Virginia (as well as for any other state in which your advisory firm will be registering).

**B. Item 2A (Supervision and Compliance)**—Denote the individual responsible for supervision and compliance.

**C. Item 2B (Bond/Capital Information)**—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

**D. Item 2B (Minimum Capital Requirement)**—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

**E. Item 2C through Item 2F (Disclosures)**—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

**F. Item 2G (Other Business Activities)**—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

**G. Item 2G (Other Business Activities)**—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

**H. Item 2H (Financial Planning)**—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

**I. Item 2I (Custody—Advisory Fees)**—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

*Important Note: Recent changes to federal custody rules have not yet been adopted by the Commonwealth of Virginia.*

**J. Item 2I (Custody—General Partner)**—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

**K. Item 2I (Custody—Prepayment of Fees)**—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

**L. Item 2J (Sole Proprietors)**—Complete this section only if your advisory firm is organized as a sole proprietorship.

**Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System**

*Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.*

**Step 5: Sign the Execution Page and Submit the Form ADV Part 1**

**V. ADDITIONAL REGISTRATION ACTIONS**

**File Supplemental Registration Documents**

*Important Note: The following documents (as applicable) are filed directly with the Virginia Division of Securities and Retail Franchising.*

**A. Investment Advisory Agreements**

**B. Affidavit of No Prior Activity**

*Important Note: A signed affidavit stating that an investment advisor domiciled in Virginia has not conducted investment advisory business prior to registration, and for investment advisors domiciled outside of Virginia an affidavit stating that the advisor has fewer than six (6) clients in any prior 12-month period.*

**C. Form IA XRF**
Important Note: Cross-Reference Between ADV Part II, ADV Part 1A/1B, Schedule F, Contract and Brochure.

D. Copies of all advertising materials
E. Copies of all stationery and business cards
F. Financial Statements

Investment adviser applicants in the Commonwealth of Virginia must file the following financial statements:

- A trial balance of all ledger accounts
- A statement of all client funds or securities that are not segregated
- A computation of the aggregate amount of client ledger debit balances
- A statement as to the number of client accounts
- Financial statements prepared in accordance with generally accepted accounting principles that shall include a balance sheet, income statement, and statement of cash flow

G. Disaster Recovery Plan

Every investment advisor shall establish and maintain a written disaster recovery plan that shall address at a minimum:

- The identity of individuals that will conduct or wind down business on behalf of the investment advisor in the event of death or incapacity of key persons;
- Means to provide notification to clients of the investment advisor and to those states in which the advisor is registered of the death or incapacity of key persons;
- Notification shall be provided to the Division of Securities and Retail Franchising via the IARD/CRD system within 24 hours of the death or incapacity of key persons;
- Notification shall be given to clients within five business days from the death or incapacity of key persons;
- Means for clients' accounts to continue to be monitored until an orderly liquidation, distribution or transfer of the clients' portfolio to another adviser can be achieved or until an actual notice to the client of investment advisor death or incapacity and client control of their assets occurs;
- Means for the credit demands of the investment advisor to be met; and
- Data backups sufficient to allow rapid resumption of the investment advisor's activities.

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

Important Note: At present, Virginia does not require investment adviser representatives to be fingerprinted.

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Virginia Administrative Code.

VIII. WITHDRAW FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.
Step 3. Complete Items 1A Through 1D

Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Washington Department of Financial Institutions, Division of Securities (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

For U.S. Postal Service
Department of Financial Institutions
Division of Securities
PO Box 9033
Olympia, WA 98507-9033

For Overnight Delivery
Department of Financial Institutions
Division of Securities
150 Israel Road SW
Tumwater, WA 98501

Phone
360-902-8746

Website
www.dfi.wa.gov/sd/

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Chapter 21.20 Revised Code of Washington, Securities Act of Washington
Chapter 460-24A Washington Administrative Code

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $150.00 for the investment advisory firm
B. $40.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this
information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

   Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

   A. Log on to your advisory firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV,” select “New Filing.”
   D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

   Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

   A. Item 1 through Item 4 will probably not need to be updated.
   B. Do not delete the information in Item 2 (SEC Registration).
   C. Update the information in Item 5 (Information About Your Advisory Business).
   D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV
Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.

A. Item 1 (State Registration)—Check the box for Washington (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

Any investment adviser applying for registration in the State of Washington who has discretion to trade client accounts, or who has custody of client securities or funds, must comply with the following net worth requirements:

- An investment adviser registered in the State of Washington, who has custody of client funds or securities, shall maintain at all times a minimum net worth of $35,000 unless provided otherwise. An investment adviser registered in the State of Washington, who has discretionary authority over client funds or securities, but does not have custody of client funds or securities, shall maintain at all times a minimum net worth of $10,000.

- An investment adviser in the State of Washington who has custody or discretion of client funds or securities, but does not meet the minimum net worth requirements shall be bonded in the amount of the net worth deficiency rounded up to the nearest $5,000. Any bond required must be in the form determined by the Director of the Securities Division, issued by a company qualified to do business in this state, and shall be subject to the claim of all clients of the investment adviser regardless of the client's state of residence.

- An investment adviser registered in the State of Washington, who accepts pre-payment of more than $500 per client and six or more months in advance, shall maintain at all times a positive net worth.

- Unless otherwise exempted, as a condition of the right to transact business in this state, every investment adviser registered in the State of Washington shall, by the close of business on the next business day, notify the Director of the Securities Division if the investment adviser's net worth is less than the minimum required. After transmitting such notice, each investment adviser shall file, by the close of business on the next business day, a report with the director of its financial condition, including the following:
  - A trial balance of all ledger accounts;
  - A statement of all client funds or securities which are not segregated;
  - A computation of the aggregate amount of client ledger debit balances; and
  - A statement as to the number of client accounts.

The term “net worth” shall mean an excess of assets over liabilities, as determined by generally accepted accounting principles, but shall not include as assets: Prepaid expenses (except as to items properly classified as assets under generally accepted accounting principles), deferred charges, goodwill, franchise rights, organizational expenses, patents, copyrights, marketing rights, unamortized debt discount and expense, all other assets of intangible nature, home furnishings, automobile(s), and any other personal items not readily marketable in the case of an individual; advances or loans to stockholders and officers in the case of a corporation; and advances or loans to partners in the case of a partnership.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Washington.
J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

Important Note: The following documents (as applicable) are filed directly with the Washington Department of Financial Institutions, Division of Securities.

A. Client Contract(s)

Advisers are required to have a written contract with each client, even if the adviser is providing limited financial planning, solely recommends wrap fee arrangements, or is a solicitor. The contract must disclose:

- the services to be provided
- the term of the contract
- the advisory fee
- the formula for computing the fee
- the amount of prepaid fee to be returned in the event of contract termination or nonperformance
- whether the contract grants discretionary power to the adviser
- that the contract will not be assigned by the investment adviser without the consent of the client

The contract cannot include:

- a performance fee arrangement unless it complies with the provisions of Section 205-3 of the Investment Advisers Act of 1940
- “hold harmless” or “hedge” clauses, which purport to require clients to waive potential claims they may be entitled to bring under state or federal statutes, or which seeks to hold the investment adviser to a lesser standard of care than is required by statute

B. Financial Statements

A balance sheet for the applicant should be submitted. It need not be audited, and should be dated not more than 90 days prior to the date of filing. If the applicant is a sole proprietor, it is the personal balance sheet of the applicant. Any applicant who has discretion to trade client accounts, or who has custody of client securities or funds, must comply with the net worth requirements of Washington Administrative Code 460-24A-170 (see above), which are $35,000 of net worth for custody, and $10,000 of net worth for discretion. If it is necessary to obtain a surety bond to meet the requirements, the form can be accessed at the Washington Department of Financial Institutions, Division of Securities forms Web page.

Additional Requirements for Hedge Funds

Interests in hedge funds are typically sold via a Regulation D Rule 506 offering to accredited investors, which requires an exemption filing with the Division. In addition to being accredited, investors are almost always “qualified clients” as that term is defined in SEC Rule 205-3, in order for the adviser to be paid a performance fee in addition to or in lieu of a management fee. In addition to the documents required to be filed that were listed in the prior sections, these additional documents must be filed with the Washington Department of Financial Institutions, Division of Securities as part of the investment adviser application:

- Private placement memorandum
- Subscription agreement
• Limited partnership (or LLC) agreement. If the adviser is planning on using this agreement to satisfy the client contract required by Washington Administrative Code 460-24A-220(16), then the adviser must submit a written response to each bullet point contained in the Notice to Hedge Fund Managers dated September 28, 2006.

If an adviser does not want to be deemed to have true custody of client funds and securities (which would require the adviser to maintain a net worth of $35,000 and require annual audited financial statements of both the adviser and the fund), then it must engage an independent third party (typically an accountant or third-party administrator) to approve all withdrawals from the fund’s custodial accounts. The adviser will need to file a copy of the agreement that is signed by the third party, the custodian and the adviser which provides that the custodian will not release funds or securities from the account unless the withdrawal request is approved by, and received from, the third party.

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

Important Note: At present, Washington does not require investment adviser representatives to be fingerprinted.

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Washington Administrative Code.

VIII. WITHDRAW FROM SEC REGISTRATION

Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W
   A. Log on to your firm’s IARD account.
   B. Select IARD Main Tab.
   C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D

Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

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SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the West Virginia Securities Commission (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Address
West Virginia Securities Commission
1900 Kanawha Boulevard East
Building 1, Room W-100
Charleston, WV 25305

Phone/Fax
Phone: 304.558.2261
Fax: 304.558.5200

Website
www.wvsao.gov/securitiescommission/

II. STATUTORY REQUIREMENTS FOR REGISTRATION

West Virginia Uniform Securities Act

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $200.00 for the investment advisory firm
B. $100.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If
you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

Important Note: By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

A. Log on to your advisory firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV,” select “New Filing.”
D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

A. Item 1 through Item 4 will probably not need to be updated.
B. Do not delete the information in Item 2 (SEC Registration).
C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

Important Note: Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.
A. Item 1 (State Registration)—Check the box for West Virginia (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B—(Bond/Capital Information)—If your advisory firm maintains a bond, your must provide the name of the issuing company, amount of the bond, and bond policy number.

Any West Virginia registered investment adviser which fails to meet, or does not at all time maintain the minimum net capital defined, is required to furnish a surety bond in the amount of ten thousand ($10,000.00) as a condition for said registration becoming or remaining effective. Said surety bond shall be admitted on a form acceptable to the West Virginia Commissioner of Securities, and shall acknowledge the registrant, as principal, and the surety indebted and firmly bound unto the State of West Virginia.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

Every investment adviser registered in the State of West Virginia maintain net capital of not less than twenty-five thousand dollars ($25,000), which shall be in the form of cash or securities or other liquid assets as determined by the Commissioner of Securities. Any investment adviser which fails to meet, or does not at all times maintain the minimum net capital herein prescribed is required to furnish a surety bond. If any investment adviser is an individual, the person shall segregate from personal capital an amount sufficient to satisfy the net capital requirement, and the amount so segregated shall be used solely for the business for which the investment adviser is licensed.

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of West Virginia.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.

K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

Important Note: Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

Important Note: The following documents are filed directly with the West Virginia Securities Commission.

A. Surety Bond (if applicable)
B. Unaudited Financial Statement prepared within 45 days of filing
C. Consent to Service of Process
VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

*Important Note: At present, West Virginia does not require investment adviser representatives to be fingerprinted.*

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the West Virginia Securities Commission Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION

*Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.*

Step 1. Access Form ADV-W

A. Log on to your firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section

The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D

*Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.*

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION

The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

U.S. Compliance Consultants is independent of and not affiliated with or an agent or representative of Schwab, and Schwab does not endorse its services. Schwab did not independently verify the information in this document and makes no representation or warranty about the accuracy of the information.
SEC-registered investment advisers transitioning to state registration must not withdraw their SEC registration until their advisory firm has been notified by the Wisconsin Department of Financial Institutions (or other state securities authority if the transitioning adviser is also registering in additional states) that their registration is effective.

I. STATE CONTACT INFORMATION

Address
Wisconsin Department of Financial Institutions
Division of Securities
4th Floor
PO Box 1768
Madison, WI 53701-1768

Phone/Fax
Phone: 608-266-1064
Fax: 608-264-7979

Website
www.wdfi.org/fi/securities/

II. STATUTORY REQUIREMENTS FOR REGISTRATION

Wisconsin Uniform Securities Law 555.403
Wisconsin Administrative Code, Chapter DFI Section 5

III. PRELIMINARY REGISTRATION ACTIONS

Step 1. Calculate State Registration Fees

Important Note: Registration fees listed are as of 7/20/2011. Transitioning investment advisers should check on the Investment Adviser Registration Depository (IARD) system to verify that these registration fees are still current.

A. $400.00 for the investment advisory firm
B. $80.00 for each investment adviser representative

Step 2. Update Advisory Firm’s Current Form ADV Part 2A

Important Note: The ADV Part 2A that a transitioning SEC-registered adviser originally drafted and filed pursuant to SEC rules contained 18 Items. The ADV Part 2A for state-registered advisers contains 19 items, and all transitioning advisers must now amend their ADV Part 2A to respond to the additional item.

A. Review ADV 2A and remove any language referencing registration with the SEC. For example, the Cover Page of an SEC-registered adviser’s ADV Part 2A often contains the following language:

“XYZ Advisers is an investment adviser registered with the U.S. Securities and Exchange Commission.”

B. Respond fully to Item 19 (Requirements for State-Registered Advisers):

1. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.
2. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

3. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

4. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.
   a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of $2,500, involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.
   b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
      i. an investment or an investment-related business or activity;
      ii. fraud, false statement(s), or omissions;
      iii. theft, embezzlement, or other wrongful taking of property;
      iv. bribery, forgery, counterfeiting, or extortion; or
      v. dishonest, unfair, or unethical practices.

5. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

IV. INITIAL REGISTRATION ACTIONS

Step 1. Access Primary Registration Document (Form ADV Part 1)

*Important Note:* By initiating a new state registration via the IARD, transitioning investment advisers will, for a time, be registered with both the SEC and one or more states. Transitioning investment advisers must not withdraw from SEC registration until they have been notified that their state registration is effective.

A. Log on to your advisory firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV,” select “New Filing.”
D. On “ADV—New Filing Page,” select “Apply for Registration as an Investment Adviser with One or More States.”

Step 2. Complete Part 1A of Form ADV

Part 1A of Form ADV will be “pre-populated” with existing registration information since the transitioning advisory firm has an active registration with the SEC.

A. Item 1 through Item 4 will probably not need to be updated.
B. Do not delete the information in Item 2 (SEC Registration).
C. Update the information in Item 5 (Information About Your Advisory Business).
D. Update any other information (as necessary) in Item 6 through Item 11.

Step 3. Complete Part 1B of the Form ADV

*Important Note:* Part 1B of the Form ADV is used exclusively for applicants for state registration and therefore, unlike Part 1A, will not be “pre-populated” with any current advisory firm information. Part 1B asks for a variety of information about your advisory business and will need to be completed in its entirety.
A. Item 1 (State Registration)—Check the box for Wisconsin (as well as for any other state in which your advisory firm will be registering).

B. Item 2A (Supervision and Compliance)—Denote the individual responsible for supervision and compliance.

C. Item 2B (Bond/Capital Information)—If your advisory firm maintains a bond, you must provide the name of the issuing company, amount of the bond, and bond policy number.

D. Item 2B (Minimum Capital Requirement)—Answer “yes” or “no” as to whether your advisory firm is in compliance with its home state’s minimum capital requirement.

Each investment adviser registered or required to be registered in the State of Wisconsin, whose principal office is in this state and who accepts prepayment of fees exceeding $1,200 per client that are collected six or more months in advance, shall maintain at all times a positive net worth. Please note that in maintaining a minimum net capital, the rule specifies that the adviser maintain the required capital “at all times.” Accordingly, you are required to maintain a record that can be used to calculate your net capital on any given day.

Except as follows, each investment adviser registered or required to be registered in the State of Wisconsin, whose principal office is in this state and who has custody of client funds or securities shall maintain at all times a minimum net worth of $35,000:

- Investment advisers having custody solely as a result of a direct fee deduction and who comply with all the applicable provisions of the Wisconsin Administrative Code and who make and maintain the records required under the Wisconsin Administrative Code, shall not be required to comply with the net worth requirement.
- Investment advisers having custody solely as a result of advising pooled investment vehicles and who comply with all the applicable provisions of the Wisconsin Administrative Code and make and maintain the records required under the Wisconsin Administrative Code shall not be required to comply with the net worth requirement in this subsection.

Minimum net worth requirements shall not apply to any investment adviser that has its principal office in a state other than the State of Wisconsin, provided that the investment adviser is registered in that state and is in compliance with that state’s minimum net capital requirements, if any.

The term “net worth” means an excess of assets over liabilities, as determined by generally accepted accounting principles, but shall not include as assets any of the following:

- Prepaid expenses, deferred charges, goodwill, franchise rights, organizational expenses, patents, copyrights, marketing rights, unamortized debt discount and expense, and all other assets of an intangible nature
- Home, home furnishings, automobiles and any other personal items not readily marketable, if the investment adviser is an individual
- Advances or loans to stockholders and officers, if the investment adviser is a corporation
- Advances or loans to partners or members, if the investment adviser is a partnership or limited liability company

E. Item 2C through Item 2F (Disclosures)—For any “yes” answers, you must complete a Disclosure Reporting Page (DRP).

F. Item 2G (Other Business Activities)—Check “yes” if your advisory firm is actively engaged in business as an attorney, certified public accountant, and/or tax preparer.

G. Item 2G (Other Business Activities)—If your advisory firm is engaged in any other business activities, describe the business and approximate amount of time spent on that business.

H. Item 2H (Financial Planning)—If your advisory firm provides financial planning services, you are required to list the amount of investments made based on those services as of the end of your last fiscal year.

I. Item 2I (Custody—Advisory Fees)—Check “yes” if your advisory firm withdraws advisory fees directly from client accounts. If “yes,” answer the additional questions regarding invoices, custodial statements, and written authorization.

Important Note: Recent changes to federal custody rules have not yet been adopted by the State of Wisconsin.

J. Item 2I (Custody—General Partner)—Check “yes” if your advisory firm acts as a general partner for any partnership or trustee for any trust in which your advisory clients are either partners of the partnership or beneficiaries of the trust.
K. Item 2I (Custody—Prepayment of Fees)—Check “yes” if your advisory firm requires the prepayment of fees of more than $500 per client and for six months or more in advance.

L. Item 2J (Sole Proprietors)—Complete this section only if your advisory firm is organized as a sole proprietorship.

Step 4: Upload the Form ADV Part 2A and Part 2B to the IARD System

**Important Note:** Advisers registering with one or more state securities authorities must file a copy of its Firm Brochure (Part 2A) and a Brochure Supplement (Part 2B) for each supervised person doing business in that state. For more information on the filing process, please see the general instructions for Part 2 of Form ADV.

Step 5: Sign the Execution Page and Submit the Form ADV Part 1

V. ADDITIONAL REGISTRATION ACTIONS

File Supplemental Registration Documents

**Important Note:** The following documents are filed directly with the Wisconsin Department of Financial Institutions, Division of Securities.

A. Investment Advisory Agreements

The advisory contract must include the fee to be charged by the advisor, the formula for computing the advisory fee, the formula for computing the amount of prepaid fee to be returned in the event of contract termination or nonperformance, and whether the contract grants discretionary power to the advisor. The contract must include that no assignment of the contract may be made without the consent of the client and provide a 5-day withdrawal privilege if the disclosure document is not provided 48 hours in advance of signing the contract.

B. Designation of Supervisor Form

Applicants must indicate the name of the person located at the advisory firm’s home office or designated office who will be the supervisor of the investment adviser representatives and Wisconsin business of the applicant. This person must meet the examination requirements. The person must have taken and passed either the post-January 1, 2000 version of the Series 65 examination, or the post-January 1, 2000 version of the Series 66 exam combined with the Series 7.

If your firm is a sole proprietor, you must submit the Designation of Supervisor Form signed by yourself as the firm’s designated supervisor. The Designation of Supervisor Form requests the date the person being designated was registered/pending as an investment adviser representative in Wisconsin. Fill in the date the application for your firm’s designated supervisor was submitted.

C. Wisconsin Investment Advisory Activity of Applicant Form

As part of the Wisconsin Investment Adviser Registration application, the applicant must respond as to whether or not the applicant has engaged in investment advisory business in Wisconsin without being properly registered.

D. Financial Statement and Financial Certification Form (if applicable)

Applicants who will collect advisory fees of $1,200 or more six months or more in advance or have custody of customer funds and securities must submit a copy of the applicant’s most recent financial statement; or in the case of a sole proprietor, evidence that a sufficient amount of personal capital to satisfy the net capital requirement has been segregated.

If the applicant has its principal office located in a state other than Wisconsin, the applicant must supply a statement that it is in compliance with the net capital requirement of its principal state.

E. List of branch offices in Wisconsin (if applicable)

The list must include the address, area code and telephone number, number of representatives, date of opening and the name of the on-site manager of each location. If the branch is located on the premises of a financial institution, the institution must be identified.

VI. REGISTER INVESTMENT ADVISER REPRESENTATIVES

File a Form U-4 for all individuals in the advisory firm who provide investment advisory services.

**Important Note:** At present, Wisconsin does not require investment adviser representatives to be fingerprinted.

VII. POST-REGISTRATION REQUIREMENTS

Conform existing compliance manual to the Wisconsin Division of Securities Rules and Regulations.

VIII. WITHDRAW FROM SEC REGISTRATION
Important Note: A transitioning investment adviser should begin the withdrawal process only once the adviser has been informed that their state registration is effective.

Step 1. Access Form ADV-W
A. Log on to your firm’s IARD account.
B. Select IARD Main Tab.
C. In the “Forms” column under “ADV-W” select “New Filing.”

Step 2. Complete the Status Section
The first section of the Form ADV-W is entitled “Status.” The answer to the question “check the box that indicates what you would like to do” should already have been answered as follows: “withdraw from registration in some, but not all, of the jurisdictions with which you are registered.” If, for some reason, this answer has not been selected, it should be checked off. The next question in the Status section asks the adviser to indicate the jurisdictions from which it is withdrawing its investment adviser registration. Select choice “(a),” which will signify your advisory firm’s withdrawal from the SEC.

Step 3. Complete Items 1A Through 1D
Important Note: Your advisory firm should not complete Item 1E or Items 2 through 8 of Form ADV-W.

Step 4. Sign the Execution Page and Submit

IX. IMPORTANT INFORMATION
The information contained in this section is believed to be accurate and current as of July 20, 2011, but no representation or warranty is made about its accuracy, completeness, or currency. It is only a summary of the rules and regulations that apply to investment advisers registering in the covered state. It is not intended to be either a comprehensive analysis or a substitute for an in-depth review of the rules and regulations applicable to investment advisers in the covered state. It is not intended to constitute legal or regulatory compliance advice or to apply to any investment adviser’s particular situation.

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IMPORTANT INFORMATION:

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