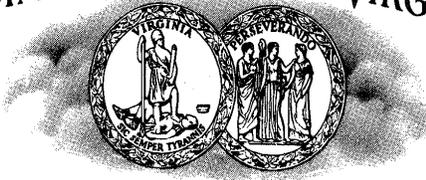


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STATE CORPORATION COMMISSION DIVISION OF SECURITIES AND RETAIL FRANCHISING

Deadline to Switch from Federal Registration to State Registration Extended

On June 22, 2012 the Securities and Exchange Commission (“SEC”) approved Rule 203A-5 to provide for an orderly transition to state registration for mid-sized advisors that will no longer be eligible to register with the SEC.

Existing Registrants

- Under the rule, *each* advisor registered with the SEC on **January 1, 2012**, regardless of size, **must file** an amendment to its Form ADV no later than **March 30, 2012**.
- Mid-sized advisors **no longer eligible** for federal registration must withdraw their SEC registrations by filing Form ADV-W no later than **June 28, 2012**.
- **Do not terminate your federal registration** until you receive notice that your state registration has been approved.
- After **June 28, 2012** the SEC will begin canceling the registration of those mid-sized advisors no longer eligible for SEC registration and that fail to file an amendment or withdraw their registrations.
- Mid-sized advisors registered with the SEC as of **July 21, 2011** **must remain registered** with the Commission until **January 1, 2012**.
- The Division is recommending that existing mid-sized advisors who will be required to switch from federal registration to state registration consider filing with the appropriate states during **November or December 2011**.

New Applicants

- New mid-sized advisors may register with either the Commission or the appropriate state securities authority until **July 21, 2011**.
- **After July 21, 2011** all mid-sized advisors must register with the appropriate state securities authorities as they will be prohibited from registering with the SEC.
- Advisors with assets under management of \$100 million or more will continue to register with the SEC.

Buffer Adopted

- New buffer is **\$90 million - \$110 million**
- An advisor **may** register with the SEC once it reaches **\$100 million** or more of assets under management.
- An advisor **must register** with the SEC when its assets under management reach **\$110 million or more**.
- A mid-sized advisor **currently registered** with the SEC, can remain registered with the SEC as long as its assets under management **is at least \$90 million**.