NEW RULES GOVERNING INVESTMENT ADVISERS – NEW FORM ADV PART 2

IMPORTANT NOTICE FROM THE OHIO DIVISION OF SECURITIES

On July 28, 2010, the United States Securities and Exchange Commission ("SEC") revised its Form ADV Part II (now "2"). The amendment changes the format of Form ADV Part 2 from a "check-the-box" form to a narrative brochure written in Plain English. The change is designed to provide prospective and current clients with clearly-written, meaningful, current disclosures of the business practices, conflicts of interest, and background of the investment adviser and its advisory representatives.

The Ohio Division of Securities (the "Division"), after discussions with the North American Securities Administrators Association ("NASAA"), is adopting the new Form ADV Part 2 for all investment adviser applicants and all currently licensed investment adviser firms. Ohio will not charge a fee for updating or amending Form ADV Part 2.

The new Form ADV Part 2 consists of three parts: Part 2A (the firm brochure); Part 2A Appendix 1 (wrap fee program brochure – if applicable); and Part 2B (the brochure supplement(s)). Accordingly, every investment adviser's new Part 2 will consist of at least Part 2A and Part 2B. **Part 2A must be filed with the Division electronically through the Investment Adviser Registration Depository ("IARD").**

Compliance dates are as follows:

- October 12, 2010: The new Form ADV Part 2 became effective.
- Between October 12, 2010 and December 31, 2010: All applicants filing initial applications and currently licensed investment advisers filing amendments to their existing Form ADV Part II are permitted to use either the old Form ADV Part II or the new Form ADV Part 2. Advisers are encouraged, however, to become familiar with the new Form ADV Part 2 and amend their Form ADV to the new Part 2 as soon as possible.
- On or after January 1, 2011: All currently licensed investment advisers will need to incorporate the new Form ADV Part 2 with their next filing of any amendment to Form ADV. All new investment adviser applicants will have to file the new Form ADV Part 2A.
- April 30, 2011: All Ohio licensed investment advisers must have converted their existing Part II to the new ADV Part 2. Failure to be in full compliance with the rules may subject an investment adviser to enforcement action, including but not limited to, license suspension and revocation. Extensions will not be granted for additional time to comply.

The Division of Securities cannot assist you with the completion or filing of Form ADV. For assistance with electronic filing, contact the Gateway Call Center at (240) 386-4848. You may contact Anne M. Followell, Division Licensing Chief, at anne.followell@com.state.oh.us with any other questions regarding this notice.

For ease of reference, below are some useful links:

- **Template Forms**: http://www.nasaa.org
  From the home page, click on "Industry and Regulatory Resources" at the top of the page. Once you are to the next page, on the left side of the screen, click on "Uniform Forms." Once you are to the next page, scroll down and select "Form ADV."
- **SEC Release re: Form ADV Part 2**: http://www.sec.gov/rules/final/2010/ia-3060.pdf
- **"A Plain English Handbook"**: http://www.sec.gov/pdf/handbook.pdf

In addition, the Division strongly encourages all investment advisers to familiarize themselves with the distribution and delivery schedules of the new Brochure and Brochure Supplement, as provided in the Instructions to the new Form ADV Part 2. The Division will be proposing rule changes as necessary to require the same distribution, updating, and delivery requirements.