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Dear Compliance Officer:

As you are most likely aware, significant changes impacting certain investment advisers are fast approaching as a result of the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act<sup>1</sup>). Many investment advisers currently registered with the U.S. Securities and Exchange Commission ("SEC") will be required to transition to state registration in 2012.

I am contacting you because your firm may be one of the Missouri-based federal-registered investment advisers which will soon be required to withdraw its SEC registration and "switch" to Missouri state registration.

The Dodd-Frank Act made significant changes to the federal registration provisions for investment advisers. This summer, the SEC adopted rule 203A-5 which requires each investment adviser registered with the SEC as of July 21, 2011, to file an ADV amendment with SEC by March 30, 2012 regarding the market value of its assets under management ("AUM") as determined within 90 days before the filing of the amendment.

After the AUM recalculation, if an investment adviser's AUM is more than \$100 million, then it must continue registration with the SEC. If its AUM is equal to or less than \$100 million, then the investment adviser is prohibited from continuing SEC registration and must withdraw from SEC registration before June 28, 2012 (investment advisers switching to state registration must file a registration application with the state before withdrawing registration from the SEC).

The following timeline depicts the key reporting and withdrawal dates under the SEC's rule:

**By March 30, 2012**  
Investment Advisers  
report calculated AUM to  
SEC.

**By June 28, 2012**  
When the Missouri application for registration  
is effective, switching investment advisers  
must withdraw from SEC registration. Once  
withdrawn from SEC registration, the  
investment adviser's Missouri registration is  
complete.

**Before SEC Registration is Withdrawn**

Investment Advisers required to switch to  
state registration must file an application  
for registration with Missouri (and other  
appropriate states).

Our records indicate that between fifty and seventy current federal-covered investment advisers based in Missouri will be prohibited from continued SEC registration, and thus must become Missouri-registered to continue doing business in the state.

The Missouri Securities Division recognizes that this transition presents unique challenges, and we want to assist your firm in making the switch. With this goal in mind, we have developed several key resources. For updates on the impact of the Dodd-Frank Act on Missouri investment advisers, please:

- **Visit the website dedicated to the registration transition.**  
The website ([www.sos.mo.gov/IAswitch](http://www.sos.mo.gov/IAswitch)) provides key information for investment adviser firms transitioning to Missouri registration, including: (1) links to helpful information, advisory releases, and forms; (2) a timeline and countdown with key dates; (3) updates to new and changing information; and (4) a frequently asked questions section.
- **Sign up for the "IA switch" email list.**  
The list is used to disseminate key information, reminders and updates about how to timely register under the Missouri Securities Act. You can ensure that key members of your firm are included on that list by signing up on the switch website ([www.sos.mo.gov/IAswitch](http://www.sos.mo.gov/IAswitch)), or by sending an email to [iaswitch@sos.mo.gov](mailto:iaswitch@sos.mo.gov).
- **Review upcoming advisory releases.**  
Advisory releases indicating key dates, specific requirements, and other information for impacted firms switching to registration under the Missouri Securities Act have been released. These releases are posted on the Securities Division website and on the switch website, and will also be disseminated through the switch email list.

Our goal is to oversee a transition process that is as smooth and pain-free as possible. We have committed several resources to this project, and I encourage you to contact our office as often as necessary. If our webpage dedicated to the switch does not provide an answer to your question, please contact the Securities Division using its primary telephone number, (573) 751-4136, or any of the following individuals for assistance:

- Dori Craighead, Licensing Assistant
- Drew Veatch, Chief Registration Counsel
- Patrick Morgan, Chief Counsel

Thank you in advance for your interest and cooperation. We look forward to working with you.

Sincerely,



Matt Kitzi  
Commissioner of Securities