



Dora
Department of Regulatory Agencies

Division of Securities
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Colorado Division of Securities Department of Regulatory Agencies

Notice Regarding the Upcoming Switch of Regulatory Oversight of Investment Advisers from the Securities and Exchange Commission to the State of Colorado

The Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) that became effective on July 21, 2010 brought significant changes to the regulation and oversight of investment advisers. Among these changes, the Dodd-Frank Act requires states to regulate investment advisers with assets under management up to \$100 million.

This release provides guidance to investment advisers that, in general, are currently registered with the Securities and Exchange Commission (“SEC”) and have between \$25 million and \$100 million in assets under management. These investment advisers will be required to switch from SEC regulatory authority to the Colorado Division of Securities (“Division”) regulatory authority. This switch is to be completed no later than June 28, 2012.

Colorado’s Switch Program has been developed to assist the advisers in fulfilling this requirement in an efficient and timely fashion consistent with Colorado’s securities laws and regulations that protect the marketplace and investing public. The following is a synopsis of the Program’s key aspects and timeline which will be further detailed in future communications.

Key Aspects:

- The Program is designed to not overburden the investment adviser or its agents.
- The Program respects the adviser’s time and the adviser’s responsibilities to their clients.



- The Program recognizes that the advisers who will be switching to state oversight have been regulated by the SEC and that there are differences between state and federal regulation. One major difference is Colorado conducts a thorough examination of investment adviser applications. As such, the adviser will be responsible for making the necessary changes to their application documents and policies/procedures to ensure their compliance under Colorado's securities laws and regulations.
- By participating in the Program the adviser is committing to work with the Division both before and after the approval date to ensure compliance with Colorado's securities laws and regulations.
- Participation in the Program will ensure the adviser's timely approval with the Division.
- There will be no fees associated or assessed by the Division in connection with the Program.

Timeline:

- November 21, 2011 – Colorado Switch Program announcement.
- November 28, 2011 – Details will be provided to the investment advisers of the changes that they will be required to make to their application documents and policies/procedures prior to the approval date to be in compliance with Colorado's securities laws and regulations.
- December 2, 2011 through December 19, 2011 – The Colorado Division of Securities will be hosting a number of Workshop/Seminars entitled "The Switch." We invite the switching advisers and industry participants to sign up for one of these 2-hour sessions. We will cover the material disseminated in the November 28th release and answer questions you may have. Sign up directions will be emailed to the advisers and posted to the Division's website at: www.dora.state.co.us/securities.
- January 3 through January 31, 2012 – The Division is requesting that switching advisers file their Annual Updating Amendment through the IARD system. On this amendment they will notify the SEC that they are no longer eligible to remain with the SEC and they will apply to the State of Colorado. Detailed instructions will be provided in the November 28th release.
- February 1 through February 29, 2012 – The advisers will send to the Division other required documents. Details will be provided in the November 28th release.
- June 14, 2012 – The Division will approve the advisers and will notify them that they are approved and are eligible to withdraw from SEC registration.
- June 15 through June 28, 2012 – The switching advisers will file a partial Form ADV-W to terminate their registration with the SEC.
- June 28, 2012 – Switch Program Completed.