**THOMPSON
HINE**

April 2011

**INVESTMENT MANAGEMENT
UPDATE****SEC Likely to Delay Adviser Registration Provisions of Dodd-Frank Act**

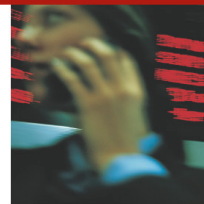
On November 19, 2010, the Securities and Exchange Commission (SEC) proposed new rules and rule amendments under the Investment Advisers Act of 1940 (“Advisers Act”) to implement provisions of the Dodd-Frank Wall Street Reform and Consumer Protections Act (“Dodd-Frank Act”).¹ The proposals address Title IV of the Dodd-Frank Act, which revises the threshold for investment adviser registration with the SEC, requires registration by certain advisers to private funds, provides exemptions for advisers to venture capital and certain other private funds, and mandates reporting by certain investment advisers that are exempt from registration. While the SEC expects to complete the implementing rulemaking by July 21, 2011, it now anticipates providing additional time for investment advisers to come into compliance with the new rules.

Proposed Rule 203A-5 under the Advisers Act would require investment advisers registered with the SEC to report their eligibility for SEC registration by August 20, 2011. Those no longer qualifying would need to withdraw from SEC registration by October 19, 2011. However, in a letter to the president of the North American Securities Administrators Association, Inc. dated April 8, 2011, the SEC staff stated that due to the need to reprogram the Investment Adviser Registration Depository system (IARD) to accept advisers transitioning from SEC to state registration, it expects that:

“[T]he Commission will consider extending the date by which mid-sized advisers must transition to state regulation such that all SEC-registered advisers would be required to report their eligibility for registration with the Commission in the first quarter of 2012. Those no longer eligible for Commission registration (i.e., mid-sized advisers) would have a grace period providing them time to register with the appropriate state regulators and come into compliance with state law before withdrawing their Commission registration.”

In the same letter, the staff states that it expects the SEC to delay until the first quarter of 2012 the requirement that advisers that can no longer rely on the exemption in Section 203(b)(3) of the Advisers Act, and those advisers relying on new exemptions in Sections 203(l) and 203(m) of the Advisers Act and proposed Rules 203(l)-1 and 203(m)-1 thereunder should register with the SEC or come into compliance with the applicable exemption.

More information on rules and rule amendments implementing Title IV of the Dodd-Frank Act can be found in recent *Investment Management Updates* included on the **Investment Management** section of our website.



FOR MORE INFORMATION

For more information, please contact:

Michael V. Wible	614.469.3297	Michael.Wible@ThompsonHine.com
Donald S. Mendelsohn	513.352.6546	Don.Mendelsohn@ThompsonHine.com
JoAnn M. Strasser	513.352.6725	JoAnn.Strasser@ThompsonHine.com
Marc L. Collins	513.352.6774	Marc.Collins@ThompsonHine.com
Terrence O. Davis	202.331.8800	Terrence.Davis@ThompsonHine.com
Richard S. Heller	212.908.3907	Richard.Heller@ThompsonHine.com
James P. Jalil	212.908.3976	James.Jalil@ThompsonHine.com

If you do not wish to receive future communications by email, please send an email with “unsubscribe” in the subject line to **Unsubscribe@ThompsonHine.com**.

This advisory bulletin may be reproduced, in whole or in part, with the prior permission of Thompson Hine LLP and acknowledgement of its source and copyright. This publication is intended to inform clients about legal matters of current interest. It is not intended as legal advice. Readers should not act upon the information contained in it without professional counsel.

This document may be considered attorney advertising in some jurisdictions. Some of the design images and photographs in this document may be of actors depicting fictional scenes.

© 2011 THOMPSON HINE LLP. ALL RIGHTS RESERVED.

¹ *Rules Implementing Amendments to the Investment Advisers Act of 1940*, (Release No. IA-3110) (November 19, 2010) and *Exemptions for Advisers to Venture Capital Funds, Private Fund Advisers With Less Than \$150 Million in Assets Under Management and Foreign Private Fund Advisers*, Rel. No. IA-31111 (November 19, 2010).