



January 4, 2011

Compliance Date for Delivery to Clients of the New Form ADV Part 2B Supplements Extended by SEC

As a result of the efforts of the Securities Industry and Financial Markets Association (SIFMA), the Securities and Exchange Commission (SEC) has extended the compliance date out four months with respect to the delivery of the brochure supplement set forth in Part 2B of Form ADV, and for certain rule provisions that relate to the delivery of brochure supplements, effective December 28, 2010. In the SEC Release (see the full text at <http://sec.gov/rules/final/2010/ia-3129.pdf>), the extension was granted to provide certain investment advisers additional time to design, test and implement systems and controls to satisfy their obligations to prepare and deliver the brochure supplement described in Part 2B of Form ADV.

The Commission initially adopted amendments to Part 2 of Form ADV, and related rules under the Investment Advisers Act of 1940 ("Advisers Act") on July 28, 2010. Those amendments required registered investment advisers to transition to the new, plain English Form ADV Part 2A brochure which disclosed information regarding the firm, and provides clients with brochure supplements pursuant to Form ADV Part 2B that contain disciplinary information that is considered "material to a client's evaluation of a supervised person's integrity," other business activities and additional information regarding the compensation of advisory personnel.

Initially, there were two separate compliance dates for delivering the Form ADV Part 2B brochure supplements. New investment adviser registrants who registered after January 1, 2011 would begin providing brochure supplements to clients upon registering and existing investment adviser registrants, would provide brochure supplements to new and prospective clients upon filing their annual updating amendment to Form ADV for fiscal year ends beginning on December 31, 2010, and to existing clients within 60 days of filing the annual updating amendment. Since most registered advisers have fiscal years ending on December 31, they would need to file an annual updating amendment by March 31, 2011.

Under the extension, all investment advisers registered with the SEC as of December 31, 2010, and having a fiscal year ending on December 31, 2010 through April 30, 2011, will have until July 31, 2011, to begin delivering brochure supplements to new and prospective clients and will have until September 30, 2011 to deliver brochure supplements to existing clients. The compliance dates for delivering brochure supplements for existing registered investment advisers with fiscal years ending after April 30, 2011 remain unchanged.

With respect to newly registered investment advisers filing their applications for registration from January 1, 2011 through April 30, 2011, they have until May 1, 2011 to begin delivering brochure supplements to new and prospective clients and will have until July 1, 2011 to deliver brochure supplements to existing clients. The compliance dates for delivering brochure supplements for newly-registered investment advisers filing applications for registration after April 30, 2011 remain unchanged.

The extended compliance date for Form ADV Part 2B does not apply to the delivery of Form ADV Part 2A. That delivery date is still May 30, 2011 and most advisory firms will still need to update their Form ADV Part 2A to plain English and electronically file with IARD by March 31, 2011.

We hope that this information has been helpful to you. Should you have any additional questions or concerns, please feel free to contact Daniel E. LeGaye or Michael Schaps by [e-mail](#) or phone, at 281-367-2454, or consult with your legal counsel or third party consultant.

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