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## FINAL RULE REGARDING FAMILY OFFICES

July 18, 2011

On June 22, 2011, to implement provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") that apply to investment advisers, the Securities and Exchange Commission (the "SEC" or "Commission") adopted a final rule regarding family offices.

Under the final rule, the family office is exempt from registration with the SEC under the Investment Advisers Act of 1940 (the "Advisers Act") only if (i) the family office provides advice about securities only to certain "family clients," (ii) family clients wholly own the family office and family members and/or family entities control the family office, and (iii) the family office does not hold itself out to the public as an investment adviser. The final rule expands upon each of the three factors.

The [attached](#) chart sets forth each proposed rule alongside the final rule, and discusses significant differences between the final and proposed rule.

If you have any questions or wish to discuss the new rules, please contact Stephen Cohen at [scohen@loeb.com](mailto:scohen@loeb.com) or Erika Clampitt at [eclampitt@loeb.com](mailto:eclampitt@loeb.com).

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**Loeb & Loeb's Dodd-Frank Financial Reform Task Force** monitors key issues surrounding approval of the Dodd-Frank Wall Street Reform and Consumer Protection Act that are relevant to a broad spectrum of firm clients in the financial services industry. The multidisciplinary Task Force is comprised of attorneys across core practice areas - including general corporate, private equity, securities, mergers and acquisitions, consumer



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protection and banking and finance - who are focused on analyzing the historic legislation and interpreting the significant business implications for financial institutions and commercial companies nationwide.

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