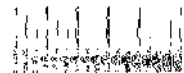


# Connecticut Hedge Fund Regulation

Posted on Thursday, March 12th, 2009 at 7:00 am and is filed under [Funds](#).

[Private Investment](#)



The folks over at the [Hedge Fund blog](#) point out that the [Connecticut legislature](#) has three bills pending that would regulate the hedge fund industry in that state. It seems strange that a state with such a big hedge fund industry would make their businesses more difficult. But these are strange economic times. It is too early to tell if any of these will be passed and how they may be changed in legislative process. But it is worth keeping an eye on them.

## Disclosure of Financial Information to Prospective Investors

Hedge funds domiciled in the state and with Connecticut-based pension fund investors need to disclose to prospective pension investors certain financial information, including detailed portfolio information. The act does not bother trying to define a hedge fund. [ [Raised Bill No. 6480](#) ]

## An Act Concerning Hedge Funds

This one has a few things going on:

- ○ Connecticut-based hedge funds would have to meet higher accreditation standards for their investors. To qualify, the investor would have to have not less than \$2,500,000 in investment assets and institutional investors would have to have not less than \$5,000,000 in assets.
- hedge fund managers would have to disclose to investors any conflicts before making an investment.
- Hedge fund managers would have to disclose to investors any changes in investment strategy and the departure of key employees.
- Hedge fund managers would have to disclose to investors any major litigation or investigation of the fund.

This act does not define hedge funds and leaves it up to the Connecticut Banking Commissioner to figure that out. [ [Raised Bill No. 953](#) ]

## Licensing of Hedge Funds and Private Capital Funds

All Connecticut-based hedge funds would need to be licensed by the state. This act does not define hedge funds and leaves it up to the Connecticut Banking Commissioner to figure that out. [ [Raised Bill No. 6477](#) ]



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