



SEC Adopts Family Office Definition

On June 22, 2011, SEC adopted proposed rules relating to the definition of family offices under the Advisers Act, as set forth in The Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank**"). Historically, family offices have not been required to register with the SEC under the Advisers Act because of an exemption provided to investment advisers with fewer than 15 clients. Dodd-Frank removed that exemption in order to enable the SEC to regulate hedge fund and other private fund advisers, but included a new provision requiring the SEC to define family offices in order to exempt them from regulation under the Advisers Act.

As now defined, a family office: (i) provides investment advice only to family members, as defined by the rule; certain key employees; charities and trusts established by family members; and entities wholly owned and controlled by family members; (ii) is wholly owned and controlled by family members, and; (iii) does not hold itself out to the public as an investment adviser. Attached please find the SEC's final rule regarding family offices.