**Find Rule 203A-2:**

# Division of Investment Management: Frequently Asked Questions Regarding Mid-Sized Advisers

## What is a “mid-sized adviser”?

A “mid-sized adviser” is an investment adviser that has between $25 million and $100 million of assets under management.

## Are mid-sized advisers required to register with the Securities and Exchange Commission?

After July 21, 2011, a mid-sized adviser must register with the Securities and Exchange Commission if it:

1. is not required to be registered as an adviser with the state securities authority in the state where it maintains its principal office and place of business; or
2. is not subject to examination as an adviser by the state where it maintains its principal office and place of business.

A mid-sized adviser that does not meet either one of these two requirements is prohibited from registering as an adviser with the Commission after July 21, 2011, but will have to register with the state securities authorities. There are a few exceptions to the general prohibition from SEC registration in rule 203A-2, such as for certain multi-state investment advisers and pension consultants. In addition, a mid-sized adviser that is required to register with the SEC, may elect to not register if it can rely on an exemption from registration, such as those for certain advisers to private funds.

## In which states would a mid-sized adviser not be “subject to examination” by the state securities authority?

New York or Wyoming.

A mid-sized adviser with its principal office and place of business in either of those states is not “subject to examination” by the state securities authority and would have to register with the SEC. A mid-sized adviser with its principal office and place of business in any other state is “subject to examination.” This information will be updated promptly upon notification by a state securities authority of any change to examination status.

## How does a mid-sized adviser determine if it is “required to be registered” in the state where it maintains its principal office and place of business?

A mid-sized adviser should consult the investment adviser laws or the state securities authority for that state to determine if it is required to register as an investment adviser in that state.

## When is a mid-sized adviser that is no longer eligible for Commission registration required to switch to state registration?

A mid-sized adviser registered with the Commission as of July 21, 2011 must remain registered with the Commission until January 1, 2012 (unless an exemption from Commission registration is available). Each adviser registered with the Commission on January 1, 2012 must file an amendment to its Form ADV no later than March 30, 2012, which for most advisers will be their annual updating amendment. A mid-sized adviser that is no longer eligible for Commission registration will need to be registered with the state securities authorities by June 28, 2012, and must withdraw its Commission registration by filing Form ADV-W, indicating it is filing a “partial withdrawal,” no later than that date.

The adopting release amending Form ADV, dated June 22, 2011 (the “Adopting Release”) can be found at: <http://www.sec.gov/rules/final/2011/ia-3221.pdf> .

Amended Form ADV can be found at: <http://www.sec.gov/rules/final/2011/ia-3221-appd.pdf> .

Amended Form ADV instructions can be found at: <http://www.sec.gov/rules/final/2011/ia-3221-appa.pdf> and <http://www.sec.gov/rules/final/2011/ia-3221-appb.pdf> .

*http://www.sec.gov/divisions/investment/midsizedadviserinfo.htm*