

February 8, 2011

Re: Vermont Investment Advisers Registration

Dear Sir or Madam,

Last year, President Obama signed into law the Wall Street Reform and Consumer Protection Act of 2010. One requirement of the Act is that by July 21, 2011, state must regulate investment advisers with up to \$100 million in assets under management that are not registered in at least 15 states. Depending upon the size and scope of your business – and in certain circumstances, upon your election – this office, the Vermont Securities Division (part of the Department of Banking, Insurance, Securities and Health Care Administration, “BISHCA”), may become your primary regulator.

We are writing to let you know that we are aware of the forthcoming changes and are making preparations for a smooth transition.

One such measure is making available to you one of our Securities Examiners to discuss your application prior to submission. To discuss your registration requirements and process please call 802-828-3420 and you will be assigned to an Examiner.

There are several differences between state and federal regulation. One of the major differences is that, unlike the SEC application system, Vermont conducts a thorough review of investment adviser applications prior to approval. The Vermont Securities Division wants to ensure that all firms are in compliance with state law before approving the application, shortening the time for subsequent on-site examinations. More information regarding the application process will be available to you at the seminar, but know that our goal is to work with each firm to ensure that Vermont registration applications become active on the first day the law requires, or allows.

The Vermont Securities Division has many years of regulatory experience, and one thing we have discovered over that time is that the best investor protection comes from the ability of Vermont residents to invest with registered investment professionals. We know that serious, life-altering fraud that devastates investor portfolios and dreams occur primarily in the unregistered investment community, and that the registered community is often on the front line in reporting illegal, unregistered activity for investigation.

The Vermont Securities Division would like to thank you for your firm’s commitment to providing professional investment expertise and adhering to high standards of conduct. We hope to be both your partner and advocate in maintaining public trust and confidence in the integrity of the industry.

We look forward to working with you and hope to hear from you soon.

Sincerely,

John R. Cronin, CFE
Securities Director