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ORDER GOVERNING REGISTRATIONS MADE BY INVESTMENT ADVISERS THROUGH THE INVESTMENT ADVISER REGISTRATION DEPOSITORY

The Executive Director of the Office of Financial Institutions (“OFI”) is charged with the administration of Chapter 292 of the Kentucky Revised Statutes, the Kentucky Securities Act (the “Act”), and Title 808, Chapter 10, of the Kentucky Administrative Regulations promulgated under the Act.

The Investment Adviser Registration Depository (“IARD”) is an Internet-based filing depository operated by the NASD Regulation, Inc. under contracts with the Securities and Exchange Commission (“SEC”) and the North American Securities Administrators Association, which depository is designed to accept filings made electronically by SEC- and state-registered investment advisers as well as their investment adviser representatives; collect associated regulatory filing fees on behalf of affected jurisdictions; and provide the investing public with Internet-based access to background information on state- and federally regulated investment advisory personnel. The IARD allows consumers to review information concerning an investment adviser or investment adviser representative. Nearly every state requires its investment advisers and investment adviser representatives to file their applications through the IARD. Kentucky is one of the three remaining states that does not require its investment advisers and investment adviser representatives to file electronically their applications with the OFI through the IARD.

Section 292.330(1) of the Act states, in part, “It is unlawful for any person to transact business in this state as an investment adviser unless: (a) The person is so registered under this chapter. . . .”

Section 292.330(3) of the Act states, in part, that an “investment adviser, or investment adviser representative may apply for registration by filing with the executive director or the executive director’s designee an application together with a consent to service of process pursuant to KRS 292.430 and payment of the fee prescribed in subsection (11).”

Section 292.330(9) of the Act states, in part, “Every registration of a[n] . . . investment adviser, and investment adviser representative . . . shall be effective until December 31 of the year of registration . . . unless the executive director by rule extends or lessens the registration or notice period may be renewed as hereinafter provided.”

Section 292.330(10) of the Act states, in part, that registration of an “investment adviser, or investment adviser representative may be renewed by filing with the executive director or the executive director’s designee prior to the expiration thereof an application containing the information the executive director may require to indicate any material change in the information contained in the original application or any renewal application for registration as a[n] . . . investment adviser, or investment adviser representative filed with the executive director or the executive director’s designee by the applicant, payment of the prescribed fee. . . .”

Section 292.330(11)(a) of the Act states, in part, “The fee for an initial or renewal registration shall be . . . one hundred dollars (\$100) for an investment adviser. . . fifty dollars (\$50) for an investment adviser representative, and fifty dollars (\$50) for transfer of an . . . investment adviser representative, none of which fees shall be refundable.”

Section 292.330(12)(c) of the Act states, in part, “If the information contained in any document filed with the executive director or the executive director’s designee is or becomes inaccurate or incomplete in any material respect, the . . . investment adviser . . . shall promptly file a correcting amendment. In the case of a covered adviser, the adviser shall file only copies of those documents required to be filed with the Securities and Exchange Commission.”

Section 292.330(12)(g) of the Act states, in part, “The executive director may enter into an arrangement, agreement, or other working relationship with federal, other state, and self-regulatory authorities whereby documents may be filed and maintained in a central depository system with the National Association of Securities Dealers or other agencies or authorities. It is the intent of this paragraph that the executive director be provided power to reduce duplication of filings, reduce administrative costs, and establish uniform procedures, forms, and administration with the states and federal authorities. The executive director may permit initial and renewal registration filings required under this chapter to be filed with the Securities and Exchange Commission, the National Association of Securities Dealers, or other similar authorities.”

The Executive Director has determined that there is a need to establish a uniform procedure for electronic filing of applications by investment advisers and investment adviser representatives that is consistent with other states. The Executive Director has further determined that there will be a positive benefit to consumers to be able to review information related to an investment adviser or investment adviser representative.

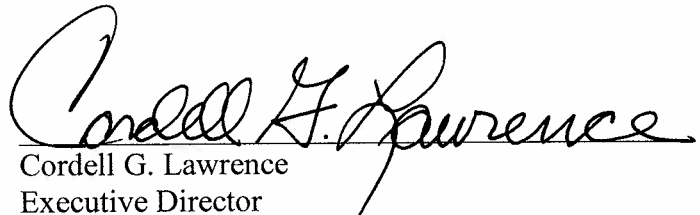
THEREFORE, the Executive Director **ORDERS** that, for purposes of Section 292.330 of the Act, the web-based (“IARD”) operated by the NASD Regulation, Inc., is designated to receive registration filings as well as to collect initial and renewal filing fees on the Executive Director’s behalf in accordance with this **ORDER** and with respect to investment advisers and investment adviser representatives.

The Executive Director further **ORDERS** that, effective November 1, 2007, and for purposes of Section 292.330 of the Act, investment advisers and investment adviser representatives registered or applying for registration with the Commonwealth of Kentucky shall apply for registration, including amendments thereto and related payments, electronically with the OFI through the IARD. Nothing in this **ORDER** shall relieve such investment advisers and investment adviser representatives from the prohibition in Section 292.330(2) of the Act against engaging an unregistered investment adviser agent in this state.

This **ORDER** shall remain in effect until modified, superseded, or vacated by the Executive Director or other lawful authority.

This **ORDER** is in the public interest and consistent with the purposes fairly intended by the policy and provisions of the Act.

This **ORDER** is executed and entered into the official agency record this the 6th day of September, 2007.


Cordell G. Lawrence
Executive Director
Office of Financial Institutions