



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

SECURITIES DIVISION

P.O. Box 9033 • Olympia, Washington 98507-9033

Telephone (360) 902-8760 • TDD (360) 664-8126 • FAX (360) 902-0524 • Web Site: www.dfi.wa.gov/sd

November 4, 2014

INVESTMENT ADVISER RENEWAL NOTICE FOR 2015

Dear Registered Investment Adviser:

Renewal season is almost here. Renewal has two steps: (1) payment of the annual renewal fees to the Investment Adviser Registration Depository (“[IARD](#)”) and (2) the annual filing requirements. The annual renewal fees for investment advisers and their representatives must be received by IARD by **December 12, 2014**. Most of the annual filing requirements are due within 90 days after the adviser’s fiscal year end (“FYE”).

2015 RENEWAL CALENDAR

ACTION DATE (BEST PRACTICE)	ACTION ITEM	WHERE/TO WHOM	ACTION DUE DATE
November	Pay renewal fees	IARD	December 12, 2014
January – March	File Form ADV	IARD	March 31, 2015
January – March	File GAAP Balance Sheet	Securities Division	April 30, 2015
January – April	Deliver or Offer Form ADV Part 2	Clients	April 30, 2015
January – April	File Fund Audit (Private Fund only)	Securities Division	April 30, 2015

The 2015 Renewal Calendar assumes that the adviser’s fiscal year end is 12/31. All Advisers must pay their renewal fees by 12/12. If your FYE is other than 12/31, Form ADV is due 90 days after the adviser’s FYE. All other filing requirements are due 120 days after the adviser’s FYE. If you are unsure when your filing requirements are due, please contact us.

ANNUAL RENEWAL FEES

REGISTRANT	RENEWAL	FEE
Investment Adviser	Washington State	\$75
Investment Adviser	Other Jurisdictions	http://www.iard.com/pdf/reg_directory.pdf
Investment Adviser Representative	FINRA RA Renewal Processing Fee	\$10
Investment Adviser Representative	Washington State	\$20
Investment Adviser Representative	Other Jurisdictions	http://www.iard.com/pdf/rep_fee_sch.pdf

Payment Options

Your payment is made through your IARD Renewal Account. Please ensure that this account has sufficient funds. Remember to pay the full amount of the Preliminary Renewal Statement, which will be available in the Accounting section on IARD beginning November 10, 2014.

You must submit payments to IARD by electronic payment via E-Bill, wire transfer, automatic Flex-Funding Account-to-Renewal Account transfer, or check. If you pay by check, you will need to include a copy of the first page of your Preliminary Renewal Statement with your payment. **Do not send your renewal payment to the Securities Division.**

Payment Deadline

December 12, 2014 is the deadline for receipt of payments to IARD. It may take several days for the payment to post to your Renewal Account. Therefore, to ensure timely processing, payments should be submitted to IARD no later than two (2) business days prior to December 12, 2014. The best practice is to pay your renewal fees in November. If you wait until the deadline, you may not have enough time to fix any errors that may occur.¹

If a firm fails to pay its renewal fees, IARD will systematically terminate the investment adviser and their representatives.

ANNUAL FILING REQUIREMENTS

The final stage of renewal is your annual filings. **Please do not submit your annual filings prior to the end of your fiscal year.**

Every investment adviser has three annual filing requirements in the State of Washington:²

1. Form ADV Part 1

Pursuant to [WAC-24A-205](#), you are required to file an annual updating amendment within 90 days after your fiscal year end. This is required even if there have been no changes since your last filing. In order to ensure that the Form ADV Part 1 has been updated properly, please confirm that you have passed the “Completeness Check” and “Submit Filing.”

If your firm conducts business at locations other than your principal office, the Securities Division requires that you also submit a **Form BR** listing these locations.

2. Form ADV Part 2

Pursuant to [WAC-24A-205](#), Form ADV Part 2 must be updated at least annually if there are **any** changes when you file your annual updating amendment.³ For example, if your assets under management have changed, you must update your Part 2. If there have been no changes, you must attest to the accuracy of your Part 2 by clicking on the “Brochure ID” to verify that the brochure on file is up to date, select the “Confirm” radio button, and then click on “Save.”

¹ Please note that Web CRD and IARD are closed and/or unavailable for periods in the end of December.

² The Division is no longer requiring a Fiscal Year End Report.

³ Please note that throughout the year, you must update your Part 2 within 30 days whenever any information in the brochure becomes materially inaccurate. Please see <http://www.sec.gov/about/forms/formadv-part2.pdf> for updating instructions.

Pursuant to [WAC 460-24A-145](#), you are required to, without charge, annually deliver to clients (a) Form ADV Part 2 (including the supplements a summary of the material changes) or (b) a summary of the material changes with an offer to deliver the complete Form ADV Part 2 and information on how the client may obtain the updated copy. You may delivery this electronically if your investment advisory agreement allows for electronic delivery and you comply with the other electronic delivery requirements in [WAC 460-24A-145\(3\)](#).

3. Balance Sheet

Pursuant to [WAC 460-24A-060](#), you are required annually to submit a balance sheet dated as of the last day of your most recent fiscal year end within 120 days after your fiscal year end, to the Securities Division via email at IALicensing@dfi.wa.gov. We strongly encourage you to submit your balance sheet to the Securities Division when you file your Form ADV on IARD. The balance sheet must be prepared in accordance with generally accepted accounting principles (GAAP).

Pursuant to the rule changes in [WAC 460-24A-060](#), if you have custody, your firm's balance sheet will need to be audited by an independent certified public accountant and must include the accountant's audit opinion. There are some exceptions to this requirement, if you have any questions, please contact Elizabeth Smith at (360)902-8786 or Elizabeth.Smith@dfi.wa.gov.

Pursuant to [WAC 460-24A-170](#), if your principal place of business is located in the State of Washington, your minimum financial requirements are as follows:

- If you have **custody** of client funds or securities, you must maintain at all times a net worth of at least \$35,000;
- If you have **discretion**, you must maintain at all times a net worth of at least \$10,000; or
- If you have **neither discretion nor custody**, you must maintain at all times a positive net worth.

Please note that we may request your income statement, statement of cash flows, statement of owner's equity, and trial balances to support and/or verify the information on your balance sheet.

Additionally, pursuant to [WAC 460-24A-060](#), if your firm manages a private fund and the fund is audited, you are required to submit a copy of your annual fund audit to IALicensing@dfi.wa.gov, within 120 days after your fiscal year end. If the auditor is unable to make this deadline, you must contact us as soon as possible.

Warning to Late and/or Non-Filers

Absent extenuating circumstances which must be communicated in writing to the Securities Division, advisers who fail to file the required documents within 90 days after their fiscal year end can expect to be referred for administrative action, which may include suspension or revocation of your license and fines.

Investment Adviser Rule Amendments

As you are aware, the Division amended the investment adviser rules in [WAC 460-24A](#) this year. The amendments update various provisions of the investment adviser rules, including the rules regarding financial reporting requirements, custody, books and records, and unethical practices. There are new rules addressing proxy voting, advisory contracts, and compliance policies and procedures. In addition, there are new exemptions from registration for 3(c)(7) fund advisers and venture capital fund advisers. If you have any questions, please contact Elizabeth Smith at (360) 902-8786 or Elizabeth.Smith@dfi.wa.gov.

RESOURCES AND CONTACT INFORMATION

IARD INFORMATION	RESOURCE
Renewal Program	http://www.iard.com/renewals.asp
IARD Call Center	(240) 386-4848
SECURITIES DIVISION INFORMATION	RESOURCE
Website	http://dfi.wa.gov/sd/investmentadviser.htm
General Mailbox	IALicensing@dfi.wa.gov
General Questions	(360) 902-8815
Pooled Investment Vehicles/Private Fund Advisers	(360) 902-8786

If you have any questions regarding the annual renewal process, please feel free to contact us via email at IALicensing@dfi.wa.gov or by phone at (360) 902-8815.

Thank you,

Securities Division