



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

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INVESTMENT ADVISER RENEWAL REMINDER FOR 2012

October 27, 2011

Dear Registered Investment Adviser:

Renewal season is almost here. As a reminder there are two stages to the renewal process: **IARD Renewal** (IARD must receive your payment *before* December 12, 2011) and **Annual Filing Requirements** (within 90 days of your fiscal year end).

Stage One: IARD Renewal

If you have not yet received any renewal information from FINRA for your investment adviser registration it is available at: <http://www.iard.com/renewals.asp>. Any questions regarding the IARD renewal process, including the assignment of a new password to access IARD, can be directed to the IARD Help Desk at: (240) 386-4848. Please review IARD's Renewal Checklist at: http://www.iard.com/pdf/2012_IA_Renewal_Checklist.pdf.

Important Dates for IARD Renewal:

After November 14, 2011

- *Retrieve* your firm's Preliminary Renewal Statement from IARD;

BEFORE December 12, 2011, or December 8, 2011 (for electronic renewal payments e.g., E-Pay or wire transfers)

- *Pay* the total amount due on your firm's Preliminary Renewal Statement;

Between January 3, 2012 and February 3, 2012

- *Retrieve and review* your firm's Final Renewal Statement from IARD and *pay* any outstanding balance.

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.

Preliminary Renewal Statement

Preliminary Renewal Statements will be made available on IARD on November 14, 2011. To retrieve the Preliminary Renewal Statement: 1) log into IARD and go to the main IARD webpage; 2) look in the "Accounting" column (second column from the right) under the "Renewal Account Information" subheading and click on "Renewal Statement." Please save the Preliminary Renewal Statement for your records. If you pay by check, you will need to include a copy of the first page of the statement with your payment to IARD. More information on

accessing the statement, including screenshots, can be found at:

http://www.iard.com/pdf/firm_users_man_mod13.pdf.

Fees

The North American Securities Administrators Association (“NASAA”) has announced that IARD system fees will be waived again this year for investment advisers and their representatives renewing their registrations for 2012. Therefore, **your firm will only be billed for renewal fees due to the states** (state fee schedules can be accessed on IARD). For Washington, renewal fees will remain \$75 for investment advisers and \$20 for each associated person.

Payment Options

Your firm’s Renewal Account is the account your firm uses to pay its annual renewal fees for state registrations and/or Notice Filings. Please ensure that your firm’s Renewal Account has sufficient funds *as soon as possible*. The Preliminary Renewal Statement payment receipt deadline is December 12, 2011. 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.

Firms may submit their IA firm renewal payments by Web CRD/IARD E-Pay, Wire Transfer, Check, or by an automatic Daily-to-Renewal Account Transfer. It takes FINRA several days after it receives the payment to post it to your account.

The Securities Division requests that you do NOT use the Daily-to-Renewal Account Transfer payment option. On December 12, 2011, if a firm does not have sufficient funds in its Renewal Account, FINRA will automatically transfer funds from the firm's Daily Account to its Renewal Account (please note that FINRA will only transfer funds if a firm has sufficient funds available in its Daily Account to cover the total renewal fees due). However, we will begin running reports in early December which tells us which firms have not yet renewed. Firms will continue to show up on the “Not Renewed” report, even though they have sufficient funds in the Daily Account, until the funds are swept to the Renewal Account on December 12, 2011.

Payment Deadlines

December 12, 2011 is the DEADLINE for receipt of Preliminary Renewal Statement payment.

IARD will shut down on December 23, 2011 until January 3, 2012. **ADVISERS WHOSE RENEWAL PAYMENTS ARE NOT POSTED ON IARD BY DECEMBER 23, 2011, WILL HAVE THEIR REGISTRATIONS AND THEIR REPRESENTATIVES’ REGISTRATIONS AUTOMATICALLY CANCELLED BY THE SYSTEM.** 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.

Remember to pay the full amount of the Preliminary Renewal Statement. If there are errors, call the Help Desk at: (240) 386-4848. Any corrections will be made on the Final Renewal Statement, which will be available on January 3, 2012. Any additions/deletions of states or representatives that occur after November 12th and prior to the IARD system shutdown on December 23, 2011, will also be reflected on the Final Renewal Statement. Please review your firm’s Final Renewal Statement, even if you do not have any changes, to ensure that no errors have occurred. The deadline for receipt of Final Renewal Statement payments and reporting renewal discrepancies is Friday, February 3, 2012.

Stage Two: Annual Filing Requirements

Every investment adviser has 4 annual filing requirements:

1. File your *annual updating amendment* to *Form ADV Part 1* on IARD;
2. Upload your *annual updating amendment* to *Form ADV Part 2* to IARD;
3. Email your completed *Fiscal Year End Report* to IARenewal@dfi.wa.gov; and
4. Email your firm's *Balance Sheet* dated as of the end of your most recent fiscal year end to IARenewal@dfi.wa.gov.

These filing requirements must be submitted within 90 days of your fiscal year end.

Additionally, if your firm manages a private fund, please email a copy of your annual fund audit, if applicable, to Elizabeth.Smith@dfi.wa.gov within 120 days of your fiscal year end.

Form ADV Part 1

Form ADV Part 1 was amended to require additional disclosures. These additional items should be completed as part of your *annual updating amendment* to Form ADV Part 1, which must be filed within 90 days after your fiscal year end. Part 1 of your Form ADV is filled out and filed directly in IARD.

Form ADV Part 2 (Disclosure Brochure)

The narrative format for the Form ADV Part 2 must be updated at least annually when you file your *annual updating amendment*. This brochure must be uploaded to IARD within 90 days of your fiscal year end. Your brochure should be uploaded into IARD.

You are required to deliver, within 120 days of your fiscal year end, to each client a free updated brochure that includes a summary of material changes or deliver to each client a summary of material changes that includes an offer to provide a copy of the entire updated brochure and the information on how a client may obtain the brochure. This delivery may be done electronically, if your advisory contract allows for electronic delivery.

Fiscal Year End Report and Balance Sheet

Please email your completed Fiscal Year End Report and Balance Sheet (prepared in accordance with generally accepted accounting principles ("GAAP")) to IARenewal@dfi.wa.gov.

The Securities Division is using a new Fiscal Year End Report. A copy of the Fiscal Year End Report should be attached with this letter and is available on our website at: <http://dfi.wa.gov/sd/investmentadviser.htm>.

The Balance Sheet must be dated as of the end of your most recent fiscal year end and must be prepared in accordance with generally accepted accounting principles (GAAP).

Questions?

Any questions regarding the annual filing requirements can be emailed to IARenewal@dfi.wa.gov.

If you have questions about the renewal filing procedures please:
call Victoria Kennedy at (360) 902-8815 or email Victoria.Kennedy@dfi.wa.gov.

If you have questions about pooled investment vehicles please:
call Elizabeth Smith at (360) 902-8786 or email Elizabeth.Smith@dfi.wa.gov.

For all other licensing renewal questions (including general questions) please:
call Lyna Vo at (360) 725-7807 or email Lyna.Vo@dfi.wa.gov.

Thank you,

Securities Division