

DEPARTMENT OF CORPORATIONS
Business Services and Consumer and Investor Protection



Preston DuFauchard
California Corporations Commissioner
Sacramento, California

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Notice to Mid-Sized Investment Advisory Firms Transitioning to California Registration

The California Department of Corporations (Department) utilized IARD to identify your firm as one likely to transition from SEC to state (CA) registration.

Under the **Dodd-Frank Wall Street Reform and Consumer Protection Act**, most Investment Advisers with assets under management (AUM) between \$25 Million and \$100 Million are required to transition from SEC to state registration. **The CA application must be approved by June 28, 2012**, otherwise your firm's registration will lapse. To facilitate the state application process, CA instructions are available at <http://www.corp.ca.gov/SRD/BDIA/Dodd-Frank/default.asp>

You are encouraged to file the CA application as soon as possible and to promptly respond to Department requests for additional information or revisions. The Department is expecting a high volume of transition applications, which will be reviewed in the order received. Please be aware that IARD may schedule holiday or maintenance periods that may interfere with filing an application (refer to the [IARD Availability Schedule](#) for specific information).

All SEC Investment Advisers must file an annual updating amendment before March 30, 2012, whether you have a pending State Application or have not yet submitted a CA application. Your firm can submit the CA Application at the same time the annual updating amendment is filed. **If your firm's CA application is submitted and approved prior to January 1, 2012**, you may elect **EITHER** to have your firm's CA registration approved for 2011 (which will require a renewal fee for 2012 to be submitted later through IARD) **OR** request that the Department hold the completed application and approve it effective January 1, 2012 (so you only pay one fee).

The Department is considering holding seminars on the SEC transition process, one in Northern California and one in Southern California. These seminars will describe the CA application process and how to comply with California laws and regulations. If you may be interested, please e-mail RAE@corp.ca.gov and we will notify you of dates and locations, if seminars are held.

If you have any questions, please e-mail IAAPP@corp.ca.gov or call the BDIA Licensing Unit at (916) 322-6270.