



STATE OF TENNESSEE  
DEPARTMENT OF COMMERCE AND INSURANCE  
SECURITIES DIVISION  
BROKER-DEALER SECTION  
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## IA Alert: New Form ADV Part 2

October 6, 2010

On July 28, 2010, the Securities and Exchange Commission adopted amendments to Part 2 of Form ADV and related rules that require investment advisers registered under the Investment Advisers Act of 1940 to provide new and prospective clients with a brochure and brochure supplements written in plain English.

SEC Release No. IA-3060 (July 28, 2010) (Form ADV, Part 2 Brochure)  
<http://www.sec.gov/rules/final/2010/ia-3060.pdf>

Electronic Filing for Investment Advisers on IARD: Forms, Policy, and Law  
<http://www.sec.gov/divisions/investment/iard/iastuff.shtml>

The amendments to Part 2 of Form ADV become effective October 12, 2010. Tennessee has previously adopted the Form ADV for use in the investment adviser registration process and for disclosure purposes. **Thereby, investment advisers registered and applying for registration in Tennessee should begin use of the new Part 2 on October 12, 2010 as delineated in the implementation schedule below.**

### Implementation

#### October 12, 2010 – December 31, 2010

**Applicants** that are applying for investment adviser registration for the first time in Tennessee may submit the old Part II or the new Part 2 through the Investment Adviser Registration Depository (IARD).

**Registrants** submitting amendments to Form ADV may submit the old Part II or the new Part 2 through the IARD.

#### January 1, 2011 and thereafter

**Applicants** that are applying for investment adviser registration for the first time in Tennessee should submit the new Part 2 through the IARD.

**Registrants** will need to incorporate the new Part 2 with their next filing of an amendment to Form ADV or their annual updating amendment to Form ADV, whichever occurs first. Accordingly each investment adviser with a fiscal year end of December 31, 2010, who hasn't already filed an updated Part 2, must file an annual updating amendment in IARD with the new Part 2 brochures no later than March 31, 2011.

## Annual Delivery Requirement

Item 2 of the Instructions for the new Part 2A of Form ADV “Preparing Your Firm *Brochure*” provides that each year a registered investment adviser must (i) deliver, within 120 days of the end of the investment adviser’s fiscal year, to each client a free updated *brochure* that either includes a summary of material changes or is accompanied by a summary of material changes, or (ii) deliver to each client a summary of material changes that includes an offer to provide a copy of the updated brochure and information on how a *client* may obtain the *brochure*.

Each investment adviser with a fiscal year end of December 31, 2010, or later, when first preparing its new Part 2 *brochure*, must deliver, within 120 days of the end of the investment adviser’s fiscal year, to each client a free updated *brochure* that either includes a summary of material changes or is accompanied by a summary of material changes.

## New Part 2 Templates

Blank templates for the new Form ADV Part 2 will be available on the North American Securities Administrators Association, Inc. (NASAA) website on or after October 12, 2010 for free download and use by investment advisers.

NASAA - Form ADV

[http://www.nasaa.org/industry\\_regulatory\\_resources/investment\\_advisers/758.cfm](http://www.nasaa.org/industry_regulatory_resources/investment_advisers/758.cfm)

## Contact

Please contact the Tennessee Securities Division Broker-Dealer Section at (615) 741-3187, (800) 863-9117 or [Securities.2@tn.gov] with any questions regarding this notice.

Tennessee Securities Division

<http://tn.gov/commerce/securities/index.shtml>