



STATE OF MICHIGAN  
OFFICE OF FINANCIAL AND INSURANCE REGULATION  
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH  
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On July 28, 2010, The Securities and Exchange Commission (SEC) released a revised Form ADV [SEC Release No. IA-3060; File No. S7-10-00]. The release primarily adopted amendments to Part 2 (formerly Part II) of Form ADV (also referred to as the Brochure, or new Part 2). The new Part 2, with the instructions, can be found on the SEC's website at <http://www.sec.gov/rules/final/2010/ia-3060.pdf>. In addition, the SEC will soon be removing ADV II of Form ADV from its website and replacing it with the new ADV 2 of Form ADV.

The amendment is changing the formats of the aforementioned ADV from a check-the-box form to a narrative brochure written in plain English (a plain English handbook can be found on the SEC's website at <http://www.sec.gov/pdf/handbook.pdf>). The change is designed to provide prospective clients and current clients with clearly written, meaningful, current disclosure of the business practices, conflicts of interest, and background information on the investment adviser and its advisory representative(s). The amendment also requires that the Form be **filed electronically** through the Investment Adviser Registration Depository (IARD).

The new Part 2 of Form ADV consists of three parts: Part 2A, Firm Brochure; Part 2A Appendix 1, Wrap Fee Program Brochure; and Part 2B, Brochure Supplement. Every investment adviser's new Part 2 will consist of at least Part 2A, Firm Brochure and Part 2B Brochure Supplement. Only investment advisers who sponsor wrap fee programs are required to submit the Part 2A Appendix 1, Wrap Fee Program Brochure.

Michigan's Office of Financial and Insurance Regulation (OFIR) is adopting the new Part 2 of Form ADV effective October 12, 2010. Compliance dates are as follow:

- Between October 12, 2010, and January 1, 2011, applicants may use either the current Part II or the new Part 2.
- As of January 1, 2011, all investment adviser applicants will have to file, through the IARD, all required parts of the new Part 2 of Form ADV as part of the investment adviser application.
- By April 1, 2011, all registered investment advisers are required to have an updated Part 2 of Form ADV submitted to the IARD.

OFIR recommends that all investment advisers become familiar with the new Part 2 of Form ADV and amend the Form using the new Part 2 as soon as possible.

OFIR is in the process of issuing a transition order regarding the preparing, delivery, and offering of the new Part 2. In the meantime, OFIR strongly encourages all investment advisers to follow the amended requirements for preparing, delivering, and offering the new Part 2, as provided in the instructions, when it begins using the new Form. Please remember, however, that firms continuing to use the old Part II are required to continue to meet all requirements of old Part II until it converts to the new Part 2.

You may also find it helpful to attend one of OFIR's Investment Adviser Seminars. The first seminar, entitled Navigating the Changes, is scheduled for Wednesday, November 10, 2010, at Lansing Community College West Campus. You can register for the seminar on our website, <http://www.michigan.gov/dleg/0,1607,7-154-10555---,00.html>, by clicking on the Seminar Registration link located on the right side of the webpage. Also, be sure to check this site in the future as additional seminars may be added.

If you have further questions regarding ADV 2, please review the ADV 2 instructions found on the SEC website before calling our office as the instructions contain helpful and detailed information. Should you have further state specific questions, you may call OFIR toll-free at (877) 999-6442.

Sincerely,

Tracy Hatt-Doering  
Investment Adviser Specialist