

Summary of Nebraska Investment Adviser Registration Requirements

Nebraska Department of Banking and Finance

<http://www.ndbf.org/>
Bureau of Securities
402-471-3445

Commerce Court, Suite 400
1230 O Street, PO Box 95006
Lincoln, NE 68509-5006
402-471-2171

The following information is provided to assist in preparing an application for initial investment adviser registration in Nebraska:

1. INVESTMENT ADVISER APPLICATION REQUIREMENTS

The application for initial registration as an investment adviser pursuant to Section 8-1103(3) of the Act shall be filed with the Nebraska Department of Banking and Finance and shall contain the following information:

- a. **A \$200.00 application fee** is to be paid directly to the CRD/IARD. See Item 6 on Page 2 for additional information on the payment of fees;
- b. **COMPLETE** the current **FORM ADV** and all applicable schedules:
 1. Form ADV **Part I**, including the "State-Registered Investment Adviser Execution Page" and the applicable schedules A-D **must be submitted electronically** through the Investment Adviser Registration Depository ("CRD/IARD") ***Note the additional requirements for Part I on the following page;**
 2. Form ADV **Part II** and the applicable schedules F-H **must be submitted electronically** through the Investment Adviser Registration Depository ("CRD/IARD");

The following documents shall be completed and submitted directly to the Department:

- c. An executed "**AFFIDAVIT OF INVESTMENT ADVISER ACTIVITY IN NEBRASKA**" (available at <http://www.ndbf.org/forms/invadvaff.pdf>);
- d. A **CURRENT AUDITED FINANCIAL STATEMENT** is required if your firm has custody of client funds. If not, then a **CERTIFIED BALANCE SHEET** can be submitted in lieu of the audited financial statement. These financial statements cannot be more than 90 days old;
- e. A copy of the investment adviser's **ARTICLES OF INCORPORATION**, articles of partnership, or LLC membership agreement that shows the current legal name of the applicant;
- f. The **CORPORATE RESOLUTION** which allows the firm to participate in the investment adviser business in Nebraska. Entities that are organized in a form other than a corporation, such as a partnership or LLC, need not file a resolution (form available at <http://www.ndbf.org/forms/invadvcr.pdf>);
- g. A **SURETY BOND** issued in the amount of \$25,000 except for an investment adviser which continually maintains net capital, as determined by 48 NAC 7.008.03, in excess of \$25,000 (form available at <http://www.ndbf.org/forms/secbond.pdf>);
- h. **Form IAR** Designation of Investment Adviser Representatives. (Form IAR is available at <http://www.ndbf.org/forms/Form%20IAR.pdf>) Also, update each representative's Form U-4 on the CRD/IARD system;
- i. **Specimen Contract and/or Agreements;** and
- j. **Promotional and/or Disclosure Literature** (if using Part II in lieu of this item, please note in your cover letter).

If there are any questions regarding the use of the IARD system, please visit the following Web-sites:

- Web IARD Users Manual: http://www.iard.com/pdf/firm_users_man.pdf
- Investment Adviser Registration Depository: <http://www.iard.com>

NEBRASKA INVESTMENT ADVISER APPLICATION REQUIREMENTS – *Continued*

2. FOREIGN CORPORATIONS

In certain instances, an investment adviser may be required to register as a foreign corporation in Nebraska. If you have questions about requirements for registering as a foreign corporation in Nebraska, contact the Secretary of State's office at (402) 471-4079 (website address is <http://www.sos.state.ne.us>).

3. AMENDMENTS TO FORM ADV

1. All amendments to Form ADV **Part I** are to be filed on Web IARD. Hard copies should not be filed directly with the Department. ***However**, if indicated on Form ADV, Part I, Item 5.D (6) that there are clients which are pooled investment vehicles (hedge funds) and you have checked "Yes" on Form ADV, Part I, Item 7.B, in addition to providing the necessary information about the LP, LLC or Private Fund on Form ADV, Part I, Schedule D, Page 4, Section 7.B, it will be necessary to provide the Department with a copy of the fund's Subscription Agreement and Private Placement Memorandum in addition to the usual Client Contract.

Additionally, if disclosing that the General Partner or Manager of the LP, LLC or Private Fund is another Investment Adviser, then provide the Department with the Sub-Advisory Agreement between both I.A. firms.

Also, if there is a Sub-Advisory relationship with another I.A. (whether a hedge fund is involved or not) then we require a copy of the Sub-Advisory Agreement. Solicitors and Solicitor Agreements will virtually always involve a sub-advisory relationship, thus the need for the Sub-Advisory Agreement.

2. ALSO, all amendments to Form ADV **Part II** are to be filed on Web IARD.

4. REPRESENTATIVES

Any person providing investment advice or soliciting clients on behalf of a state registered investment adviser must be registered as an investment adviser representative.

Registration or termination of representatives in Nebraska must be filed through the Web CRD/IARD system by filing or amending Form U-4 or by filing Form U-5.

An investment adviser is responsible for the actions of its representatives and employees and must maintain adequate supervision and control over its representatives.

Representatives of an investment adviser may not advertise themselves under any other name unless that entity is properly registered. See 48 NAC 9 of the Rules of the Department of Banking and Finance for additional information (<http://www.ndbf.org/legal/title48.shtml>).

5. ANNUAL RENEWALS

All investment advisers and representative registrations expire annually on December 31. The Department will send a renewal notice in mid-October to all state registrants specifying which amended documents are to be submitted to the Department for renewal. Renewal fees are \$200.00 for an investment adviser and \$40.00 per representative. Renewal payments need to be processed through Web IARD. Any form submitted through the IARD shall be deemed filed with the Department when the record is transmitted to the Department for review. Please refer to 48 NAC 7.003 of the Rules of the Department for additional information regarding annual renewals (<http://www.ndbf.org/legal/title48.shtml>).

6. PAYMENT OF FEES

Application and renewal fees for state registrant firms and their representatives must be paid through Web IARD. It is important that firms and representatives verify that there are adequate funds in their daily and/or renewal accounts to cover pertinent fees.

If you have any questions concerning Nebraska investment adviser registration requirements, you may contact Staff Assistant, Ashley Boller at (402) 471-3445 or via email at ashley.boller@bkg.ne.gov.