

**FORM ADV PART 2  
COMPARISON OF CURRENT REQUIREMENTS VS. NEW REQUIREMENTS ADOPTED IN 2010**

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**THE "FIRM BROCHURE" (Form ADV, Part 2A)**

SELECTED ITEM	CURRENT REQUIREMENT	NEW REQUIREMENT
<p><b>Format</b></p>	<p>"Check-the-box" items in Part II of Form ADV, supplemented by explanations on Schedule F attached to the back.</p> <p>Advisers may opt to prepare a separate narrative brochure in lieu of Part II.</p>	<p>Brochure must contain narrative responses to each item. Heading must immediately precede response and appear in same order as in Part 2A. If an item does not apply, must so indicate. Cross-referencing is permitted if information applies to more than one item. (Part 2, Gen.Instr. 1)</p> <p>Brochure must be written in "Plain English" taking into account clients' level of financial sophistication. Consider using examples. (Part 2, Gen.Instr. 2)</p> <p>Discuss only current conflicts/practices or those reasonably likely. If undisclosed conflict or practice arises, adviser must supplement disclosure to obtain client consent. For conflicts/practices applicable to only some clients, indicate as such rather than disclosing adviser "may" have or use that conflict or practice. (Part 2, Gen.Instr. 2)</p> <p>Brochure may include summary at beginning (optional). (May not substitute for summary of material changes.) (Part 2A, Instr. 8)</p> <p>Brochure may include disclosures not required by specific items, unless it is so much additional information that the required information is obscured. (Part 2A, Instr. 12)</p>

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**THE "FIRM BROCHURE" (Form ADV, Part 2A)**

SELECTED ITEM	CURRENT REQUIREMENT	NEW REQUIREMENT
<p><b>Filing with SEC</b></p>	<p>Currently, firm brochure (Part II of Form ADV) is not required to be physically "filed" with the SEC, either on paper or electronically via the IARD system. Advisers are simply required to keep their current brochure in their own files, subject to SEC inspection (and subject to client delivery requirements). By placing it in their internal files, advisers are deemed to have "filed" their brochure with the SEC.</p> <p>(Note: Some states require the firm brochure (Part II) to be filed with the state if the adviser is either registered with the state or is SEC-registered and is notice-filed in that state. Depending on the state, those state filings must be made on paper or via the IARD system, which has now been upgraded so that it is capable of accepting firm brochure filings electronically.)</p>	<p>Brochures (including amendments) must be filed through IARD in text-searchable PDF format. (Part 2, Gen.Instr. 5)</p>

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**THE "FIRM BROCHURE" (Form ADV, Part 2A)**

SELECTED ITEM	CURRENT REQUIREMENT	NEW REQUIREMENT
<b>Updating and Filing Amended Brochure with the SEC</b>	<p>Firm brochure (Part II) must be amended each year along with the adviser's annual updating of Form ADV, filed within 90 days after the end of the adviser's fiscal year.</p> <p>In addition, firm brochure must be amended promptly at any other time if the information becomes materially inaccurate.</p> <p>Part II is not physically filed with the SEC, but rather is deemed "filed" when placed in the adviser's internal files.</p>	<p>Firm brochure must be updated each year at the time the adviser files its annual updating amendment to Form ADV (within 90 days of its fiscal year end) <u>and</u> promptly whenever information in the brochure becomes materially inaccurate. (Part 2A, Instr. 4)</p> <p>All updates must be filed through IARD and maintained in adviser's files. (Part 2A, Instr. 4)</p> <p>Generally, advisers are not required to amend their firm brochures between annual updating amendments solely because their assets under management or fee schedules have changed; however, those items should be updated if they have become materially inaccurate and the adviser is filing an interim amendment for a separate reason. (Part 2A, Instr. 4)</p> <p>If no material changes have been made to brochure since last annual amendment, no Summary of Material Changes needs to be prepared and no delivery of brochure or Summary of Material Changes needs to be made to existing clients that year. (Part 2A, Instr. 5)</p>
<b>Which Clients Must Receive Delivery</b>	<p>Each client and prospective client. Exceptions:</p> <ul style="list-style-type: none"> <li>• SEC-registered investment companies</li> <li>• clients receiving impersonal advisory services and paying less than \$200 per year*</li> </ul> <p>*Clients receiving impersonal advisory services and paying \$200 or more per year are required to receive an <u>offer of delivery upon request</u> at the time of entering into the advisory agreement and annually thereafter.</p>	<p>Each client or prospective client. Exceptions:</p> <ul style="list-style-type: none"> <li>• clients receiving impersonal advisory services and who pay less than \$500 per year</li> <li>• clients that are SEC-registered investment companies or business development companies and the advisory contract meets the requirements of Section 15(c) of the ICA</li> </ul> <p>(Part 2A, Instr. 1) (Rule 204-3(a), (c))</p>

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SELECTED ITEM	CURRENT REQUIREMENT	NEW REQUIREMENT
<b>Initial Delivery</b>	Delivery must occur at least 48 hours before entering into the advisory agreement, or at the time of entering into the agreement if the client has the right to terminate the agreement without penalty within 5 business days thereafter.	Delivery must occur before or at the time of entering into the advisory agreement. (Part 2A, Instr. 2) (Rule 204-3(b)(1))
<b>Annual Delivery</b>	Annually must deliver or offer in writing to deliver upon request.	<p>Within 120 days after fiscal year end, must deliver to existing clients either a brochure along with a Summary of Material Changes <u>or</u> a Summary of Material Changes accompanied by the website address (if available) and an email address (if available) and telephone number by which the client may get a brochure, and the website address for obtaining information through IAPD. (Part 2A, Instr. 2) (Rule 204-3(b)(2))</p> <p>If there are no material changes to brochure since last updating amendment, no brochure or Summary of Material Changes is required to be delivered to existing clients that year. (Part 2A, Instr. 5) (Rule 204-3(b))</p>
<b>Interim Delivery</b>	<p>No specific regulatory requirement to deliver on an interim basis.</p> <p>However, an adviser's fiduciary duty to its clients may require disclosure of material matters on an interim basis. Also, IAA Rule 206(4)-4 dictates that advisers disclose certain financial and disciplinary matters to clients, which may be disclosed through the ADV or other means.</p>	<p>Interim update of firm brochure must be delivered to clients if amendment includes information in response to Item 9 of Part 2A (disciplinary information). (Part 2A, Instr. 2) (Rule 204-3(b)(4))</p> <p>Interim update can be in the form of a document describing the materials facts relating to the amended disciplinary event. (Part 2A, Instr. 2) (Rule 204-3(b)(4))</p> <p>In addition, the SEC states that, as fiduciaries, advisers have an ongoing obligation to inform their clients of any material information that could affect the advisory relationship. Thus, disclosure of material matters may be required even if they don't trigger an interim updating requirement under the new Form ADV instructions. (Part 2A, Instr. 2)</p>

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**THE "FIRM BROCHURE" (Form ADV, Part 2A)**

SELECTED ITEM	CURRENT REQUIREMENT	NEW REQUIREMENT
<b>Electronic Delivery to Clients</b>	<p>Permitted if in accordance with SEC interpretive guidance on electronic delivery. See, in particular, Release No. 33-7288 (May 9, 1996), which among other things discusses how an adviser can obtain and document a client's informed consent to electronic delivery.</p> <p>Caveat: Consider potential applicability of the Electronic Signatures in Global and National Commerce ("E-SIGN") Act requirements as well.</p>	No change. (Part 2A, Instr. 3)
<b>Wrap Brochure</b>	Sponsors of wrap fee programs must prepare and deliver to wrap fee program clients a narrative Schedule H wrap brochure instead of the regular firm brochure and Schedule F.	Sponsors of wrap fee programs must prepare and deliver to wrap fee program clients a narrative wrap fee program brochure (Appendix 1 to Part 2A). (Part 2A, Instr. 10) (Rule 204-3(d))
<b>Conflicts of Interest</b>	Currently, conflicts disclosure is specifically called for only in Item 9 Participation in Client Transactions. However, based on Staff interpretations, court cases, fiduciary concerns, etc., advisers often include conflicts disclosure in many other areas as well.	<p>Conflicts disclosure is called for in many areas throughout Part 2. Disclosure requirements generally call for a description of the practice, an explanation that the practice presents a conflict of interest and disclosure regarding the nature of the conflict. In cases, the disclosure is also required to include a description of procedures the adviser uses to address the conflict. (Part 2 generally)</p> <p>In addition, Part 2 says that advisers, as fiduciaries, are required to make full disclosure to clients of all material facts, including conflicts, and therefore advisers may have to make disclosures even beyond those called for by Form ADV. These additional disclosures may be made in the brochure or by some other means. (Part 2, Gen.Instr. 3)</p>

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**THE "FIRM BROCHURE" (Form ADV, Part 2A)**

SELECTED ITEM	CURRENT REQUIREMENT	NEW REQUIREMENT
<b>Cover (Part 2A, Item 1)</b>	Cover of Part II is the first page of the pre-printed "check-the-box" form.	Cover must state: name, business address, contact information, website address (if adviser has one) and date of brochure. If adviser does business under a DBA and the adviser's DBA is disclosed in Item 1.B. of Part 1, then adviser may use DBA throughout brochure. Cover must include legend as dictated by Item 1.B. of Part 2A, including contact information. If adviser describes itself as a "registered investment adviser" or as being "registered" it must also include a statement that registration does not imply a certain level of skill or training. (Part 2A, Item 1)
<b>Material Changes (Part 2A, Item 2)</b>	No specific ADV requirement to notify clients of material changes to prior Form disclosure. Some advisers identify material changes in conjunction with their annual offer to deliver Part II.	Advisers must summarize material changes made since the date of their last annual brochure amendment. This summary may appear on the cover of the brochure, the page immediately following the cover page, or in a separate document accompanying the brochure. It must state clearly that it is discussing only material changes since the last annual update and must provide the date of the last annual date.  If Summary of Material Changes appears in a separate document, it must be attached as an exhibit to the brochure and filed via IARD as part of the annual updating amendment.  Summary of changes does not need to be provided to any client or prospective client who has not received a previous version of the brochure. (Part 2A, Item 2)
<b>Table of Contents (Part 2A, Item 3)</b>	Table of Contents is part of pre-printed "check-the-box" portion of form.	Must include Table of Contents, detailed enough for clients to locate topics easily. Brochure must follow the same order, and contain the same headings, as the items listed in Part 2A. (Part 2A, Item 3)

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**THE "FIRM BROCHURE" (Form ADV, Part 2A)**

SELECTED ITEM	CURRENT REQUIREMENT	NEW REQUIREMENT
<b>Advisory Business -- Description (Part 2A, Item 4)</b>	In "check-the-box" portion of the form, must disclose (among other things): <ul style="list-style-type: none"> <li>• percentage of billings from each of 9 types of advisory services</li> <li>• whether adviser provides "financial planning" or similar services</li> <li>• types of clients</li> <li>• types of investments</li> </ul> Check-the-box is supplemented by Schedule F narratives.	Must describe: <ul style="list-style-type: none"> <li>• advisory firm, including how long in business</li> <li>• principal owners (25%+ from Schedule A to Part 1, with certain exceptions)</li> <li>• types of services offered (including specialization or limitations)</li> <li>• whether and how advice is tailored to client (including whether clients may impose restrictions)</li> <li>• if participate in wrap programs, describe differences and explain that adviser receives a portion of wrap fee</li> <li>• AUM (see below)</li> </ul> (Part 2A, Item 4.A-D.)  Types of clients must also be described. (Part 2A, Item 7)
<b>Advisory Business -- Assets Under Management (Part 2A, Item 4.E.)</b>	Not required by Part II in firm brochure.	If adviser manages client assets, client AUM on a discretionary and non-discretionary basis must be disclosed. Method for calculating may be different than that required for AUM disclosure in Part 1, Item 5.F. If so, must keep documentation describing method used. Amount may be rounded to nearest \$100,000. "As of" date must be not more than 90 days before the date adviser last updated brochure in response to this item. (Part 2A, Item 4.E. and Note)

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<b>Fees and Compensation (Part 2A, Item 5)</b>	<p>In "check-the-box" portion of form, must disclose types of fees charged.</p> <p>On Schedule F, must disclose:</p> <ul style="list-style-type: none"> <li>• basic fee schedule</li> <li>• how fees are charged</li> <li>• whether fees are negotiable</li> <li>• when compensation is payable</li> <li>• if compensation is payable before service is provided, how clients may get a refund or may terminate an advisory contract before it expires.</li> </ul>	<p>Disclose:</p> <ul style="list-style-type: none"> <li>• how compensated, fee schedule, whether negotiable (exception: not required in brochure of SEC-registered adviser if delivered only to "qualified purchasers" as defined)</li> <li>• whether fees are deducted or billed, in advance or in arrears, how often, refund procedures (if applicable)</li> <li>• other types of fees and expenses client may occur (e.g. custodian fees, mutual fund fees, brokerage)</li> <li>• whether adviser or supervised persons accept compensation for sale of securities or other products (including asset-based sales charges or services fees from mutual funds) <ul style="list-style-type: none"> <li>-- if so, explain conflict and how addressed, including procedures</li> <li>-- explain clients have the option to purchase the same investment products through brokers or agents not affiliated with adviser</li> <li>-- if sales comp is more than 50% of adviser's revenues, disclose that sales comp is the primary (or exclusive) compensation</li> <li>-- if advisory fees are charged in addition to sales comp, disclose whether advisory fees are reduced to offset commissions accepted</li> </ul> </li> </ul> <p>If adviser accepts sales comp, consider BD registration requirements under federal and state law. (Part 2A, Item 5 and Note)</p>
<b>Performance Fees and Side-by-Side Management (Part 2A, Item 6)</b>	<p>Not specifically mentioned in Part II.</p>	<p>If adviser or supervised persons accept performance fees, disclose:</p> <ul style="list-style-type: none"> <li>• the practice</li> <li>• if applicable, the practice of managing both performance fee account(s) and account(s) charged different types of fees <ul style="list-style-type: none"> <li>-- explain resulting conflicts, including incentive to favor performance fee account(s)</li> <li>-- describe generally how conflicts are addressed.</li> </ul> </li> </ul> <p>(Part 2A, Item 6)</p>

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<b>Types of Clients (Part 2A, Item 7)</b>	In "check-the-box" portion of form, must disclose types of clients, with description of any "other" on Schedule F.	Describe types of clients and any requirements for opening or maintaining an account, such as account size minimums. (Part 2A, Item 7)
<b>Methods of Analysis, Investment Strategies and Risk of Loss (Part 2A, Item 8)</b>	In "check-the-box" portion of the form, must disclose (among other things): <ul style="list-style-type: none"> <li>• methods of analysis</li> <li>• main sources of information</li> <li>• investment strategies</li> </ul> Check-the-box is supplemented by Schedule F narratives.	Must disclose: <ul style="list-style-type: none"> <li>• methods of analysis and investment strategies</li> <li>• explain investing involves risk of loss that clients should be prepared to bear</li> <li>• for each significant investment strategy or method, explain the material risks involved</li> <li>• if "significant" or "unusual" risks are involved, discuss in detail</li> <li>• if primary strategy involves "frequent trading" (there is no definition given of "frequent trading"), explain how this can affect performance</li> <li>• if recommend primarily a particular type of security, explain the material risks involved</li> <li>• if "significant" or "unusual" risks are involved with that type of security, discuss in detail</li> </ul> (Part 2A, Item 8)
<b>Disciplinary Disclosures (Part 2A, Item 9)</b>	Not specifically required in Part II. However, disciplinary disclosures already appear in Part 1 of ADV. In addition, IAA Rule 206(4)-4 requires advisers to make certain disclosures to clients regarding financial and disciplinary events. These disclosures may be made in the firm brochure or through other means.	Must disclose all material facts about any legal or disciplinary events that are material to a client's evaluation of an adviser's business or integrity of management. A non-exhaustive list is provided of criminal, civil, administrative and SRO matters that are presumed to be "material" and therefore disclosable unless the adviser rebuts the materiality presumption based on various listed factors (proximity, nature, severity, elapsed time), in which case the adviser must prepare and maintain a file memo of that rebuttal in its records. Generally requires disclosure of events involving adviser and management persons for 10 years, although even events more than 10 years old need to be disclosed if they were so serious that they are still material to a client's evaluation. (Part 2A, Item 9)

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<p><b>Financial Industry Affiliations (Part 2A, Item 10)</b></p>	<p>Part II, Item 8, calls for check-the-box disclosure of affiliations with certain financial industry participants. Descriptions of each are required on Schedule F of Part II.</p> <p>Part 1, Item 7, also requires check-the-box disclosure of certain (mainly the same) financial industry affiliations. Details must be listed on Schedule D of Part 1.</p>	<p>Disclose if adviser or any management persons are registered or applying to register as: BD (or registered rep), or FCM, CPO or CTA (or associated person of any of those).</p> <p>Must also describe relationships or arrangements that are material to clients that adviser or management persons have with any related person that is: BD, fund, IA, financial planner, commodities firm/person, bank, accounting firm/ant, lawyer or law firm, insurance co. or agency, pension consultant, real estate BD, LP sponsor or syndicator. Must describe any material conflicts and how they are addressed.</p> <p>If adviser recommends or selects other advisers for clients and receives compensation (directly or indirectly) from the other adviser that creates a material conflict, or has other business relationship with them that creates material conflict, must describe the practices and discuss the material conflicts and how addressed. (Part 2A, Item 10)</p>
<p><b>Code of Ethics and Participation in Client Transactions (Part 2A, Item 11)</b></p>	<p>Part II, Item 9, calls for check-the-box disclosure of certain participation or interest in client transactions applicable to adviser or a related person. Descriptions of each are required on Schedule F of Part II. Adviser's Code of Ethics must also be described on Schedule F and adviser must state that a copy of code will be provided upon request.</p> <p>Part 1, Item 8, also requires check-the-box disclosure of participation in certain client transactions by adviser or its related persons.</p>	<p>Must briefly describe Code of Ethics and explain a copy of the code will be provided upon request.</p> <p>Must also disclose if adviser or a related person participates in or has various other interests in client transactions, largely parallel to current requirements: --recommending or buying/selling for clients securities in which adviser/related person has material financial interest --investing in same securities as clients --investing in securities at or about the same time as clients. Must describe related conflicts and how addressed. (Part 2A, Item 11)</p>

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<p><b>Brokerage Practices -- Soft Dollars (Part 2A, Item 12.A.1.)</b></p>	<p>If the value of products, research and services given to the adviser or a related person is a factor in selecting brokers, must disclose:</p> <ul style="list-style-type: none"> <li>• the products, research and services</li> <li>• whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services (i.e., whether adviser may cause clients to "pay up")</li> <li>• whether research is used to service all of adviser's accounts or just those accounts paying for it</li> <li>• any procedures the adviser used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.</li> </ul> <p>Must also disclose if adviser or a related person has any arrangements where it is paid cash by or receives some "economic benefit" (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients and, if so, describe on Schedule F.</p>	<p>Describe factors used to select or recommend broker-dealers for client transactions and to determine the reasonableness of their compensation (commissions). If the adviser receives research or other products or services other than execution from a BD or other third party in connection with client transactions, must disclose:</p> <ul style="list-style-type: none"> <li>• the practice and the conflicts of interest that creates</li> <li>• that when adviser uses client commissions to obtain research or products or services, adviser receives a benefit because adviser does not have to produce or pay for it</li> <li>• that adviser may have an incentive to select or recommend a broker-dealer based on the adviser's interest in receiving the benefit, rather than on the clients' interest in receiving most favorable execution</li> <li>• if adviser "pays up"</li> <li>• whether soft dollar benefits are used to service all clients' accounts or just the accounts of the clients that paid for them</li> <li>• whether adviser seeks to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits they generate</li> <li>• the types of products and services acquired with soft dollars within the last fiscal year <ul style="list-style-type: none"> <li>• be specific enough so clients understand and can assess conflicts</li> <li>• must include both proprietary and third-party research</li> <li>• must be more detailed for items not covered by 28(e)</li> </ul> </li> <li>• explain the adviser's soft dollar procedures.</li> </ul> <p>(Part 2A, Item 12.A.1)</p>
<p><b>Brokerage Practices -- Brokerage for Client Referrals (Part 2A, Item 12.A.2.)</b></p>	<p>Not specifically mentioned in Part II. However, in Item 13, must generally disclose if adviser or a related person has any arrangements where it directly or indirectly compensates any person for clients referrals and, if so, describe the arrangement on Schedule F.</p>	<p>If adviser considers whether it or a related person receives client referrals from a BD or third party in selecting or recommending brokers, must disclose this practice and discuss conflict it creates, must disclose that adviser may have an incentive to select or recommend broker on the basis of the referral rather than client's interest in receiving most favorable execution, and explain procedures used for directing brokerage for referrals. (Part 2A, Item 12.A.2)</p>

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SELECTED ITEM	CURRENT REQUIREMENT	NEW REQUIREMENT
<b>Brokerage Practices -- Directed Brokerage (Part 2A, Item 12.A.3.)</b>	Not specifically mentioned in Part II. As a matter of practice, directed brokerage disclosures are usually included on Schedule F in response to Item 12 Investment or Brokerage Discretion.	<p>If adviser routinely <u>recommends, requests or requires</u> clients to direct adviser to execute transactions through a particular BD, must disclose practice and:</p> <ul style="list-style-type: none"> <li>• explain not all advisers require clients to direct brokerage</li> <li>• if directed broker is an affiliate or in an economic relationship that creates material conflict, describe relationship and the conflict</li> <li>• explain that by directing brokerage, adviser may not be able to achieve most favorable execution and that this practice may cost clients more money*.</li> </ul> <p>If adviser <u>permits</u> clients to direct brokerage, must describe practice and:</p> <ul style="list-style-type: none"> <li>• if applicable, explain adviser may be unable to achieve most favorable execution*</li> <li>• explain that directing brokerage may cost clients more money*</li> <li>• Part 2 instructions give the example that, in a directed brokerage account, client may pay higher brokerage commissions because adviser may not be able to aggregate orders to reduce transaction costs or client may receive less favorable prices.</li> </ul> <p>(*Exception: Disclosure is not required if clients only have directed brokerage arrangements <u>subject to most favorable execution.</u>) (Part 2A, Item 12.A.3)</p>
<b>Brokerage Practices -- Aggregation (Part 2A, Item 12.B.)</b>	Not specifically mentioned in Part II. As a matter of practice, bunching disclosures are usually included on Schedule F in response to Item 12 Investment or Brokerage Discretion.	Must describe whether and under what conditions adviser aggregates purchases and sales for various client accounts. If adviser does not aggregate, must explain adviser's practice and describe the costs to clients of not aggregating. (Part 2A, Item 12.B.)
<b>Review of Accounts (Part 2A, Item 13)</b>	Must describe review (frequency, different levels and triggering factors) and reviewers (number of reviewers, their titles and functions, instructions they receive from adviser on performing reviews and number of accounts assigned each). Must also describe the nature and frequency of regular reports sent to clients on their accounts.	Must indicate whether adviser performs reviews of client accounts or financial plans. If so, must describe frequency and nature of review, and titles of supervised persons who conduct the reviews. If reviews are other than periodic, describe triggering factors. Must also describe content and frequency of regular reports provided to clients regarding accounts, and state whether reports are written. (Part 2A, Item 13)

**FORM ADV PART 2  
COMPARISON OF CURRENT REQUIREMENTS VS. NEW REQUIREMENTS ADOPTED IN 2010**

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**THE "FIRM BROCHURE" (Form ADV, Part 2A)**

SELECTED ITEM	CURRENT REQUIREMENT	NEW REQUIREMENT
<b>Client Referrals and Other Compensation (Part 2A, Item 14)</b>	Must check box indicating if adviser or a related person has any arrangements, oral or in writing, to directly or indirectly compensate any person for client referrals and, if so, describe the arrangement on Schedule F.	If someone who is not a client provides an economic benefit (including sales awards or other prizes) to adviser for providing investment advice or other advisory services to adviser's clients, must describe arrangement, explain conflicts of interest and describe how addressed.  If adviser or related person directly or indirectly compensates any person who is not a supervised person for client referrals, must describe the arrangement and compensation. Also consider applicability of Rule 206(4)-3 (cash solicitation rule) and state rules relating to IAR registration. (Part 2A, Item 14)
<b>Custody (Part 2A, Item 15)</b>	Not specifically mentioned in Part II, except in Item 14 Balance Sheet, which requires any <u>state-registered</u> adviser that has custody to provide a balance sheet.	If adviser has custody of client funds or securities and qualified custodian sends quarterly or more frequent account statements directly to client, explain that client will receive statement directly from custodian and client should carefully review statements.  If clients also receive account statements from adviser, explanation must include a statement urging clients to compare the statements they receive from the custodian with those they receive from adviser. (Part 2A, Item 15)
<b>Investment Discretion (Part 2A, Item 16)</b>	Must check box indicating if adviser or a related person has authority to determine, without obtaining client consent, securities to be bought or sold and, if so, must describe on Schedule F any limitations on the authority.	If adviser accepts discretionary authority, must describe any limitations clients may (or customarily do) place on the authority. Must also describe procedures used to assume the authority (e.g. execution of a power of attorney). (Part 2A, Item 16)

**FORM ADV PART 2  
COMPARISON OF CURRENT REQUIREMENTS VS. NEW REQUIREMENTS ADOPTED IN 2010**

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**THE "FIRM BROCHURE" (Form ADV, Part 2A)**

SELECTED ITEM	CURRENT REQUIREMENT	NEW REQUIREMENT
<b>Proxy Voting (Part 2A, Item 17)</b>	Not specifically mentioned in Part II. However, IAA Rule 206(4)-6 requires advisers who exercise voting authority to describe to clients their proxy voting procedures and disclose how clients may obtain information from adviser about how adviser voted their securities. Many advisers as a matter of practice make these disclosures in their firm brochure.	If adviser has or will accept proxy voting authority, describe: <ul style="list-style-type: none"> <li>• procedures</li> <li>• whether and how clients can direct adviser's vote in particular situation</li> <li>• how conflicts of interest are addressed between adviser and client</li> <li>• how clients can obtain information about how proxies were voted</li> <li>• that clients may get a copy of adviser's procedures upon request.</li> </ul> <p>If adviser does not have proxy voting authority, disclose this and explain how clients will receive their proxies and whether (and how) clients can contact adviser with questions about a particular solicitation. (Part 2A, Item 17)</p>
<b>Financial Information -- Audited Balance Sheet Requirement (Part 2A, Item 18.A.)</b>	Audited balance sheet (on Schedule G) required if adviser: <ul style="list-style-type: none"> <li>• has custody of client funds or securities (for state-registered advisers) or</li> <li>• requires prepayment of more than \$500 in fees per client and 6 months or more in advance</li> </ul>	Audited balance sheet is required if adviser: <ul style="list-style-type: none"> <li>• requires or solicits prepayment of more than \$1,200* in fees per client, 6 months or more in advance. (*For state-registered advisers, this amount is \$500.)</li> </ul> <p>Exception: If adviser is a "qualified custodian" or an insurance company. (Part 2A, Item 18.A.)</p>
<b>Financial Information -- Financial Condition Disclosures (Part 2A, Item 18.B. and C.)</b>	Not specifically mentioned in Part II. However, under IAA Rule 206(4)-4, an adviser must disclose to clients all material facts with respect to a financial condition of the adviser that is reasonably likely to impair the ability of the adviser to meet contractual commitments to clients, if the adviser has discretionary authority (express or implied) or custody over such client's funds or securities, or requires prepayment of advisory fees of more than \$500 from such client, 6 months or more in advance. This may be disclosed in Form ADV or through other means.	Must disclose any financial condition that is reasonably likely to impair the ability of the adviser to meet contractual commitments to clients, if the adviser has discretionary authority or custody of client funds or securities, or requires or solicits prepayment of more than \$1,200* in fees per client, 6 months or more in advance. (*For state-registered advisers, this amount is \$500.)  Must also disclose if adviser has been the subject of a bankruptcy petition in the last 10 years. (Part 2A, Item 18.B. and C.)

**FORM ADV PART 2  
COMPARISON OF CURRENT REQUIREMENTS VS. NEW REQUIREMENTS ADOPTED IN 2010**

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**THE "FIRM BROCHURE" (Form ADV, Part 2A)**

SELECTED ITEM	CURRENT REQUIREMENT	NEW REQUIREMENT
State-Registered Advisers (Part 2A, Item 19)	Not addressed separately in current Part II.	State-registered advisers must address 5 additional areas of disclosure spelled out by Part 2A, Item 19, including certain arbitration, SRO and relationship disclosures not applicable to SEC-registered advisers. (Part 2A, Item 19)

**FORM ADV PART 2  
COMPARISON OF CURRENT REQUIREMENTS VS. NEW REQUIREMENTS ADOPTED IN 2010**

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**THE "BROCHURE SUPPLEMENT" (Form ADV, Part 2B)**

SELECTED ITEM	CURRENT REQUIREMENT	NEW REQUIREMENT
<b>Format</b>	<p>No specific regulatory requirement for a "brochure supplement." However, Part II, Item 6, requires certain background disclosures in the firm brochure on:</p> <ul style="list-style-type: none"> <li>• each member of the investment committee or group that determines general investment advice to be given to clients, or</li> <li>• if the adviser has no investment committee or group, each individual who determines general investment advice given to clients (if more than 5, respond only for their supervisors)</li> <li>• each principal executive officer of the adviser or each person with similar status or performing similar functions.</li> </ul>	<p>Supplement information can be contained in firm brochure or prepared as a separate document. If in the firm brochure, supplements must be included at the end of the brochure. Each supplement must follow the same order as the items listed in Part 2B and contain the same headings. (Part 2B, Instr. 6)</p> <p>Supplements can be prepared covering groups of supervised persons, so long as the information is presented in a separate section for each supervised person. (Part 2B, Instr. 6)</p> <p>Supplements may include disclosures not required by specific items, unless it is so much additional information that the required information is obscured. (Part 2B, Instr. 8)</p>
<b>Covering Whom</b>	See above.	<p>"Brochure supplements" must be prepared for supervised persons who:</p> <ul style="list-style-type: none"> <li>• formulate investment advice for clients and have direct client contact, or</li> <li>• have discretionary authority over client assets, even if they have no direct client contact. (Part 2B, Instr. 1) (Rule 204-3(b)(3))</li> </ul> <p>No supplement is required for a supervised person who has no direct client contact and has discretionary authority over client assets <u>only</u> as part of a team. If discretionary advice is provided by a team of more than 5 supervised persons, supplements need only be provided for the 5 supervised persons with the most significant responsibility for the day-to-day discretionary advice provided. (Part 2B, Instr. 1 and Note) (Rule 204-3(b)(3))</p>

**FORM ADV PART 2  
COMPARISON OF CURRENT REQUIREMENTS VS. NEW REQUIREMENTS ADOPTED IN 2010**

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**THE "BROCHURE SUPPLEMENT" (Form ADV, Part 2B)**

SELECTED ITEM	CURRENT REQUIREMENT	NEW REQUIREMENT
<b>Filing with SEC</b>	N/A	<p>For SEC-registered advisers, supplements need not be filed with the SEC either on paper or electronically via the IARD system. However, copies must be maintained of all supplements and amendments in adviser's files.</p> <p>State-registered advisers must file with the state through IARD a copy of the brochure supplement for each supervised person doing business in that state. (Part 2B, Instr. 9)</p>
<b>Deliver to Which Clients</b>	N/A	<p>Must deliver to a client the brochure supplements for each supervised person who provides advisory services to that client. Exceptions: Need not deliver brochure supplements to:</p> <ul style="list-style-type: none"> <li>• clients to whom adviser is not required to deliver a firm brochure;</li> <li>• clients who receive only impersonal investment advice, even if they receive a firm brochure;</li> <li>• clients who are individuals who would be "qualified clients" (see Rule 205-3(d)(1)(iii) of the Advisers Act for full definition).</li> </ul> <p>(Part 2B, Instr. 2)</p>
<b>Initial Delivery</b>	N/A	<p>Must be delivered before or at the time the supervised person begins to provide advisory services to the client. (Part 2B, Instr. 3) (Rule 204-3(b)(3))</p> <p>Supervised persons may deliver supplements (including their own) on the adviser's behalf, but the adviser must maintain copies of them. (Part 2B, Instr. 3 Note) (Rule 204-3(b))</p>
<b>Updating Supplement</b>	N/A	<p>Supplements must be updated promptly whenever any information in them becomes materially inaccurate. (Part 2B, Instr. 4)</p> <p>Note: There is no specific requirement for supplements to be updated or delivered (or offered for delivery) annually.</p>

**FORM ADV PART 2  
COMPARISON OF CURRENT REQUIREMENTS VS. NEW REQUIREMENTS ADOPTED IN 2010**

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**THE "BROCHURE SUPPLEMENT" (Form ADV, Part 2B)**

SELECTED ITEM	CURRENT REQUIREMENT	NEW REQUIREMENT
<b>Delivery of Updated Supplement</b>	N/A	<p>Updated supplements must be delivered to clients if they amend information in response to Item 3 of Part 2B (disciplinary information). (Part 2B, Instr. 3) (Rule 204-3(b)(4))</p> <p>Such amendments may be in the form of a "sticker" that identifies the information that has become inaccurate and provides the new information and the date of the sticker. (Part 2B, Instr. 3)</p> <p>In addition, the SEC states that, as fiduciaries, advisers have a continuing obligation to inform their clients of any material information that could affect the advisory relationship. As a result, between annual updating amendments [to Form ADV], advisers must disclose material changes to clients even if those changes don't trigger delivery of an updated supplement under the new Part 2 requirements. (Part 2B, Instr. 3 Note)</p>
<b>Electronic Delivery to Clients</b>	N/A	<p>Electronic delivery of supplements is permitted if in accordance with SEC interpretive guidance on electronic delivery. See, in particular, Release No. 33-7288 (May 9, 1996), which among other things discusses how an adviser can obtain and document a client's informed consent to electronic delivery. (Part 2B, Instr. 5)</p> <p>Caveat: Consider potential applicability of the Electronic Signatures in Global and National Commerce ("E-SIGN") Act requirements as well.</p>

**FORM ADV PART 2  
COMPARISON OF CURRENT REQUIREMENTS VS. NEW REQUIREMENTS ADOPTED IN 2010**

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**THE "BROCHURE SUPPLEMENT" (Form ADV, Part 2B)**

SELECTED ITEM	CURRENT REQUIREMENT	NEW REQUIREMENT
<b>Cover (Part 2B, Item 1)</b>	N/A	<p>Include supervised person's name, business address and telephone number (if different than adviser's); adviser's name, business address and telephone number; and date of supplement.</p> <p>Cover must also include legend as dictated by Item 1.B. of Part 2B. (Do not have to include the statement directing clients to the SEC's public website unless the person is an IAR required to register with the states.)</p> <p>If other information appears on the cover, the information in response to this item must be on the top of the first page of the supplement. (Part 2B, Item 1)</p>
<b>Educational Background and Business Experience (Part 2B, Item 2)</b>	<p>Certain educational and business background disclosures are required on Schedule F in response to Part II, Item 6, for:</p> <ul style="list-style-type: none"> <li>• each member of the investment committee or group that determines general investment advice to be given to clients, or</li> <li>• if the adviser has no investment committee or group, each individual who determines general investment advice given to clients (if more than 5, respond only for their supervisors)</li> <li>• each principal executive officer of the adviser or each person with similar status or performing similar functions.</li> </ul>	<p>Must disclose the supervised person's name, age (or year of birth), formal education after high school, and business background for preceding 5 years. If person has no high school education, no formal education after high school or no business background, must disclose this fact. May list professional designations, but if listed, must include a sufficient explanation of the minimum qualifications required for each designation to allow clients to understand the value of the designation. (Part 2B, Item 2)</p>

**FORM ADV PART 2  
COMPARISON OF CURRENT REQUIREMENTS VS. NEW REQUIREMENTS ADOPTED IN 2010**

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**THE "BROCHURE SUPPLEMENT" (Form ADV, Part 2B)**

SELECTED ITEM	CURRENT REQUIREMENT	NEW REQUIREMENT
<p><b>Disciplinary Disclosures (Part 2B, Item 3)</b></p>	<p>Disciplinary disclosures in Part 1A, Item 11, cover both the adviser and its "advisory affiliates."</p>	<p>Must disclose all material facts about any legal or disciplinary events that are material to a client's evaluation of the supervised person. A non-exhaustive list is provided of criminal, civil, administrative and SRO matters that are presumed to be "material" and therefore disclosable unless the adviser rebuts the materiality presumption based on various listed factors (proximity, nature, severity, elapsed time), in which case the adviser must prepare and maintain a file memo of that rebuttal in its records.</p> <p>List of events includes revocation or suspension of professional license or attainment if based on violation of professional conduct rules. Includes resignation (or other relinquishment) of license or attainment in anticipation of such a proceeding if the adviser knows or should have known about it.</p> <p>Generally requires disclosure of events for 10 years, although even events more than 10 years old need to be disclosed if they were so serious that they are still material to a client's evaluation.</p> <p>If supplement is delivered to clients electronically and required disciplinary disclosures are on BrokerCheck or IAPD, adviser may satisfy relevant supplement disclosure obligations by including in the supplement a statement that supervised person has a disciplinary event and providing a hyperlink to either BrokerCheck or IAPD with a brief explanation of how the client can access the disciplinary history. (Part 2B, Item 3)</p>

**FORM ADV PART 2  
COMPARISON OF CURRENT REQUIREMENTS VS. NEW REQUIREMENTS ADOPTED IN 2010**

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**THE "BROCHURE SUPPLEMENT" (Form ADV, Part 2B)**

SELECTED ITEM	CURRENT REQUIREMENT	NEW REQUIREMENT
<b>Other Business Activities (Part 2B, Item 4)</b>	Not currently specifically required unless supervised person's "other" business activities fall within the Part 1 or Part II required disclosures of financial industry activities or affiliations.	<p>Must disclose any investment-related business or occupation in which the supervised person is actively engaged, along with any material conflicts and how addressed. If supervised person receives commissions, bonuses or other compensation based on sale of securities or investment products, must disclose along with specified details about compensation and conflicts.</p> <p>Must also disclose any OTHER business or occupation in which the supervised person is actively engaged for compensation, if it provides a substantial source of income or involves a substantial amount of the supervised person's time. If it represents less than 10% of supervised person's time and income, it may be presumed not substantial. (Part 2B, Item 4)</p>
<b>Additional Compensation (Part 2B, Item 5)</b>	Must check box in Item 13.B. of Part II indicating if adviser or a related person has any arrangements, oral or in writing, to directly or indirectly compensate <u>any person</u> for client referrals and, if so, describe the arrangement on Schedule F.	Must describe any arrangement where someone who is not a client provides an economic benefit (including sales awards or other prizes, but not regular salary) to the supervised person for providing advisory services. Bonuses paid at least in part on the basis of number or amount of sales, client referrals or new accounts should be considered an "economic benefit" but other regular bonuses should not. (Part 2B, Item 5)
<b>Supervision (Part 2B, Item 6)</b>	N/A	Must disclose how the supervised person is supervised, including how the adviser monitors the advice given. Must also provide the name, title and phone number of the person responsible for supervising the supervised person on behalf of the firm. (Part 2B, Item 6)
<b>State-Registered Advisers (Part 2B, Item 7)</b>	N/A	Adds disclosure requirements for supervised persons of state-registered advisers, including certain arbitration, SRO and bankruptcy proceedings. (Part 2B, Item 7)

**FORM ADV – PART 2  
NEW FILING AND DELIVERY REQUIREMENTS**

*(Caveat: This table is dated August 9, 2010, and shows newly adopted filing and delivery requirements as referenced in Release IA-3060 (July 28, 2010) applicable to most advisers starting from when they file their first annual updating amendment after December 31, 2010.*

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## FIRM BROCHURE FILING AND DELIVERY REQUIREMENTS

	Must the brochure be filed with the SEC?	Must the brochure be delivered to clients?
<b>When adviser initially registers with SEC</b>	Yes (Rule 203-1(a))	No (Assuming no "clients" yet)
<b>At inception of advisory relationship</b>	No	Yes (Must deliver to new clients before or at time of entering into advisory agreement) (Rule 204-3(b)(1)) (Part 2A, Instr. 2) (Need not provide Summary of Material Changes to client who has not received a previous version of the brochure) (Part 2A, Item 2)
<b>Annually</b>	Yes (Must file within 90 days of fiscal year end) (Rule 204-1(a)) (Part 2A, Instr. 4) (Must include Summary of Material Changes from last annual amendment (if any)) (Part 2A, Instr. 5 and 6)	Yes, if there were material changes since last annual updating amendment; otherwise, not. (Part 2A, Instr. 2 and 5) (Within 120 days after fiscal year end, must deliver to existing clients either a brochure along with a Summary of Material Changes <u>or</u> a Summary of Material Changes accompanied by the website address (if available) and an email address (if available) and telephone number by which the client may get a brochure, and the website address for obtaining information through IAPD) (Part 2A, Instr. 2) (Rule 204-3(b)(2))  <u>Note Transition Rule</u> -- Within 60 days of when advisers are FIRST required to file brochures electronically with the SEC, they are required to deliver to each <u>existing client</u> a current brochure and all current supplements required under rules. (Rule 204-3(g)(1))

<p><b>In the interim, when adviser amends information in response to Item 9 of Part 2A (disciplinary information) adding an event or materially revising information already disclosed about an event</b></p>	<p>Yes (Must file "promptly") (Assuming change is being made because information in the brochure has become "materially inaccurate") (Part 2A, Instr. 4) (ADV General Instruction 4)</p>	<p>Yes (Must deliver to existing clients "promptly" after creating amended brochure for event, and must start delivering to new and prospective clients; can be in the form of a statement describing material facts) (Part 2A, Instr. 2) (Rule 204-3(b)(1) and (4)) (definition of "current brochure" in Rule 204-3(h)(2))</p>
<p><b>In the interim, whenever other information in brochure becomes materially inaccurate (Note: changes in AUM or fee table alone are not material changes for this purpose)</b></p>	<p>Yes (Must file "promptly") (Part 2A, Instr. 4) (ADV General Instruction 4)</p>	<p>No (Not required to deliver to existing clients; however, must start delivering to new and prospective clients) (Part 2A, Instr. 2) (Rule 204-3(b)(1) and (4)) (definition of "current brochure" in Rule 204-3(h)(2)) (Also, see caveat below)</p>
<p><b>BROCHURE SUPPLEMENT FILING AND DELIVERY REQUIREMENTS</b></p>		
	<p><b>Must the supplement be filed with the SEC?</b></p>	<p><b>Must the supplement be delivered to clients?</b></p>
<p><b>When adviser initially registers with SEC or when supervised person initially joins advisory firm</b></p>	<p>No (For SEC-registered advisers, supplements are never required to be filed with the SEC, but they must be preserved and made available to SEC Staff upon request) (State-registered advisers must file through IARD supplements for each supervised person doing business in that state) (Part 2B, Instr. 9)</p>	<p>No (Assuming no "clients" yet)</p>
<p><b>When adviser or supervised person enters into client relationship</b></p>	<p>No (For SEC-registered advisers, supplements are never required to be filed with the SEC, but they must be preserved and made available to SEC Staff upon request) (State-registered advisers must file through IARD supplements for each supervised person doing business in that state) (Part 2B, Instr. 9)</p>	<p>Yes (Must deliver to client before or at the time the supervised person begins to provide advisory services to the client) (Part 2B, Instr. 3) (Rule 204-3(b)(3))</p>

<b>Annually</b>	No (No specific annual updating or filing of supplements is required) (Part 2B, Instr. 4)	No (No specific annual updating or delivery of supplements is required)  <u>Note Transition Rule</u> -- Within 60 days of when advisers are FIRST required to file brochures electronically with the SEC, they are required to deliver to each existing client a current brochure and all current supplements required under rules. (Rule 204-3(g)(1))
<b>When adviser amends information in response to Item 3 of Part 2B (disciplinary information) adding an event or materially revising information already disclosed about an event</b>	No (For SEC-registered advisers, supplements are never required to be filed with the SEC, but they must be preserved and made available to SEC Staff upon request) (State-registered advisers must file through IARD supplements for each supervised person doing business in that state) (Part 2B, Instr. 9)  (Even though not filed, supplements must be updated "promptly" assuming change is being made because information in the brochure has become "materially inaccurate") (Part 2B, Instr. 4)  (Also, adviser may need to update its own ADV filing with the SEC if disciplinary information pertains to a person covered in disciplinary items in Part 1A or 2A) (Part 1A, Item 11; Part 2A, Item 9)	Yes (Must deliver to existing clients "promptly" after creating amended supplement for event, and must start delivering to new and prospective clients; can be in the form of a "sticker") (Part 2B, Instr. 3) (Rule 204-3(b)(3) and (4)) (definition of "current brochure supplement" in Rule 204-3(h)(2))
<b>Whenever <u>other</u> information in supplement becomes materially inaccurate</b>	No (For SEC-registered advisers, supplements are never required to be filed with the SEC, but they must be preserved and made available to SEC Staff upon request) (State-registered advisers must file through IARD supplements for each supervised person doing business in that state) (Part 2B, Instr. 9)  (Even though not filed, supplements must be updated "promptly" when they become "materially inaccurate") (Part 2B, Instr. 4)  (Also, adviser may need to update its own ADV filing with the SEC, depending on the nature of the disclosure) (Parts 1A and 2A generally)	No (Not required to deliver to existing clients; however, must start delivering to new and prospective clients) (Part 2B, Instr. 3) (Rule 204-3(b)(3) and (4)) (definition of "current brochure supplement" in Rule 204-3(h)(2)) (Also, see caveat below)
<i>Caveat: The SEC has said that, as fiduciaries, advisers have an ongoing obligation to inform their clients of any material information that could affect the advisory relationship. Thus, disclosure of material matters may be required even if they do not trigger an updating requirement under the instructions to Form ADV.</i>		