



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

SECURITIES DIVISION

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October 31, 2013

INVESTMENT ADVISER RENEWAL NOTICE FOR 2014

Dear Registered Investment Adviser:

Renewal season is almost here. The annual renewal fees for investment advisers and their representatives must be paid to the Investment Adviser Registration Depository (“[IARD](http://www.iard.com)”) by **December 13, 2013**.

ANNUAL RENEWAL FEES

REGISTRANT	RENEWAL	FEE
Investment Adviser	Washington State	\$75
Investment Adviser	Other Jurisdictions	http://www.iard.com/pdf/reg_directory.pdf
Investment Adviser Representative	FINRA RA Renewal Processing Fee	\$10
Investment Adviser Representative	Washington State	\$20
Investment Adviser Representative	Other Jurisdictions	http://www.iard.com/pdf/rep_fee_sch.pdf

Payment Options

Your payment is made through your IARD Renewal Account. Please ensure that this account has sufficient funds. Remember to pay the full amount of the Preliminary Renewal Statement, which will be available in the Accounting section on IARD beginning November 11, 2013.

You must submit payments to IARD by electronic payment via E-Bill¹ (replaced E-Pay), wire transfer, automatic Flex-Funding (formerly CRD/IARD Daily Account) to Renewal Account transfer, or check. If you pay by check, you will need to include a copy of the first page of your Preliminary Renewal Statement with your payment. **Do not send your renewal payment to the Securities Division.**

Payment Deadline

December 13, 2013 is the deadline for receipt of payments to IARD. It may take several days for the payment to post to your Renewal Account. Therefore, to ensure timely processing, payments should be submitted to IARD no later than two (2) business days prior to December 13, 2013.

¹ E-Bill, FINRA’s new electronic billing system, provides you with the capability to view invoices along with the reallocation functionality of being able to transfer funds from your Flex-Funding Account to your Renewal Account. Please note that the FINRA Super Account Administrator (“SAA”) will have to entitle him or her (and others) for access to the new user access rights to E-Bill. Please see <http://www.finra.org/web/groups/industry/@ip/documents/education/p123642.pdf> for instructions.

The best practice is to pay your renewal fees in November. If you wait until the deadline, you may not have enough time to fix any errors that may occur.

If a firm fails to pay its renewal fees, IARD will systematically terminate the investment adviser and their representatives.

ANNUAL FILING REQUIREMENTS

The final stage of renewal is your annual filings. This must be completed within 90 days after your fiscal year end. If your fiscal year end is December 31, your filing requirements will be due March 31. **Please do not submit your annual filings prior to the end of your fiscal year.**

Every investment adviser has three annual filing requirements in the State of Washington:

1. Form ADV Part 1

Pursuant to [WAC-24A-057](#), you are required to file an annual updating amendment. This is required even if there have been no changes since your last filing. In order to ensure that the Form ADV Part 1 has been updated properly, please confirm that you have passed the “Completeness Check” and “Submit Filing.”

If your firm conducts business at locations other than your principal office, the Securities Division requires that you also submit a Form BR listing these locations.

2. Form ADV Part 2

Pursuant to [WAC-24A-057](#), Form ADV Part 2 must be updated at least annually if there are **any** changes when you file your annual updating amendment.² For example, if your assets under management have changed, you must update your Part 2. If there have been no changes, you must attest to the accuracy of your Part 2 by “confirming” that there are no changes since your last filing.

Pursuant to [WAC 460-24A-145](#), you are required to, without charge, annually deliver or offer in writing to deliver upon written request to each of your clients, Form ADV Part 2 that includes a summary of material changes. This delivery may be done electronically if your investment advisory agreement allows for electronic delivery.

3. Balance Sheet

Pursuant to [WAC 460-24A-060](#), you are required annually to submit a balance sheet dated as of the last day of your most recent fiscal year end, to the Securities Division via email at IALicensing@dfi.wa.gov. It must also be prepared in accordance with generally accepted accounting principles (GAAP).

² Please note that throughout the year, you must update your Part 2 within 30 days whenever any information in the brochure becomes materially inaccurate. Please see <http://www.sec.gov/about/forms/formadv-part2.pdf> for updating instructions.

Pursuant to [WAC 460-24A-170](#), if your principal place of business is located in the State of Washington, your minimum financial requirements are as follows:

- If you have **custody** of client funds or securities, you must maintain at all times a net worth of at least \$35,000;
- If you have **discretion**, you must maintain at all times a net worth of at least \$10,000; or
- If you have **neither discretion nor custody**, you must be able to meet your financial obligations and pay your debts as they come due in your ordinary course of business.

Please note that you may be requested to provide your income statement, statement of cash flows, statement of owner’s equity, and trial balances to support and/or verify the information on your balance sheet.

Additionally, pursuant to [WAC 460-24A-107](#), if your firm manages a private fund, you are required to submit a copy of your annual fund audit to IALicensing@dfi.wa.gov, within 120 days after your fiscal year end.

Fiscal Year End Report

The Division is no longer requiring the fiscal year end report to be filed. However, you are required to provide a written attestation that your balance sheet is true and complete to the best of your knowledge upon submission.

Warning to Late and/or Non-Filers

Absent extenuating circumstances which must be communicated in writing to the Securities Division, advisers who fail to file the required documents within 90 days after their fiscal year end can expect to be referred for administrative action, which may include suspension or revocation of your license and fines.

RESOURCES AND CONTACT INFORMATION

IARD INFORMATION	RESOURCE
Renewal Program	http://www.iard.com/renewals.asp
IARD Call Center	(240) 386-4848
SECURITIES DIVISION INFORMATION	RESOURCE
Website	http://dfi.wa.gov/sd/investmentadviser.htm
General Mailbox	IALicensing@dfi.wa.gov
General Questions	(360) 902-8815
Pooled Investment Vehicles/Private Fund Advisers	(360) 902-8786

If you have any questions regarding the annual renewal process, please feel free to contact us via email at IALicensing@dfi.wa.gov or by phone at (360) 902-8815.

Thank you,

Securities Division