



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

P.O. Box 9033 • Olympia, Washington 98507-9033
Licensing Telephone (360) 902-8815 • FAX (360) 704-7029 • Web Site: www.dfi.wa.gov/sd

February 17, 2016

INVESTMENT ADVISER ANNUAL FILING NOTICE FOR 2016

Dear Registered Investment Adviser:

Happy New Year! Thank you for successfully making your annual renewal payments. The final stage of the annual renewal process is your fiscal year end filings. The filing due dates are outlined below:

| ACTION ITEM | WHERE/TO WHOM | ACTION DUE DATE |
|-------------------------------------|---------------------|-----------------|
| File Form ADV 1 & 2 | IARD | March 31, 2016 |
| Deliver or Offer Form ADV 2 | Clients | April 29, 2016 |
| File GAAP Balance Sheet | Securities Division | April 29, 2016 |
| File Fund Audit (Private Fund only) | Securities Division | April 29, 2016 |

1. Form ADV Part 1

You are required to file an annual updating amendment.¹ 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 ensure 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

2. Form ADV Part 2

You are required to update Form ADV Part 2 at least annually if there are **any** changes when you file your annual updating amendment.³ 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 clicking on the “Brochure ID” to verify that the brochure on file is up to date, select the “Confirm” radio button, and then click on “Save.”

If there have been material changes to your Form ADV Part 2, you are required to, without charge, annually deliver or offer in writing to deliver upon written request to each of your clients

¹ Throughout the year, in general you must update Form ADV Part 1 within 30 days whenever information becomes inaccurate. Please see WAC 460-24A-205 and <http://www.sec.gov/about/forms/formadv-instructions.pdf> for additional information.

² This would include home office and satellite locations. Form BR is filed through your firm’s account on the IARD system.

³ Throughout the year, in general you must update your Form ADV 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.

the Form ADV Part 2.⁴ This must include a summary of material changes. This delivery may be done electronically for those clients that have opted to receive communication from the adviser via electronic delivery in the investment advisory agreement. Please note that evidence of the annual offer or delivery must be maintained by the investment adviser.

3. Balance Sheet with Written Attestation

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.⁵ The balance sheet must be prepared in accordance with Generally Accepted Accounting Principles (GAAP), with a written attestation that your balance sheet is true and complete to the best of your knowledge upon submission. This written attestation can be attached to your balance sheet or in the body of your email submission to the Division at IALicensing@dfi.wa.gov.

If you have custody, absent an exemption, your firm's balance sheet will need to be audited by an independent certified public accountant and must include the accountant's audit opinion.⁶

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 maintain a positive net worth.⁷

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.

If you utilize a bond to meet your minimum financial condition, please submit a copy of the bond renewal confirmation from the insurance company.

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.⁸

Warning to Late and/or Non-Filers

Advisers who fail to file the required documents within the due dates following their fiscal year end can expect to be referred for administrative action, which may include suspension or revocation of your license and fines.

⁴ [WAC 460-24A-145](#).

⁵ [WAC 460-24A-060](#).

⁶ [WAC 460-24A-060](#).

⁷ [WAC 460-24A-170](#).

⁸ [WAC 460-24A-060](#) and [WAC 460-24A-107](#).

Resources and Contact Information

| IARD INFORMATION | RESOURCE |
|------------------|---|
| Help & Training | http://www.iard.com/UserSupport.asp |
| Form ADV Part 1 | http://www.iard.com/part1instructions.asp |
| Form ADV Part 2 | http://www.iard.com/part2instructions.asp |
| Form BR | http://www.iard.com/uniform_branch_office_registration_form.asp |
| IARD Call Center | (240) 386-4848 |

| SECURITIES DIVISION INFORMATION | RESOURCE |
|--|---|
| Website | http://dfi.wa.gov/investment-advisers |
| 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 filing requirements for your firm, please feel free to contact us via email at IALicensing@dfi.wa.gov or by phone at (360) 902-8815.

Thank you,

Securities Division