

ALABAMA SECURITIES COMMISSION

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Alabama Securities Commission Releases Report on Investment Adviser Switch

Report Documents Largest Coordinated Event Between State and Federal Securities Regulators

MONTGOMERY, ALABAMA (May 20, 2013) – The Alabama Securities Commission (ASC) today announced a new report documenting the successful completion of the transfer of mid-sized investment advisers from federal to state oversight as called for by the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The report was prepared by the North American Securities Administrators Association, of which the ASC is a member.

“This report details the history of the IA switch and the accomplishments of NASAA members and staff to ensure that the largest coordinated regulatory event between the states and the SEC was accomplished successfully,” said Heath Abshire, NASAA President.

Alabama Securities Commission Director, Joseph Borg said, “The ASC was prepared to make certain that the IA switch was accomplished smoothly and efficiently for those investment adviser firms within our jurisdiction. We heartily support NASAA’s efforts to assure that this important element of federal law was fully implemented so that Alabama investors are afforded the regulatory safeguards the law intended.”

The 15-page report is available on the NASAA website, www.nasaa.org.

The Switch stemmed from changes in federal law, which raised the assets under management threshold for state regulation of investment advisers from \$25 million to \$100 million. The implementation of the Switch took place over the course of nearly three years, leveraging the capabilities of state securities regulators in overseeing investment advisers.

In all, more than 2,100 investment advisers have switched from federal to state oversight including approximately a 20% increase of advisors domiciled within the State of Alabama.

“The Switch represents a good example of how state and federal securities regulators can collaborate to provide investors with stronger investment adviser oversight,” Director Borg said.

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