ALABAMA SECURITIES COMMISSION

445 DEXTER AVENUE, SUITE 12000
MONTGOMERY, ALABAMA 36104

MAIL: POST OFFICE BOX 304700
MONTGOMERY, AL 36130-4700

TELEPHONE (334) 242-2984
1-800-222-1253
FAX (334) 242-0240
E-MAIL asc@asc.alabama.gov

AMANDA L. SENN
Director

STEPHEN P. FEAGA
Chief Deputy

APRIL W. MCKAY
Deputy Director
Administration

LOUIS V. FRANKLIN, SR.
Deputy Director
Enforcement

ALABAMA SECURITIES COMMISSION

POLICY STATEMENT REGARDING REGISTRATION OF PRIVATE FUND ADVISERS

Purpose

The Alabama Securities Commission ("Commission") issues this Policy Statement to provide guidance regarding the registration and regulatory treatment of investment advisers whose investment advisory activities otherwise qualify for the private fund adviser exemption established by Commission Order dated July 8, 2024 ("Private Fund Adviser Exemption").

The Commission recognizes that certain investment advisers that qualify for the Private Fund Adviser Exemption may nevertheless desire to become or remain registered with the Commission. Such advisers may elect registration for business, operational, institutional, or other reasons even though their advisory activities would otherwise qualify for an exemption from registration.

The Commission supports providing regulatory certainty to these advisers while maintaining appropriate investor protections and promoting responsible capital formation in Alabama.

Commission Policy

An investment adviser whose business is limited exclusively to providing investment advisory services to one or more qualifying venture capital funds or private funds, and whose activities otherwise satisfy all applicable terms and conditions of the Private Fund Adviser Exemption, may elect to become or remain registered with the Commission.

The Commission's policy is that an adviser's election to register, standing alone, should not result in materially different substantive regulatory treatment from that applicable to a private fund adviser conducting the same activities in reliance upon the Private Fund Adviser Exemption.

Accordingly, so long as a registered investment adviser continues to satisfy all applicable conditions of the Private Fund Adviser Exemption and limits its investment advisory activities to those permitted thereunder, the Commission will generally administer its regulatory requirements in a manner consistent with the requirements applicable to private fund advisers operating pursuant to the exemption.

Registration and Continuing Obligations

A private fund adviser electing to become or remain registered with the Commission must continue to satisfy the requirements necessary to maintain its registration, including:

1. filing all forms and information required by the Commission;
2. paying all applicable registration and renewal fees;
3. renewing its registration annually; and
4. maintaining sufficient books and records to demonstrate continued compliance with the conditions of the Private Fund Adviser Exemption.

A registered private fund adviser remains subject to the antifraud provisions of the Alabama Securities Act and to the Commission's authority to investigate conduct within its jurisdiction.

The Commission may also conduct periodic examinations or reviews to determine whether the adviser's business and activities remain limited to those permitted under the Private Fund Adviser Exemption.

Activities Outside the Private Fund Adviser Exemption

The regulatory treatment described in this Policy Statement applies only while the adviser's business and activities continue to satisfy the terms and conditions of the Private Fund Adviser Exemption.

If an adviser expands its business or engages in investment advisory activities outside the scope of the Private Fund Adviser Exemption, the adviser will be subject to the statutes, rules, and other regulatory requirements generally applicable to registered investment advisers.

A registered private fund adviser should notify the Commission of any material change in its business that may affect its eligibility for the regulatory treatment described in this Policy Statement.

Regulatory Purpose

This Policy Statement is intended to promote consistency in the Commission's regulation of private fund advisers conducting substantially similar investment advisory activities, regardless of whether an otherwise eligible adviser elects to rely upon the Private Fund Adviser Exemption or voluntarily maintains registration with the Commission.

The Commission believes this approach provides regulatory certainty, encourages responsible capital formation, and supports Alabama's investment and entrepreneurial community while preserving appropriate investor protections and Commission oversight.

Scope of Policy Statement

This Policy Statement reflects the Commission's current administrative and enforcement policy. It does not amend the Alabama Securities Act, Commission rules, or the Private Fund Adviser Exemption, and it does not create any right, entitlement, or exemption not otherwise authorized by law.

The Commission retains the authority to interpret and apply the Alabama Securities Act and Commission rules based upon the particular facts and circumstances presented and may modify or withdraw this Policy Statement as appropriate.

SO ORDERED THIS 1st DAY OF September, 2026.

ALABAMA SECURITIES COMMISSION
445 Dexter Avenue, Ste. 12000
Montgomery, AL 36104

Amanda L. Senn
Director