

Summary of Nebraska Investment Adviser Registration Requirements

Nebraska Department of Banking and Finance
<http://www.ndbf.nebraska.gov>
Bureau of Securities 402-471-3445

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The following information is provided to assist in preparing an application for initial investment adviser registration in Nebraska:

1. INVESTMENT ADVISER APPLICATION REQUIREMENTS

The application for initial registration as an investment adviser pursuant to Section 8-1103(3) of the Act shall be filed with the Nebraska Department of Banking and Finance and shall contain the following information:

- a. **A \$200.00 application fee** paid through (“CRD/IARD”). See Item 6 on Page 2 for additional information on the payment of fees;
- b. **FORM ADV** and all applicable schedules:
 - i. **Form ADV Part 1**, including the “State-Registered Investment Adviser Execution Page” and the applicable schedules A-D **must be submitted electronically** through the Investment Adviser Registration Depository CRD/IARD ***Note the additional requirements for Part 1 on the following page**;
 - ii. **Form ADV Part 2 must be submitted electronically** through the Investment Adviser Registration Depository CRD/IARD;

The following documents shall be completed and submitted directly to the Department:

- c. An executed “**AFFIDAVIT OF INVESTMENT ADVISER ACTIVITY IN NEBRASKA**” (<https://ndbf.nebraska.gov/sites/ndbf.nebraska.gov/files/doc/industries/invadvaaff.pdf>);
- d. A **CURRENT AUDITED FINANCIAL STATEMENT** is required if the firm has custody of client funds. If not, then a **CERTIFIED BALANCE SHEET** can be submitted in lieu of the audited financial statement. Financial statements cannot be more than 90 days old;
- e. A copy of the investment adviser’s **ARTICLES OF INCORPORATION**, articles of partnership, or LLC membership agreement that shows the current legal name of the applicant;
- f. A **CORPORATE RESOLUTION** which allows the firm to participate in the investment adviser business in Nebraska. Entities that are organized in a form other than a corporation, such as a partnership or LLC, need not file a resolution. (<https://ndbf.nebraska.gov/sites/ndbf.nebraska.gov/files/doc/industries/invadvcrr.pdf>);
- g. **Net Capital Computation** (Nebraska based firms only) (<https://ndbf.nebraska.gov/sites/ndbf.nebraska.gov/files/doc/industries/ianetcap.pdf>);
- h. A **SURETY BOND** issued in the amount of \$25,000 except for an investment adviser which continually maintains net capital, as determined by 48 NAC 7.008.03, in excess of \$25,000. (<https://ndbf.nebraska.gov/sites/ndbf.nebraska.gov/files/doc/industries/secbond.pdf>);
- i. **Form IAR** Designation of Investment Adviser Representatives. (<https://ndbf.nebraska.gov/sites/ndbf.nebraska.gov/files/doc/industries/Form%20IAR.pdf>) Also, update each representative’s Form U4 on the CRD/IARD system;
- jj. **Specimen Contract and/or Agreements**; and
- k. **Promotional and/or Disclosure Literature** (if using Part 2 in lieu of this item, please note in your cover letter).

If there are any questions regarding the use of the IARD system, please visit the following website: Investment Adviser Registration Depository: <http://www.iard.com>

2. FOREIGN CORPORATIONS

In certain instances, an investment adviser may be required to register as a foreign corporation in Nebraska. If you have questions about requirements for registering as a foreign corporation in Nebraska, contact the Secretary of State's office at (402) 471-4079 (website address is <http://www.sos.state.ne.us>).

3. AMENDMENTS TO FORM ADV

- a. All amendments to Form ADV **Part 1** are to be filed on CRD/IARD. Hard copies should not be filed directly with the Department. ***However**, if indicated on Form ADV, Part 1, Item 5.D (6) that there are clients which are pooled investment vehicles (hedge funds) and you have checked "Yes" on Form ADV, Part 1, Item 7.B, in addition to providing the necessary information about the LP, LLC or Private Fund on Form ADV, Part 1, Schedule D, Page 4, Section 7.B, it will be necessary to provide the Department with a copy of the fund's Subscription Agreement and Private Placement Memorandum in addition to the usual Client Contract.

If disclosing the General Partner or Manager of the LP, LLC or Private Fund is another Investment Adviser, provide the Department with the Sub-Advisory Agreement between both I.A. firms.

If a Sub-Advisory relationship exists with another I.A. (whether a hedge fund is involved or not), the Department requires a copy of the Sub-Advisory Agreement. Solicitors and Solicitor Agreements will virtually always involve a sub-advisory relationship, thus the need for the Sub-Advisory Agreement.

- b. Amendments to Form ADV **Part 2** are to be filed on CRD/IARD.

4. REPRESENTATIVES

Any person providing investment advice or soliciting clients on behalf of a state registered investment adviser must be registered as an investment adviser representative.

Registration or termination of representatives in Nebraska must be filed through the Web CRD/IARD system by filing or amending Form U4 or by filing Form U5.

An investment adviser is responsible for the actions of its representatives and employees and must maintain adequate supervision and control over its representatives.

Representatives of an investment adviser may not advertise themselves under any other name unless that entity is properly registered. See 48 NAC 9 of the Rules of the Department of Banking and Finance for additional information. (http://www.sos.ne.gov/rules-and-regs/regsearch/Rules/Banking_And_Finance_Dept_of/Title-48_Security_Rules/Chapter-09.pdf)

5. ANNUAL RENEWALS

All investment advisers and representative registrations expire annually on December 31. Renewal fees are \$200.00 for an investment adviser and \$40.00 per representative. Renewal payments need to be processed through Web IARD. Any form submitted through the IARD shall be deemed filed with the Department when the record is transmitted to the Department for review. Please refer to 48 NAC 7.003 of the Rules of the Department for additional information regarding annual renewals (http://www.sos.ne.gov/rules-and-regs/regsearch/Rules/Banking_And_Finance_Dept_of/Title-48_Security_Rules/Chapter-07.pdf).

6. PAYMENT OF FEES

Application and renewal fees for state registrant firms and their representatives must be paid through IARD. It is important that firms and representatives verify that there are adequate funds in their daily and/or renewal accounts to cover pertinent fees.

If you have any questions concerning Nebraska investment adviser registration requirements, you may contact Securities Investigation and Compliance Unit Supervisor, Rodney Griess at (402) 471-3445 or via email at Rodney.Griess@nebraska.gov.