ORDER EXEMPTING CERTAIN PRIVATE FUND ADVISERS
FROM THE DEFINITION OF "INVESTMENT ADVISER" IN THE
DISTRICT OF COLUMBIA SECURITIES ACT

WHEREAS, the Commissioner of the Department of Insurance, Securities and Banking
(“Commissioner”) is charged with the administration of the District of Columbia Securities Act
(“Act”);

WHEREAS, Section 202(a) of the Act (D.C. Code § 31-5602.02(a)) provides that no
person shall transact business in the District as an investment adviser or investment adviser
representative unless the person is licensed, or exempt from licensure, under the Act, or the
person has no place of business in the District and meets the de minimis exemption provided in
Section 202(a)(2) of the Act (D.C. Code § 31-5602.02(a)(2));

WHEREAS, Section 101(10) of the Act (D.C. Code § 31-5601.02(10)) defines “federal
covered adviser” as a person who is registered, or required to be registered, under Section 203 of
the Investment Advisers Act of 1940 (“Advisers Act”);

WHEREAS, investment advisers that are exempt from registration under Section 203 of
the Advisers Act are not “federal covered advisers” under Section 101(10) of the Act (D.C. Code
§ 31-5601.01(10)), and are therefore subject to the investment adviser licensing requirements of
Section 202 of the Act (D.C. Code § 31-5602.02);

WHEREAS, effective July 21, 2011, the Dodd-Frank Wall Street Reform and Consumer
exemption from registration for investment advisers contained in Section 203(b)(3) of the
Advisers Act (known as the “private adviser exemption”);

WHEREAS, effective July 21, 2011, Dodd-Frank amended Section 203 of the Advisers
Act to add an exemption from registration in Section 203(m) of the Advisers Act for investment
advisers rendering advice solely to private funds having less than $150 million in assets under
management in the United States, subject to such reporting and record keeping requirements as the U.S. Securities and Exchange Commission (SEC) may prescribe;

WHEREAS, Section 101(17)(B)(xiii) of the Act (D.C. Code § 31-5601.01(17)(B)(xiii)), provides the Commissioner with the authority to exclude from the definition of “investment adviser” any person or class of persons not within the intent of this paragraph as the Commissioner, by rule or order, may designate, thereby causing those persons to not be subject to the investment adviser licensing requirements Section 202 of the Act (D.C. Code § 31-5602.02);

WHEREAS, the Commissioner finds that, subject to the provisions of this Order, investment advisers that have total assets under management less than $150 million and render advice solely to one or more private funds are not within the intent of the definition of “investment adviser” under Section 101(17) of the Act (D.C. Code § 31-5601.01(17)); and

WHEREAS, the Commissioner finds that the issuance of this Order is necessary and appropriate in the public interest and for the protection of investors and clients and consistent with the purposes fairly intended by the policies and provisions of the Act.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. An investment adviser solely to one or more private funds that has total assets under management less than $150 million and that is exempt from the investment adviser registration requirements under Section 203(m) of the Advisers Act and is in compliance with SEC Rule 203(m)-1 (“exempt Private Fund adviser”) shall be exempt from the definition of “investment adviser” under Section 101(17) of the Act (D.C. Code § 31-5601.01 (17)) for purposes of the investment adviser licensing requirements of Section 202 of the Act (D.C. Code § 31-5602.02).

2. An exempt private fund adviser that is exempted from the definition of investment adviser pursuant to this Order shall comply with the reporting requirements of SEC Rule 204-4 and make a notice filing with the Department of Insurance, Securities and Banking of its exempt reporting adviser status on Form ADV through the IARD system.

3. An exempt private fund adviser that is exempted from the definition of investment adviser pursuant to this Order shall pay a notice filing fee of $250 to the District through the IARD system.

4. An individual employed by or associated with an exempt private fund adviser that is exempt from the District’s investment adviser licensing requirements pursuant to this Order shall be excluded from the definition of “investment adviser representative” in section 101(18) for the Act (D.C. Official Code § 31-5601.01(18)) by virtue of such individual’s activities on behalf of the exempt private fund adviser, during such time as the exemption pursuant to this Order is in effect.
5. The exemption provided in this Order extends to state investment adviser licensing requirements and investment adviser representative registration requirements only, and does not excuse compliance with all other applicable securities registration, anti-fraud, fiduciary and related provisions.

6. This Order is effective the 10th day of June, 2016 and shall remain in effect until modified or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of this Department in the District of Columbia, this 10th day of June, 2016.

[Signature]

Stephen C. Taylor, Commissioner