



STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

Mail Completed Application to: 201 West Washington Ave.
Suite 300 (53703)
P.O. Box 1768
Madison, WI 53701-1768
(608) 266-2139
TTY: 711 or 1-800-947-3529
Internet: www.wdfi.org

Wisconsin Investment Adviser Registration/Notice Filing Procedure

An investment adviser who has less than \$100 million of assets under management must be registered with this Division to provide advisory services to Wisconsin clients (and therefore will not be registered with the SEC), unless the adviser:

- 1) transacts business that requires it to be registered in more than 14 states;
- 2) is an Exempt Reporting Adviser to certain private funds under section 3(c)(1) or (7) of the Investment Company Act of 1940;
- 3) is an Exempt Reporting Adviser to a venture capital fund as defined in SEC Rule 203(m)-1;
- 4) is an adviser to investment companies;
- 5) does not have a place of business in this state and during the preceding twelve month period, has had fewer than 6 clients who are residents of this state; or
- 6) qualifies for some other exemption or exclusion.

Investment adviser representatives may also need to be registered. **GO TO THE REGISTRATION INSTRUCTION SECTION.**

Those advisers who have over \$100 million in assets under management, currently transact business in 15 or more states that require registration, are Exempt Reporting Advisers with assets under management between \$100 million and \$150 million, or who are advisers to investment companies, will not be registered as investment advisers by the Division. Such advisers must still make a notice filing or, in the case of Exempt Reporting Advisers, file the reports required by the SEC, with the Division and may need to register certain investment adviser representatives. **GO TO THE NOTICE FILING and EXEMPT REPORTING ADVISER SECTIONS.**

FIDUCIARY ACTIVITIES

Certain fiduciary activities are subject to the regulation of the Division of Banking. If the applicant intends to act as a fiduciary pursuant to secs. 220.04(7) and 223.105, Wis. Stats. (definitions below), the applicant must contact the Division of Banking at (608) 261-9555 or P.O. Box 7876, Madison, Wisconsin 53707-7876 for further information on other requirements.

"Organization" means any corporation, unincorporated cooperative association, limited liability company, association, partnership or business trust, other than a national bank, state or federal savings and loan association, state or federal savings bank or federal credit union or other than a corporation, limited liability company, association or partnership, all of whose shareholders or members are registered under SCR 40.02.

"Trustee" means a person holding in trust title to, or holding in trust a power over property."

"Fiduciary" operation means any action taken by an organization acting as a trustee or in any fiduciary capacity requiring appointment or issuance of letters by a court or probate registrar in this state."

This document can be made available in alternate formats upon request to qualifying individuals with disabilities.

REGISTRATION INSTRUCTION SECTION

SUMMARY OF WISCONSIN INVESTMENT ADVISER REGISTRATION REQUIREMENTS

Initial applications for state registration of investment advisers in Wisconsin is accomplished with a three-stage filing.

1. First, set up an account with the electronic investment adviser filing system called the Investment Adviser Registration Depository (“IARD”). The forms and instructions to do so can be found at www.iard.com.
2. Once an account is established with the IARD, a copy of the firm’s current Form ADV Parts 1 and 2 and all amendments are filed directly with IARD. The \$400 filing fee will be deducted from your IARD Daily account. Personally identifiable information on this form may be matched with tax information, outstanding child and family support data and law enforcement agencies.
3. **FORM U-4** must be filed electronically with the Central Registration Depository (“CRD”), an adjunct of the IARD, for the supervisor and for each employee who will be soliciting clients or rendering investment advice for the applicant. Each investment adviser representative for the applicant and each sole proprietor investment adviser must successfully complete the Series 65 or a combination of the Series 7 and 66 examinations unless evidence is presented allowing waiver of the examination, pursuant to s. DFI-Sec 5.01(4), Wis. Adm. Code. The filing fee of \$80 will be deducted from your CRD Daily account for each application. **SOLE PROPRIETORS DO NOT NEED TO FILE FORM U4 FOR THEMSELVES BUT MUST PASS THE EXAMS.**
4. Each branch must be filed on CRD by filing a Form BR for each branch within 14 days of the opening. The \$80 notice filing fee will be deducted from your CRD Daily account. Thereafter, changes of address or closings must be filed on Form BR within 14 days of the event. . If the branch is located on the premises of a financial institution, the institution must be identified.
5. The following documents must be filed directly with this Division (no application will be considered complete without these additional documents):
 - a. A completed **WISCONSIN INVESTMENT ADVISORY ACTIVITY QUESTIONNAIRE**. A blank form is part of this Packet or completed electronically on the DFI website.
 - b. A copy of the firm’s **INVESTMENT ADVISORY CONTRACT(S)** complying with all provisions of s. DFI-sec 5.05(2), Wis. Adm. Code. The contract must include the fee to be charged by the adviser, the formula for computing the advisory fee, the formula for computing the amount of prepaid fee to be returned in the event of contract termination or nonperformance, and whether the contract grants discretionary power to the adviser. The contract must include that no assignment of the contract may be made without the consent of the customer and provide a 5 business day withdrawal privilege if the disclosure document is not provided 48 hours in advance of signing the contract.
 - c. A **DESIGNATION OF SUPERVISOR** form indicating the name of the person located at the firm’s home office or designated office who will be the supervisor of the investment adviser representatives and Wisconsin business of the applicant. This Division must be notified **IN WRITING** of any change in the designated supervisor as required by section DFI-Sec 5.05(7), Wis. Adm. Code. This form may be completed electronically on the DFI website.
 - d. If the applicant has its principal office located in Wisconsin, it will be subject to the net worth requirements of s. DFI-sec 5.02, Wis. Adm. Code. Applicants that will collect advisory fees of \$1,200 or more, six months or more in advance, or advisers that have custody of customer funds and securities must submit a copy of the applicant’s most recent **FINANCIAL STATEMENT** (including supplementary schedules, if any) or in the case of a sole proprietor, evidence that a sufficient amount of personal capital to satisfy the net worth requirement has been segregated. A completed **FINANCIAL CERTIFICATION** form must be signed by an officer of the applicant (or in the case of a sole proprietor, signed by the applicant). A blank form is part of this Packet or may be completed electronically on the DFI website. If the applicant has its principal office located in a state other than Wisconsin, the applicant must supply a statement that it is in compliance with the net worth requirement of its principal state.

- e. You are required under §551.406(6), Wis. Stats., to include the federal tax identification number of the adviser. In the case of a sole proprietor with no federal tax identification number, submit the social security number of the sole proprietor. Refusal to provide this information may result in denial of the registration.

INVESTMENT ADVISER REPRESENTATIVES MUST BE REGISTERED IN WISCONSIN

Each employee of an investment advisory firm who, for compensation, will solicit new Wisconsin accounts or render investment advice to Wisconsin clients, either orally, in writing, or pursuant to discretionary authority, must be registered as an investment adviser representative for the firm. An individual becomes registered by submitting Form U-4 along with the \$80 application fee (see Page 3, Item 9) electronically via the CRD, and by meeting the examination requirements listed below. Form U-4 and the investment adviser representative filing fee are not required for a sole proprietor, although the examination requirement is applicable.

A person is exempt from the registration requirements of §551.404, Wis. Stats., if he or she is employed by or associated with a private fund adviser or an exempt reporting adviser that is exempt from registration in this state and does not otherwise act as an investment adviser representative.

SUPERVISORY EMPLOYEE MUST BE DESIGNATED AND REGISTERED IN WISCONSIN

At least one employee of the applicant, located at the firm's principal or designated office, must be designated as responsible for supervising the firm's activities and records as they relate to Wisconsin accounts. The applicant must submit to this agency the enclosed Designation of Supervisor Form (See Page 2, Item 4d). An investment adviser registration cannot be issued to the firm if an application for registration of a supervisory employee as an Investment Adviser Representative has not been filed and approved. The form may be completed electronically on the DFI website.

EXAMINATION REQUIREMENTS

Each applicant must pass the North American Securities Administrators Association (NASAA) Series 65 Uniform Investment Adviser Law Examination or a combination of the Series 7 and the Series 66 Uniform Combined State Law Examinations. These examinations are administered by FINRA and a request to take an exam is made by requesting the exam on the Form U-4 application or by separately filing Form U-10 with FINRA. Form U-10 can be obtained online at:

<http://www.finra.org/Industry/Compliance/Registration/QualificationsExams/RegisteredReps/P121907>

or by contacting FINRA at (301) 590-6500. You should be aware that using the Form U-10 to request an exam means the exam information will NOT reflect on the person's CRD record and will always result in an exam deficiency when applying in other jurisdictions. Use of the Form U-4 to request the exam is the preferred option.

The Series 65 examination will be waived for any applicant who:

- A. has been registered as an investment adviser or an investment adviser representative in any jurisdiction in the United States within 2 years prior to the date the application is filed if that jurisdiction required the Series 65 or Series 7 & Series 66 qualification exams; or
- B. provides proof that the applicant currently holds one of the following professional designations:

CFP ChFC PFS CFA CIC

NET WORTH REQUIREMENT

Pursuant to s. DFI-Sec 5.02, Wis. Adm. Code, every investment adviser whose principal office is located in Wisconsin and that collects advisory fees of \$1,200 or more, six months or more in advance shall maintain a positive net worth at all times, which must be in the form of cash, securities or other liquid assets. An adviser who has custody of client funds or securities shall maintain a minimum net worth of \$35,000. If the investment adviser is an individual, the capital used to meet the net

worth requirement must be segregated from the individual's personal assets and used solely for the business for which the adviser is registered. Each investment adviser applicant who is required to maintain a minimum net worth must maintain a record to substantiate continuous compliance with the net worth requirement. New applicants must provide financial information as outlined in Item 5d on Page 2. An investment adviser whose principal office is located in a state other than Wisconsin must demonstrate compliance with the net worth requirement of its home state.

REVIEW BY STAFF

After an application is received by this Division and placed in a PENDING status on IARD, it will be reviewed and you will be notified in writing of any deficiencies within 30 days.

Depending upon the information filed in the application and at the discretion of the staff, additional information may be requested.

LAW AND RULES AVAILABLE

Copies of the Wisconsin Uniform Securities Law and Rules of the Division are available online at the DFI website at: <http://www.wdfi.org/statutes/#SecFran>.

ONLINE INVESTMENT ADVISER GUIDE

The Division has provided an Investment Adviser Guide with detailed information about applying for registration and the regulation of state investment advisers in Wisconsin. This interactive guide includes access to all necessary forms in .pdf format which can be completed online and downloaded, as well as links to statute and rule citations relating to investment advisers. Most of your questions will likely be answered by using the Guide.

Go to: <http://www.wdfi.org/fi/securities/registration/iaguide/applic.htm>

If, after consulting the Guide, you have additional questions concerning Wisconsin investment adviser registration requirements, feel free to call (608) 266-2139.



NOTICE FILING SECTION

FEDERAL COVERED ADVISER NOTICE FILING REQUIREMENT

An investment adviser that is only required to be registered with the US Securities & Exchange Commission, here after referred to as a federal covered adviser, is still required to make an annual notice filing with the Division if the adviser conducts business with clients who are residents of Wisconsin, unless during the previous twelve month period, the federal covered adviser had no place of business in Wisconsin and had fewer than 6 clients in this state. The notice filing consists of filing an electronic copy of the adviser's Form ADV Parts 1 and 2 and all amendments with the IARD along with the filing fee of \$200.

If a private fund adviser is registered with the Securities and Exchange Commission, the adviser must comply with the notice filing requirements applicable to federal covered investment advisers in Wisconsin.

INVESTMENT ADVISER REPRESENTATIVES LOCATED IN WISCONSIN MUST BE REGISTERED

Any person who acts as an investment adviser representative for a federal covered adviser that is required to make a notice filing with the Division and who has a place of business in Wisconsin must be registered as an investment adviser representative. An individual becomes registered by submitting the Form U-4 via the CRD, along with the \$80 application fee and by meeting the examination requirements listed below. Form U-4 and the investment adviser representative filing fee are not required for a sole proprietor investment adviser, although the examination requirements are applicable.

BRANCH OFFICES IN WISCONSIN

A federal covered adviser that maintains a place of business in Wisconsin must file directly with the Division a listing of each branch office address and date of opening along with the filing fee of \$80 per location. Thereafter, any additional branches and each change of address or closing must be filed with the Division within 14 of the event. Federal covered advisers cannot utilize Form BR and the CRD to make branch office filings. Advisers should utilize the Branch Office Online (“BOO”) filing application available on the DFI website at: <https://www.wdfr.org/apps/BranchOffice>. You can pay the filing fee with VISA, Mastercard or American Express. There is also a link to tutorials on setting up a BOO account and using the application for opening, closing and amendment filings.

Exempt Reporting Advisers relying on the registration exemptions in the Order are not required to file branch office notices.

SUMMARY OF WISCONSIN INVESTMENT ADVISER NOTICE FILING REQUIREMENTS

All federal covered advisers making a notice filing with the Division must:

1. File with the IARD an electronic copy of the firm’s current Form ADV Parts 1 and 2 reflecting all amendments.
2. File with the CRD a completed **FORM U-4** for each investment adviser representative with a place of business in Wisconsin. Each investment adviser representative applicant must successfully complete the Series 65 examination or a combination of the Series 7 and 66 examinations unless evidence is presented allowing waiver of the examination, pursuant to s. DFI-Sec 5.01(4), Wis. Adm. Code.
3. File directly with the Division, preferably using the Branch Office Online (“BOO”) filing application noted above, a listing of each office located in Wisconsin other than the principal office, if any, at which the federal covered adviser will regularly conduct advisory business with clients. The listing must contain the address and date of opening of each branch office and be accompanied by the fee of \$80 per branch.

ADVISERS TO CERTAIN PRIVATE FUNDS

Investment advisers whose sole clients are private funds with assets under management of less than \$150 million are categorized as Exempt Reporting Advisers under SEC regulations. However, unless those fund clients meet the following criteria, such investment advisers are subject to reporting or registration requirements with the Division.

SEC Exempt Reporting Advisers with assets under management between \$100 million and \$150 million will only need to file with the Division, the same reports required by the SEC. This filing is made using Form ADV via the IARD. There is no fee or other charge for Exempt Reporting Adviser filings.

SEC Exempt Reporting Advisers with assets under management up to \$100 million must register with the Division as investment advisers unless they meet all of the following:

- (1) Neither the private fund adviser nor any of its advisory affiliates are subject to a disqualification as described in Rule 262 of SEC Regulation A;
- (2) The private fund adviser files with the Administrator, each report and amendment thereto that an exempt reporting adviser is required to file with the Securities and Exchange Commission pursuant to SEC Rule 204-4;
- (3) A private fund adviser who advises at least one (3)(c)(1) fund that is not a venture capital fund must, in addition to satisfying each of the conditions specified in (1) and (2) above, comply with the following requirements:
 - (a) The private fund adviser shall advise only those 3(c)(1) funds (other than venture capital funds) whose outstanding securities (other than short-term paper) are beneficially owned entirely by persons who, after deducting the value of the primary residence from the person's net worth, would each meet the definition of an accredited investor in SEC Rule 501(a) at the time the securities are purchased from the issuer;
 - (b) At the time of purchase, the private fund adviser must disclose the following in writing to each beneficial owner of a 3(c)(1) fund that is not a venture capital fund:
 - (i) all services, if any, to be provided to individual beneficial owners;
 - (ii) all duties, if any, the investment adviser owes to the beneficial owners; and
 - (iii) any other material information affecting the rights or responsibilities of the beneficial owners.
- (4) The private fund adviser must obtain on an annual basis, audited financial statements of each 3(c)(1) fund that is not a venture capital fund, and shall deliver a copy of such audited financial statements to each beneficial owner of the fund.

If a private fund adviser is registered with the Securities and Exchange Commission, the adviser is not eligible for this exemption and must comply with the notice filing requirements applicable to federal covered advisers.

A individual is exempt from the investment adviser representative registration requirements if he or she is employed by or associated with a private fund adviser or an exempt reporting adviser that is exempt from registration in this state and does not otherwise act as an investment adviser representative.

BROKER-DEALER INVESTMENT ADVISERS

Broker-dealers who are also investment advisers must have a separate investment adviser registration in Wisconsin. This means:

1. The firm will be charged an initial filing fee of \$400 for the investment adviser registration application.
2. Investment adviser representatives of broker-dealer/investment advisers must also have separate registrations and are subject to the same filing fees and examination requirements listed in the Investment Adviser and Federal Covered Adviser Sections.
3. Examination requirements are no longer waived based on the Series 7 and Series 63.
4. Branch offices must also be notice filed as described in the Investment Adviser and Federal Covered Adviser Sections.

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FINANCIAL CERTIFICATION

Pursuant to s. DFI-Sec 5.02, Wis. Adm. Code, every investment adviser whose principal office is located in Wisconsin and that collects advisory fees of \$1,200 or more, six months or more in advance shall maintain a positive net worth at all times. If the investment adviser will have custody of client funds or securities and not comply with the safeguards in s. DFI-Sec 5.035, Wis. Adm. Code, a \$35,000 net worth must be maintained. This shall be in the form of cash, securities or other liquid assets. If the investment adviser is an individual, the capital used to meet the net worth requirement must be segregated from the individual's personal assets and used solely for the business for which the adviser is registered.

FIRM'S NAME: _____

FIRM'S ADDRESS: _____

FIRM'S IARD NUMBER: _____

I, the undersigned, do hereby certify that the above mentioned firm has and will continue to maintain at all times, the net worth sufficient to meet the requirement in s. DFI-Sec 5.02, Wis. Adm. Code.

I further certify that the accompanying financial statements are true to the best of my belief and knowledge.

Typed Name and Title of an Officer of the Company

Signature

Date

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WISCONSIN INVESTMENT ADVISORY ACTIVITY OF APPLICANT

Pursuant to §551.403(1), Wis. Stats., it is unlawful for any person to transact business in Wisconsin as an investment adviser unless so registered, except that registration is not required under any the following circumstances:

1. The person effects transactions or provides investment advice in this state exclusively for the account of persons specified in s. 551.403(2), Wis. Stats. or § DFI-Sec 5.13(1), Wis. Adm. Code.
2. The person has no place of business in Wisconsin and in the last twelve months has had fewer than 6 clients in Wisconsin.
3. The person is now, or was at the time of the transactions in question, a federal covered adviser and not subject to state registration requirements.

The fact that a person may have transacted business as an investment adviser in Wisconsin in violation of §551.403(1), Wis. Stats., does not mean that a person's Wisconsin application for registration will automatically be denied.

As part of the Wisconsin Investment Adviser Registration Application, the applicant must respond as to whether or not the applicant has engaged in investment advisory business in Wisconsin without being properly registered. To facilitate your response, please complete the questionnaire below and return the completed form to this Division.

NO, this applicant is not now transacting and has never transacted investment advisory business in Wisconsin.

YES, this applicant has transacted investment advisory business in Wisconsin prior to this application. (Do not include services performed during any period when the applicant was registered as a federal covered adviser and not subject to state regulation.)

If yes, list all transactions effected in Wisconsin:

<u>Name & Address of Customer</u>	<u>Date of Transaction</u>	<u>Description of Transaction</u>	<u>Date of Client Agreement</u>	<u>Name of IA Rep</u>	<u>Total Advisory Fees Charged</u>
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(Attach additional pages if space provided is insufficient.)

Name of Applicant

Firm's Authorized Signatory

Date

Typed Name and Title of Signatory

Firm IARD Number

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INVESTMENT ADVISER DESIGNATION OF SUPERVISOR

Pursuant to s. DFI-Sec 5.05(7), Wis. Adm. Code, every registered investment adviser shall employ at its principal office or designated office of supervision in accordance with s. DFI-Sec 5.03(1), Wis. Adm. Code, at least one person designated in writing to the administrator to act in a supervisory capacity who is registered as an investment adviser representative in this state and has satisfied the examination requirement in s. DFI-Sec 5.01(5).

FIRM INFORMATION

FIRM'S NAME: _____

FIRM'S ADDRESS: _____

DESIGNATED SUPERVISOR INFORMATION

If the firm wishes to designate more than one supervisor, submit one form for each supervisor designated.

NAME OF DESIGNATED SUPERVISOR: _____

HOME ADDRESS OF DESIGNATED SUPERVISOR: _____

OFFICE OF EMPLOYMENT ADDRESS: _____
(Must be Principal or Designated Office)

DATE QUALIFIED/PENDING IN WISCONSIN: _____ SUPERVISOR CRD # _____

THIS FORM IS TO BE SIGNED BY ANY OFFICER OF THE FIRM

TYPED NAME AND TITLE OF SIGNATORY

SIGNATURE

DATE

This Division is to be notified within 10 days of any change in designated supervisor. Failure to do so will be cause for a delinquent filing fee of \$100 pursuant to s. DFI-Sec 7.01(6)(g), Wis. Adm. Code. (Please refer to s. DFI 5.04(4), Wis. Adm. Code.)

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