ROSS MILLER
Secretary of State

NICOLE J. LAMBOLEY
Chief Deputy Secretary of State

STATE OF NEVADA

OFFICE OF THE
SECRETARY OF STATE

CAROLYN ELLSWORTH
Securities Administrator
Securities Division

Please return to Las Vegas Office

February 10, 2011

Dear Registered Investment Adviser:

You are currently registered with the Securities Division of the Office of the Nevada Secretary of State (the "Division") and/or will be coming into the Division with the upcoming switch under the Dodd-Frank Wall Street Reform and Consumer Protection Act. We are writing to provide you with information that may be helpful to you as a state registered investment adviser in Nevada.

As an adviser registered with the Division, you should become familiar with the provisions of chapter 90 of the Nevada Revised Statutes, and the Investment Advisers Act of 1940 and the rules thereunder (http://www.sec.gov/divisions/investment/advoverview.htm). As a registered investment adviser, you will also be inspected by the Division to ensure your compliance with the laws and regulations. As part of our inspection process, we have become aware that some advisers do not have the correct licensing with the Division based on their actual business. Therefore, we are sending this letter to assist you and your compliance officers.

NRS 90.250 defines an investment adviser as "any person who, for compensation, engages in the business of ***advising*** others as to the value of securities or as to the advisability of investing in, purchasing or selling securities, or who, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities." (Emphasis added). Under this definition, many of you manage funds. The issue is that many of you are also selling the funds you manage.

NEVADA STATE CAPITOL
101 N. Carson Street, SUITE 3
Carson City, Nevada 89701-4786
Telephone: (775) 684-5708
Fax: (775) 684-5725

LAS VEGAS OFFICE
555 E. Washington Avenue Ste. 5200
Las Vegas, Nevada 89101-1090
SECURITIES
Telephone: (702) 486-2440
Fax: (702) 486-2452
CORPORATIONS
Telephone: (702) 486-2880
Fax: (702) 486-2888

RENO OFFICE
500 Damonte Ranch Parkway, Suite 657A
Reno, NV 89521-5910
SECURITIES
Telephone: (775) 687-9950
Fax: (775) 853-7961

In Nevada, agents representing issuers, including officers or directors of the issuer, but not broker-dealers, are required to be licensed as an agent of the issuer under Nevada law. This is known commonly as "Agent of the Issuer." An issuer is defined under NRS 90.255 as "a person who issues or proposes to issue a security." Note: while a security or a transaction may be exempt from registration, it does not mean that persons offering or selling the securities are exempt from the licensing provisions. Please refer to NRS 90.320(2) for guidance as to whether you may be exempt from licensing.

To become an Agent of the Issuer, you must submit to the Division the following:

A form U-4 with original signatures;
Proof of passing the Series 63 or 66 exam;
A fee as determined by NRS 90.360, $125.00.

Waiver of Exam Requirement: Pursuant to NRS 90.372, an officer or director of an issuer is eligible for a waiver from the exam requirement for licensure as sales representative or broker-dealer if the requirements for a waiver are met. To obtain such a waiver, an applicant must submit their request as stated in NAC 90.318.

NOTE: The submission of the request for a waiver pursuant to NRS 90.372 must also be accompanied by the application for licensing and the applicable licensing fee.

Thus, by selling funds without an agent of the issuer license, you could be operating as an unlicensed sales representative. If you are, you are subject to administrative and/or criminal action, including penalties and fines. With that said, we encourage you at this time to review your licensing and to file for additional licensing with the Division, if necessary. We have instituted a thirty (30) day amnesty period from the date of this letter for self-reporting and correcting of this problem, in which we will not take enforcement action against you.

If you have any questions regarding this matter, please contact our office at (702) 486-2440.

Sincerely,
/Kimberly P Stein/s/

Kimberly P. Stein, Esq.
Chief of Enforcement