

PETERS 001

**AMENDMENT TO DISCUSSION DRAFT OF OCTOBER  
1, 2009 [PRIVATE FUND INVESTMENT ADVIS-  
ERS REGISTRATION ACT OF 2009]  
OFFERED BY MR. PETERS OF MICHIGAN**

Page 10, after line 2, insert the following new section (and redesignate succeeding sections accordingly):

1 **SEC. 7. EXEMPTION OF AND REPORTING BY CERTAIN PRI-**  
2 **VATE FUND ADVISERS.**

3 Section 203 of the Investment Advisers Act of 1940  
4 (15 U.S.C. 80b-3), as amended by section 6, is further  
5 amended by adding at the end the following new sub-  
6 section:

7 **“(m) EXEMPTION OF AND REPORTING BY CERTAIN**  
8 **PRIVATE FUND ADVISERS.—**

9 **“(1) IN GENERAL.—**The Commission shall pro-  
10 vide an exemption from the registration require-  
11 ments under this section to any investment adviser  
12 of private funds, if each of such private funds—

13 **“(A) has assets under management in the**  
14 **United States of less than \$500,000,000; and**

15 **“(B) meets criteria created by the Com-**  
16 **mission which establish that the fund does not**

1 exhibit characteristics of systemic risk, such as  
2 the use of excessive leverage at the fund level.  
3 “(2) REPORTING.—The Commission shall re-  
4 quire investment advisers exempted by reason of this  
5 subsection to maintain such records and provide to  
6 the Commission such annual or other reports as the  
7 Commission determines necessary or appropriate in  
8 the public interest or for the protection of inves-  
9 tors.”.

