

**FRANK 003**

**AMENDMENT TO THE DISCUSSION DRAFT OF OCTOBER 1, 2009 [INVESTOR PROTECTION ACT OF 2009]**

**OFFERED BY MR. Frank**

Page 86, after line 16, insert the following new section:

1 **SEC. 414. INVESTMENT ADVISERS SUBJECT TO STATE AU-**  
2 **THORITIES.**

3 Section 203A(a) of the Investment Advisers Act of  
4 1940 (15 U.S.C. 80b-3a(a)) is amended—

5 (1) by redesignating paragraph (2) as para-  
6 graph (3); and

7 (2) by inserting after paragraph (1) the fol-  
8 lowing new paragraph:

9 “(2) TREATMENT OF CERTAIN MID-SIZED IN-  
10 VESTMENT ADVISERS.—Notwithstanding paragraph  
11 (1), an investment adviser that—

12 “(A) is regulated and examined, or re-  
13 quired to be regulated and examined, by a  
14 State; and

15 “(B) has assets under management be-  
16 tween—

1           “(i) the amount specified under sub-  
2           paragraph (A) of paragraph (1), as such  
3           amount may have been adjusted by the  
4           Commission pursuant to that subpara-  
5           graph, and

6           “(ii) \$100,000,000, or such higher  
7           amount as the Commission may, by rule,  
8           deem appropriate in accordance with the  
9           purposes of this title,

10          shall register with, and be subject to examina-  
11          tion by, such State. The Commission shall pub-  
12          lish a list of the States that regulate and exam-  
13          ine, or require regulation and examination of,  
14          investment advisers to which the requirements  
15          of this paragraph apply.”.

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