



ARIZONA CORPORATION COMMISSION

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Commissioners Vote on Proposed Investment Legislation

At a Commission open staff meeting today, the Commission considered and voted on draft proposed legislation to be sponsored by Senator David Farnsworth that exempts from licensing investment advisers who advise private funds.

The Commission voted to support the draft proposed legislation provided, in the interest of investor protection, that the private funds advised by the investment adviser are subject to an annual audit. In voting to support the draft legislation the Commission requires that language in the proposed draft legislation creating an audit exception be removed.

“I want to thank the bright minds in our Securities Division and Senator Farnsworth,” said Commissioner Tom Forese. “We have a ways to go but Arizona is open for investment.”

The proposed legislation is in response to changes in federal law which in 2011 created narrow licensing exemptions at the federal level for advisers who advise private funds and venture capital funds. Without legislation Arizona law still requires that these investment advisers be licensed.