

INVESTMENT ADVISER REGISTRATION

WITH THE ARKANSAS SECURITIES DEPARTMENT

The Arkansas Securities Department participates in the electronic investment adviser registration/renewal filing system, the Investment Adviser Registration Depository (IARD). FINRA operates the IARD system as a vendor pursuant to a contract with the Securities and Exchange Commission and undertakings with North American Securities Administrators Association, Inc. (NASAA) and participating state regulators including the Arkansas Securities Department.

The electronic process required by the Arkansas Securities Department can be accessed through your computer on the Internet at <http://www.iard.com>.

REGISTRATION CHECKLIST:

The Securities Act and Rules of the Arkansas Securities Commissioner require that investment adviser applicants:

1. Complete and file initial application by completing Form ADV, in accordance with the form instructions.
2. Registration Fee - \$300-submitted through IARD.
3. Financial Statement Information.-Submit an unaudited balance sheet prepared in accordance with GAAP. The Balance sheet shall be certified as true and accurate by an officer of the firm.

If applicant has been engaged in the business for (1) one year or more preceding the filing, it may submit an audited financial for the last fiscal period along with an unaudited balance sheet dated within (30) days of the filing.

4. A corporate surety bond of fifty thousand dollars (\$50,000) covering the applicant and each representative if the applicant has custody of any customer funds or securities. No bond is required of an applicant whose principal place of business is in a State other than Arkansas, is registered or licensed as an investment advisor in such State, and is in compliance with the bonding requirements of such State.
5. Copies of investment advisory contracts to be used by the investment advisor.
6. Independent Contractor Acknowledgement Form.
7. Capital Requirements. Ark. Code Ann § 23-42-303 requires a minimum net capital for registered investment advisers in the amount of twelve thousand five hundred dollars (\$12,500). Rule 303.02 defines net capital as the net worth of the applicant or registrant calculated in accordance with generally accepted accounting principles.

Net capital requirements do not apply to a registered investment adviser that maintains its principal place of business in a state other than Arkansas, is registered or licensed in that state, and is in compliance with the net capital requirements of that state.