Regulation of Investment Advisers To Increase Under Dodd-Frank Act

Date: 07/21/10

On July 21, 2010, the President signed into law the *Dodd-Frank Wall Street Reform and Consumer Protection Act* (the "Act"). With a stated goal of bolstering confidence in the United States financial system by reducing systemic risk through increased regulation of the industry, the Act sets forth a series of sweeping initiatives that will impact the financial services industry across a diverse spectrum of operations. Among the most significant initiatives that the Act will implement is a series of reforms aimed at increasing regulation of inestment advisers to hedge funds, private equity funds and other similar investment vehicles. Titled as the *Private Fund Investment Advisers Registration Act 2010*, Title IV of the Act imposes new registration, recordkeeping, and reporting requirements on investment advisers to private investment funds. In addition, the Act also takes steps intended to address certain investor protection issues pertaining to hedge funds and similar investment funds, including increasing the monetary thresholds that trigger registration with the Securities and Exchange Commission (the "SEC") with the goal of allowing the SEC to focus its resources on larger investment advisers. Somewhat related to these measures, the Act directs the SEC to adjust the threshold for "accredited investor" status which will have some effect on investor eligibility to invest in certain of these funds.

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