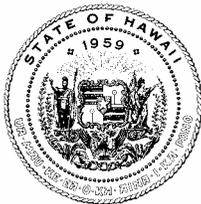


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## MEMORANDUM

TO: Investment Advisers Registered or To Be Registered in Hawaii

FROM: HENRY K. TANJI  
Securities Compliance Specialist

SUBJECT: Form ADV, Part 2

On July 28, 2010 the United States Securities and Exchange Commission ("SEC") released a revised Form ADV (SEC Release No. IA-3060; File No. S7-10-00). The release amended Part 2 of Form ADV (also called the "brochure" or new part 2). To provide more meaningful disclosure to advisory clients, the amendment changed the format of Part 2 from a check-the-box form to a narrative brochure written in plain English. The brochure must be filed electronically through the IARD System.

New Part 2 has three parts: 1) Part 2A (the Firm Brochure); 2) Part 2A Appendix 1 (Wrap Fee Program Brochure); and 3) 3 Part 2B (the Brochure Supplement, providing information on investment advisory personnel). Each investment adviser registered in the State must complete new Part 2A (the Firm Brochure) and Part 2B (The Brochure Supplement). Only Investment Advisers who provide wrap fee programs are required to submit Appendix 1 to Part 2A (the Wrap Fee Program Brochure).

The Securities Compliance Branch of the Business Registration Division has adopted the new Part 2 effective October 12, 2010.

As of January 1, 2011 all new investment adviser applicants will have to file, through the IARD, the new Part 2 of the Form ADV as part of their application.

As of January 1, 2011, all Hawaii-registered Investment Advisers will need to incorporate the new Part 2 of Form ADV with their next filing of an amendment to Form ADV, and file that amendment electronically through the IARD. Currently Hawaii-registered investment advisers should deliver or offer to disclose the new Part 2 brochure to their clients each year in accordance with Section 16-39-439, Hawaii Administration Rules. Pursuant to Section 16-39-440, HAR Investment Advisers registered in Hawaii on or before December 31, 2010 should file an updated ADV Part 2 through the IARD using the new narrative format commencing immediately but no later than June 1, 2011.

A free editable PDF version of the current Form ADV Part 2 is available on the website of the North American Securities Administrators Association, Inc. (NASAA). See [www.NASAA.org](http://www.NASAA.org) and search under Industry and Regulatory Resources (uniform forms).

Should you have any questions, contact the Business Registration Division at (808) 586-2722.