

## TABLE OF CONTENTS

<b>Volume 1</b>	
<b>How to Use This Service</b>	
<b>Table of Contents, Current Contents</b>	
<b>Newsletters</b>	
<b>Tab 100 Overview of the Industry</b>	
<b>Executive Summary</b> .....	¶ 100
<b>Overview of the Regulatory Structure</b> .....	¶ 110
Investment Advisers Act of 1940.....	¶ 111
Investment Company Act of 1940.....	¶ 112
Securities Act of 1933 and Securities Exchange Act of 1934.....	¶ 113
Employee Retirement Income Security Act Of 1974.....	¶ 114
Internal Revenue Code of 1986 and Bank Secrecy Act of 1970.....	¶ 115
Commodity Exchange Act.....	¶ 116
Sarbanes-Oxley Act of 2002.....	¶ 117
State Blue Sky Laws.....	¶ 118
<b>Overview of Regulatory Agencies</b> .....	¶ 120
Securities and Exchange Commission.....	¶ 121
Department of Labor.....	¶ 122
Department of the Treasury.....	¶ 123
Commodity Futures Trading Commission.....	¶ 124
State Securities Commissions.....	¶ 125
<b>Overview of Dodd-Frank</b> .....	¶ 130
Fiduciary Standard for Brokers and Advisers....	¶ 131
Elimination of the Private Adviser Exemption ...	¶ 132
<b>Tab 200: Investment Advisers</b>	
<b>Executive Summary</b> .....	¶ 200
<b>Registration</b> .....	¶ 210
Definition of Investment Adviser under Advisers Act.....	¶ 211
Persons Excepted or Exempt from Registration.....	¶ 212
Hedge Fund Advisers.....	¶ 213
Foreign Investment Advisers.....	¶ 214
Blue Sky Registration.....	¶ 215
SEC Registration Process.....	¶ 216
<b>Sales Practices</b> .....	¶ 220
Advertising.....	¶ 221
The Brochure Rule.....	¶ 222
Referral Fees.....	¶ 223
Wrap Fee Programs.....	¶ 224
Use of Certain Titles.....	¶ 225
Misrepresentations.....	¶ 226
Web Compliance.....	¶ 227
Municipal Advisors.....	¶ 228
Anti-Money-Laundering Requirements.....	¶ 229
<b>Advisory Contracts</b> .....	¶ 230
Required Provisions.....	¶ 231
Regulation of Performance Fees.....	¶ 232
ERISA Provisions Regarding Fees.....	¶ 233
Recommended Advisory Contract Provisions.....	¶ 234
<b>Trading Practices</b> .....	¶ 240
Section 206.....	¶ 241
Duty of Best Execution.....	¶ 242
Section 28(e) – Use of Soft Dollars.....	¶ 243
Allocation of Trades.....	¶ 244
Interpositioning.....	¶ 245
Frontrunning and Scalping.....	¶ 246
Naked Short Selling.....	¶ 247
<b>Transactions with Clients</b> .....	¶ 250
Prohibitions Against Principal Transactions.....	¶ 251
Prohibitions Against Agency Cross Transactions.....	¶ 252
Electronic Communication.....	¶ 253
<b>Procedures to Prevent Insider Trading And Establish Compliance Procedures</b> .....	¶ 260
Requirements of ITSFEA.....	¶ 261
Recommended Insider Trading Policy Statement.....	¶ 262
Supervisory Procedures.....	¶ 263
Compliance Procedures Requirement for Advisers.....	¶ 264
Proxy Voting of Client Shares.....	¶ 265
Code of Ethics.....	¶ 266
<b>Custody Requirements</b> .....	¶ 270
Definitions.....	¶ 271
Delivery of Account Statements.....	¶ 272
Surprise Examinations.....	¶ 273
Custody Controls Review.....	¶ 274
Trustee Services.....	¶ 275
<b>Reporting and Recordkeeping</b> .....	¶ 280
Annual Reports Required by Advisers Act.....	¶ 281
Reports Required under Section 13 of the 1934 Act.....	¶ 282
Reports Required under Section 16 of the 1934 Act.....	¶ 283
Reports Required under the Investment Company Act of 1940.....	¶ 284
Reports to Clients.....	¶ 285
Recordkeeping Requirements.....	¶ 286
Ownership Limits and Reporting In Regulated Industries.....	¶ 287
Anti-Money Laundering.....	¶ 288
Taft-Hartley Plan Reporting.....	¶ 289
<b>Protecting the Privacy of Consumer Financial Information</b> .....	¶ 290
<b>Tab 300: Investment Company: Definitions and Exemptions</b>	
<b>Executive Summary</b> .....	¶ 300
<b>Definitions</b> .....	¶ 310
General Definition of Investment Company.....	¶ 311
Basic Definition of Investment Company.....	¶ 312

## Tab 300 (cont'd)

Prima Facie Investment Company – 40 Percent Asset Test.....	¶ 313
Face-amount Certificate Companies.....	¶ 314
<b>General Exemptions from the Definition Of Investment Company.....</b>	<b>¶ 320</b>
Basic Non-investment Company Business Exemption .....	¶ 321
45 Percent Exclusions .....	¶ 322
SEC Exemptive Authority.....	¶ 323
Electronic Filing Requirement.....	¶ 324
<b>Exemptions for Specific Companies.....</b>	<b>¶ 330</b>
Holding Companies .....	¶ 331
Wholly-owned Subsidiaries.....	¶ 332
Transient Investment Companies .....	¶ 333
Research and Development Companies.....	¶ 334
<b>Exemptions for Specific Financial Services Companies .....</b>	<b>¶ 340</b>
Private Investment Companies.....	¶ 341
Mini-accounts.....	¶ 342
Issuers of Asset-backed Securities.....	¶ 343
Banks and Insurance Companies.....	¶ 344
Finance Companies .....	¶ 345
Employee Retirement Plans.....	¶ 346
Securities Firms.....	¶ 347
Other Financial Services Companies .....	¶ 348
<b>Other Exceptions from the 1940 Act.....</b>	<b>¶ 350</b>

### Tab 400: Registered Investment Company Organization and Structure

<b>Executive Summary.....</b>	<b>¶ 400</b>
<b>Organization .....</b>	<b>¶ 410</b>
Management Companies.....	¶ 411
Unit Investment Trusts .....	¶ 412
Face-amount Certificate Companies.....	¶ 413
Trusts vs. Corporations .....	¶ 414
Comparison of Investment Company Organizational Structures.....	¶ 414-A
Capital Requirements.....	¶ 415
Structure of the Board of Directors .....	¶ 416
Compliance Procedures Requirement for Funds...	¶ 417
<b>Registration .....</b>	<b>¶ 420</b>
Registration Forms N-1A and N-2 .....	¶ 421
Summary of Open-end Companies' Continuous Filing Requirements .....	¶ 422
Summary of Closed-end Companies' Continuous Filing Requirements .....	¶ 423
Blue Sky Notice Filings .....	¶ 424
<b>Capital Structure .....</b>	<b>¶ 430</b>
Open-end Companies .....	¶ 431
Closed-end Companies.....	¶ 432
Use of Series Structure .....	¶ 433
Multiple Classes of Shares .....	¶ 434
Master-Feeder Funds.....	¶ 435
<b>Investment Advisory or Management Contracts...</b>	<b>¶ 440</b>
Approval of Advisory Contracts .....	¶ 441
Assignment of Advisory Contracts .....	¶ 442
Compensation .....	¶ 443
Execution of Portfolio Trades.....	¶ 444
Standard of Care .....	¶ 445

Board of Directors' Duties in Evaluating Advisory Contract.....	¶ 446
<b>Underwriting Contracts .....</b>	<b>¶ 450</b>
Statutory Considerations .....	¶ 451
Services .....	¶ 452
Compensation .....	¶ 453
Other Considerations .....	¶ 454
<b>Custodial and Transfer Agency Contracts.....</b>	<b>¶ 460</b>
Bank Custody.....	¶ 461
Self-custody and Custody with National Securities Exchange Members .....	¶ 462
Foreign Custody .....	¶ 463
Transfer Agent Contracts .....	¶ 464
<b>Insurance Contracts .....</b>	<b>¶ 470</b>
Fidelity Bonding.....	¶ 471
Directors and Officers/Errors and Omissions Liability Insurance .....	¶ 472
<b>Engagement of Auditors .....</b>	<b>¶ 480</b>

### Tab 500: Registered Investment Company Operational Practices

<b>Executive Summary.....</b>	<b>¶ 500</b>
<b>Investment Practices and Limitations .....</b>	<b>¶ 510</b>
Fundamental and Nonfundamental Investment Policies.....	¶ 511
Transactions Involving Affiliates .....	¶ 512
Derivatives and Other Instruments with Leveraging Effects .....	¶ 513
Investment in the Securities Business; Repurchase Agreements.....	¶ 514
Investment in Other Investment Companies .....	¶ 515
Cross and Circular Ownership.....	¶ 516
Portfolio Liquidity .....	¶ 517
Portfolio Turnover.....	¶ 518
Disclosure of Proxy Voting.....	¶ 519
<b>Brokerage Practices.....</b>	<b>¶ 520</b>
Brokerage for Services .....	¶ 521
Use of Affiliated Brokers .....	¶ 522
Disclosure and Recordkeeping .....	¶ 523
<b>Special Considerations Affecting Money Market Funds .....</b>	<b>¶ 530</b>
Portfolio Quality .....	¶ 531
Portfolio Diversification .....	¶ 532
Maturity of Portfolio Instruments.....	¶ 533
Security Downgrades and Defaults .....	¶ 534
Special Responsibilities of the Board of Directors .....	¶ 535
Recordkeeping .....	¶ 536
<b>Reporting and Recordkeeping.....</b>	<b>¶ 540</b>
Shareholder Reports.....	¶ 541
Required Records.....	¶ 542
Form N-SAR .....	¶ 543
Code of Ethics.....	¶ 544
Form N-CSR.....	¶ 545
Form N-Q.....	¶ 546
<b>Principal Tax Considerations .....</b>	<b>¶ 550</b>
Dividends and Other Distributions under the IRC .....	¶ 551
Distributions with Respect to Foreign Debt Securities.....	¶ 552

## Table of Contents

### Tab 500 (cont'd)

Interplay of Section 19 of the 1940 Act and the IRC .....	¶553
<b>Shareholder Voting</b> .....	<b>¶560</b>
Election of Directors .....	¶561
One Share, One Vote .....	¶562
Definition of Majority Vote .....	¶563
Proxy Solicitations .....	¶564
Form N-14 .....	¶565
<b>Protecting the Privacy of Consumer Financial Information</b> .....	<b>¶570</b>
Applicability .....	¶571
Protection and Disposal of Nonpublic Personal Information .....	¶572
Disclosure of Privacy Policy .....	¶573
Disclosure of Nonpublic Personal Information to Nonaffiliated Third Parties .....	¶574
Services Exceptions to Opt-out Requirement .....	¶575
General Exceptions to Notice and Opt-out Requirements .....	¶576
Prohibitions on Redisclosure and Reuse, and Disclosure of Account Numbers .....	¶577
Preemption .....	¶578

### Tab 600: Registered Investment Company Sales Practices & Advertising

<b>Executive Summary</b> .....	<b>¶600</b>
<b>Pricing, Sale and Redemption of Shares</b> .....	<b>¶610</b>
Calculation of Net Asset Value .....	¶611
Forward Pricing .....	¶612
Retail Price Maintenance .....	¶613
Redemptions .....	¶614
Exchanges .....	¶615
Closed-end Funds .....	¶616
USA PATRIOT Act and Anti-Money Laundering .....	¶617
<b>Financing Distribution</b> .....	<b>¶620</b>
Sales Loads .....	¶621
Distribution Plans .....	¶622
No-load Fund Distribution .....	¶623
FINRA Regulation of Member Compensation .....	¶624
Fees Charged by Independent Brokers: Fund "Supermarkets" .....	¶625
<b>Regulation of Advertising</b> .....	<b>¶630</b>
Omitting Prospectuses or Rule 482 Advertisements .....	¶630.1
Summary Prospectus .....	¶630.2
Supplemental Sales Literature .....	¶630.3
Tombstone Advertisements .....	¶630.4
Investment Company Complex Newsletters .....	¶630.5
Advertising by Depository Institutions .....	¶630.6
Performance Advertising .....	¶630.7
Rankings .....	¶630.8
Electronic Disclosure .....	¶630.9
Filing Requirements .....	¶630.10

### Tab 700: Alternatives to Registered Investment Company Structure

<b>Executive Summary</b> .....	<b>¶700</b>
<b>1940 Act Exemptions for Investment Companies</b> .....	<b>¶710</b>
Section 3(c)(1) Private Investment Companies .....	¶711
Section 3(c)(7) Qualified Purchaser Investment Companies .....	¶712
Requirements of Private Offerings .....	¶713
<b>Tax Treatment of Unregistered Investment Companies</b> .....	<b>¶720</b>
General Partnerships .....	¶721
Limited Partnerships .....	¶722
Limited Liability Companies .....	¶723
Partnership Classification Under the IRC .....	¶724
Publicly Traded Partnerships .....	¶725
Federal Taxation of Partnerships .....	¶726
Federal Tax Reporting and Compliance .....	¶727
International Tax Issues .....	¶728
<b>Other Alternative Structures</b> .....	<b>¶730</b>
Group Trust (Collective Investment Fund) .....	¶731
Bank Collective Funds .....	¶732
Commonly Managed Mini-accounts .....	¶733

### Tab 800: ERISA Restrictions

<b>Executive Summary</b> .....	<b>¶800</b>
<b>Fiduciary Standards</b> .....	<b>¶810</b>
Persons Subject to Fiduciary Standards .....	¶811
Meeting Fiduciary Standards .....	¶812
Delegation of Fiduciary Responsibilities .....	¶813
<b>Prohibited Transactions</b> .....	<b>¶820</b>
Party in Interest Transactions .....	¶821
Conflict of Interest Transactions .....	¶822
<b>Exemptions</b> .....	<b>¶830</b>
Statutory and Regulatory Exemptions .....	¶831
Class Exemptions .....	¶832
Individual Exemptions .....	¶833
<b>Special Issues</b> .....	<b>¶840</b>
Directed Brokerage and Soft Dollars .....	¶841
Performance Fees .....	¶842
Sweep Services .....	¶843
Receipt of 12b-1 or Administrative Fees .....	¶844
Service as General Partner .....	¶845
Response to Late Trading and Market Timing .....	¶846
<b>Fiduciary Compliance and Liability</b> .....	<b>¶850</b>
Bonding Requirements .....	¶851
Fiduciary Liability .....	¶852
Exculpatory Provisions .....	¶853

### Tab 900: Regulation of Commodities

<b>Executive Summary</b> .....	<b>¶900</b>
<b>Regulation of Commodity Trading Advisors (CTA)</b> .....	<b>¶910</b>
Definition of CTA .....	¶911
CTA Regulatory Requirements .....	¶912

## Tab 900 (cont'd)

<b>CTA Exclusions and Exemptions</b> .....	¶ 920
Exclusion for Banks and Trust Companies .....	¶ 921
Exclusion for Publishers .....	¶ 922
Exemption for Registered Investment Advisers.....	¶ 923
Exemption for Persons with 15 or Fewer Clients.....	¶ 924
Exemption for Persons Who Provide Advice to “Qualified Eligible Persons”.....	¶ 925
Exemption for Non-Domestic Persons.....	¶ 926
<b>Regulation of Commodity Pool Operators</b> .....	¶ 930
Definition of CPO .....	¶ 931
CPO Regulatory Requirements.....	¶ 932
<b>CPO Exclusions and Exemptions</b> .....	¶ 940
Exclusion for Certain “Otherwise Regulated Persons”.....	¶ 941
Exemption for CPOs Whose Use of Futures Contracts and Commodity Options is Limited.....	¶ 942
Exemption for Persons Who Operate Pools Com- posed Solely of “Qualified Eligible Persons”	¶ 943
Exemption for Non-Domestic Persons.....	¶ 944
Exemption from CPO Registration for Pools with Sophisticated Investors.....	¶ 945
<b>Other Requirements</b> .....	¶ 950
Client Information and Risk Disclosure.....	¶ 951
Discretionary Trading.....	¶ 952
Supervision.....	¶ 953
Recordkeeping .....	¶ 954
Large Trader Reporting Requirements.....	¶ 955
Speculative Position Limits in Agricultural Commodity Futures.....	¶ 956
Customer Identification Programs.....	¶ 957
<b>Regulation of Futures and Options     Transactions</b> .....	¶ 960
Transactions Subject to CFTC Regulatory Oversight .....	¶ 961
Transaction Excluded from the CEA .....	¶ 962
<b>Principal Offenses Under Federal Commodity Trading     Laws and Regulations</b> .....	¶ 970
Engaging in Non-Compliant Transactions .....	¶ 971
Conduct Harmful to Market Integrity .....	¶ 972
Conduct Harmful to Clients.....	¶ 973
Failure to Supervise .....	¶ 974
Vicarious Liability.....	¶ 975
Controlling Person Liability .....	¶ 976
Aiding and Abetting Liability.....	¶ 977

**Tab 1000: Enforcement**

<b>Executive Summary</b> .....	¶ 1000
SEC Investigations .....	¶ 1001
Enforcement Proceedings.....	¶ 1002
<b>Overview of the SEC Inspection Program</b> .....	¶ 1010
The Inspection Process.....	¶ 1011
Registrants’ Rights During an Inspection .....	¶ 1012
Strategies for Handling an Inspection .....	¶ 1013
<b>SEC Investigations</b> .....	¶ 1020

SEC’s Broad Authority to Investigate.....	¶ 1021
Formal versus Informal Investigations.....	¶ 1022
Investigation Process .....	¶ 1023
Formal Investigations .....	¶ 1024
Parties’ Rights During an Investigation.....	¶ 1025
After Investigations.....	¶ 1026
Strategies for Defending Against an Investigation.....	¶ 1027
<b>Litigating with the SEC</b> .....	¶ 1030
Administrative Proceedings.....	¶ 1031
Civil Injunctive Actions.....	¶ 1032
SEC Remedies.....	¶ 1033
<b>Settlements of SEC Proceedings</b> .....	¶ 1040
Settlement Process .....	¶ 1041
Collateral Consequences of SEC Settlements .....	¶ 1042
Strategies for Negotiating Settlements.....	¶ 1043
<b>Criminal Enforcement</b> .....	¶ 1050
Parallel Proceedings.....	¶ 1051
<b>State Enforcement</b> .....	¶ 1060
The Uniform Securities Act .....	¶ 1061
New York’s Martin Act.....	¶ 1062
<b>Private Rights of Action</b> .....	¶ 1070
<b>Commodity Futures Trading Commission     Enforcement</b> .....	¶ 1080
Remedies Available to CFTC .....	¶ 1081
CFTC Investigations.....	¶ 1082
CFTC Enforcement Actions .....	¶ 1083
Settling CFTC Enforcement Actions .....	¶ 1084
State Jurisdiction.....	¶ 1085
Private Rights of Action.....	¶ 1086
<b>Department of Labor Enforcement</b> .....	¶ 1090
Remedies Available to DOL .....	¶ 1091
Investigations .....	¶ 1092
Civil Penalties.....	¶ 1093
State Jurisdiction.....	¶ 1094
Private Rights of Action.....	¶ 1095

**Tab 1100 Hedge Funds**

<b>Executive Summary</b> .....	¶ 1100
<b>Selecting a Domicile</b> .....	¶ 1105
Domestic Entities .....	¶ 1105.1
Offshore Entities .....	¶ 1105.2
<b>Selecting an Entity</b> .....	¶ 1110
LLCs and LPs .....	¶ 1110.1
Delaware Statutory Trusts .....	¶ 1110.2
Other Entities .....	¶ 1110.3
<b>Special Structures</b> .....	¶ 1115
Master-Feeder Structure .....	¶ 1115.1
Parallel Funds .....	¶ 1115.2
Registered Fund-of-Funds.....	¶ 1115.3
UCITS Funds .....	¶ 1115.4
Registration on an Exchange.....	¶ 1115.5
<b>Private Placement Issues</b> .....	¶ 1120
Private Offering Exemptions of Section 4(2) and Rule 506 .....	¶ 1120.1
Investment Company Act of 1940 .....	¶ 1120.2
Restrictions on Resale and Transfer.....	¶ 1120.3



## Table of Contents

### Tab 1100 (cont'd)

State Blue Sky Laws .....	¶ 1120.4
<b>Sales to Offshore Investors: Regulation S.....</b>	<b>¶ 1125</b>
Introduction.....	¶ 1125.1
General Conditions.....	¶ 1125.2
Additional Conditions .....	¶ 1125.3
Joint Offerings Under Regulation D and Regulation S .....	¶ 1125.4
<b>Offshore Offers on the Internet.....</b>	<b>¶ 1130</b>
Offshore Internet Offerings by Foreign Offerors .....	¶ 1130.1
Offshore Internet Offerings by Foreign Offerors When There Is Also a U.S.-Exempt Component of the Offering .....	¶ 1130.2
Offshore Internet Offerings by U.S. Issuers....	¶ 1130.3
<b>Broker-Dealer Issues.....</b>	<b>¶ 1135</b>
Registration Issues .....	¶ 1135.1
NASD “New Issues” Rule .....	¶ 1135.2
<b>ERISA Issues .....</b>	<b>¶ 1140</b>
<b>Tax Issues.....</b>	<b>¶ 1145</b>
Basic Tax Concepts .....	¶ 1145.1
Other Tax Considerations.....	¶ 1145.2
Offshore Funds.....	¶ 1145.3
<b>Reporting Obligations of a Private Investment   Company.....</b>	<b>¶ 1150</b>
Schedule 13D.....	¶ 1150.1
Schedule 13G.....	¶ 1150.2
Form 13F .....	¶ 1150.3
Section 16 .....	¶ 1150.4
<b>Margin Regulations.....</b>	<b>¶ 1155</b>

## Volume 2

### Appendix I: Investment Advisers Act of 1940, As Amended & Rules

#### Statute

#### Title 15 USC §§80b-1, et seq. – Investment Advisers Act of 1940

#### Selected Sections

Definitions.....	Sec. 202.
Registration of investment advisers.....	Sec. 203.
State and federal responsibilities.....	Sec. 203a.
Reports by investment advisers.....	Sec. 204.
Prevention of misuse of nonpublic information.....	Sec. 204a.
Investment advisory contracts.....	Sec. 205.
Prohibited transactions by investment advisers.....	Sec. 206.
Material misstatements.....	Sec. 207.
General prohibitions.....	Sec. 208.
Enforcement.....	Sec. 209.
Disclosure of information by Commission.....	Sec. 210.
Consultation.....	Sec. 210a.
State regulation of investment advisers.....	Sec. 218a.

#### Rules

#### Title 17 CFR – Commodity and Securities Exchanges Chapter II – Securities and Exchange Commission Part 275 – Rules and Regulations, Investment Advis- ers Act of 1940, As Amended

### Selected Sections

General requirements of papers and applications.....	§275.0-4
Certain Broker-Dealers .....	§275.202(a)(11)-1
Application for investment adviser registration.....	§275.203-1
Withdrawal from investment adviser registration.....	§275.203-2
Hardship exemptions.....	§275.203-3
Definition of “client” of an investment adviser.....	§275.203(b)(3)-1
Methods for counting clients in certain private funds .....	§275.203(b)(3)-2
Eligibility for SEC registration; switching to or from SEC registration.....	§275.203A-1
Exemptions from prohibition on SEC registration.....	§275.203A-2
Definitions.....	§275.203A-3
Investment advisers registered with a State securities commission.....	§275.203A-4
Amendments to application for registration.....	§275.204-1
Books and records to be maintained by investment advisers.....	§275.204-2
Written disclosure statements.....	§275.204-3
Investment adviser code of ethics.....	§275.204A-1
Definition of “investment performance” of an investment company and “investment record” of an appropriate index of securities prices.....	§275.205-1
Definition of “specified period” over which the asset value of the company or fund under management is averaged.....	§275.205-2
Exemption from the compensation prohibition of Section 205(1) for registered investment advisers.....	§275.205-3
Exemption of investment advisers registered as broker-dealers in connection with the provision of certain investment advisory services.....	§275.206(3)-1
Agency cross transactions for advisory clients.....	§275.206(3)-2
Advertisements by investment advisers.....	§275.206(4)-1
Custody of funds or securities of clients by investment advisers.....	§275.206(4)-2
Cash payments for client solicitations.....	§275.206(4)-3
Financial and disciplinary information that investment advisers must disclose to clients.....	§275.206(4)-4
Compliance procedures and practices .....	§275.206(4)-7
Pooled investment vehicles.....	§275.206(4)-8
Definitions.....	§275.222-1
Definition of “client” for purposes of the national de minimis standard....	§275.222-2

## Appendix II: Investment Company Act of 1940, As Amended & Rules

### Statute

#### Title 15 USC §§80a-1, et seq. – Investment Company Act of 1940

##### Selected Sections

Definitions.....	Sec. 2.
Definition of investment company.....	Sec. 3.
Classification of investment companies.....	Sec. 4.
Subclassification of management companies.....	Sec. 5.
Exemptions.....	Sec. 6.
Transactions by unregistered investment companies.....	Sec. 7.
Registration of investment companies.....	Sec. 8.
Ineligibility of certain affiliated persons and underwriters.....	Sec. 9.
Affiliations or interest of directors, officers, and employees.....	Sec. 10.
Offers to exchange securities.....	Sec. 11.
Functions and activities of investment companies.....	Sec. 12.
Changes in investment policy.....	Sec. 13.
Size of investment companies.....	Sec. 14.
Contracts of advisers and underwriters.....	Sec. 15.
Board of directors.....	Sec. 16.
Transactions of certain affiliated persons and underwriters.....	Sec. 17.
Capital structure of investment companies.....	Sec. 18.
Payments or distributions.....	Sec. 19.
Proxies; voting trusts; circular ownership.....	Sec. 20.
Distribution, redemption, and repurchase of securities; regulations by securities associations.....	Sec. 22.
Closed-end companies.....	Sec. 23.
Registration of securities under Securities Act of 1933.....	Sec. 24.
Unit investment trusts.....	Sec. 26.
Periodic payment plans.....	Sec. 27.
Face-amount certificate companies.....	Sec. 28.
Reports and financial statements of investment companies and affiliated persons.....	Sec. 30.
Accounts and records.....	Sec. 31.
Accountants and auditors.....	Sec. 32.
Filing of documents with Commission in civil actions.....	Sec. 33.
Destruction and falsification of reports and records.....	Sec. 34.
Unlawful representations and names.....	Sec. 35.
Breach of fiduciary duty.....	Sec. 36.
Larceny and embezzlement.....	Sec. 37.
Enforcement of 15 USCS §80a-1, et seq.....	Sec. 42.
Court review of orders.....	Sec. 43.
Jurisdiction of offenses and suits.....	Sec. 44.
Disclosure of information filed with Commission; copies.....	Sec. 45.

Validity of contracts.....	Sec. 47.
Violation of 15 USCS §80a-1, et seq.....	Sec. 48.
Penalties.....	Sec. 49.

### Rules

#### Title 17 CFR – Commodity and Securities Exchanges Chapter II – Securities and Exchange Commission Part 270 – Rules and Regulations, Investment Company Act of 1940, As Amended

##### Selected Sections

General requirements of papers and applications.....	§270.0-2
Amendments to registration statements and reports.....	§270.0-3
Incorporation by reference.....	§270.0-4
Procedures with respect to applications and other matters.....	§270.0-5
Payment of fees.....	§270.0-8
Small entities for purposes of the Regulatory Flexibility Act.....	§270.0-10
Valuation of portfolio securities in special cases.....	§270.2a-1
Effect of eliminations upon valuation of portfolio securities.....	§270.2a-2
Investment company limited partners not deemed affiliated persons.....	§270.2a3-1
Definition of “current net asset value” for use in computing periodically the current price of redeemable security.....	§270.2a-4
Certain transactions not deemed assignments.....	§270.2a-6
Money market funds.....	§270.2a-7
Certain investment company directors not considered interested persons.....	§270.2a19-1
Investment company general partners not deemed interested persons.....	§270.2a19-2
Valuation of standby commitments by registered investment companies.....	§270.2a41-1
Definition of investments for purposes of section 2(a)(51) (definition of “qualified purchaser”); certain calculations.....	§270.2a51-1
Definitions of beneficial owner for certain purposes under sections 2(a)(51) and 3(c)(7) and determining indirect ownership interests.....	§270.2a51-2
Certain companies as qualified purchasers.....	§270.2a51-3
Certain prima facie investment companies.....	§270.3a-1
Transient investment companies.....	§270.3a-2
Certain investment companies owned by companies which are not investment companies.....	§270.3a-3
Status of investment advisory programs.....	§270.3a-4

## Table of Contents

### Appendix II (cont'd)

Exemption for subsidiaries organized to finance the operations of domestic or foreign companies.....	§270.3a-5
Definition of beneficial ownership for certain section 3(c)(1) funds.....	§270.3c-1
Definition of beneficial ownership in small business investment companies .....	§270.3c-2
Definition of certain terms used in section 3(c)(1) of the Act with respect to certain debt securities offered by small business investment companies .....	§270.3c-3
Definition of common trust fund as used in section 3(c)(3) of the Act .....	§270.3c-4
Beneficial ownership by knowledgeable employees and certain other persons .....	§270.3c-5
Certain transfer interests in section 3(c)(1) and section 3(c)(7) funds.....	§270.3c-6
Definition of “total assets” .....	§270.5b-1
Exclusion of certain guarantees as securities of the guarantor .....	§270.5b-2
Exemption for certain open-end management investment companies to impose deferred sales loads .....	§270.6c-10
Definition of “public offering” as used in Section 7(d) of the Act with respect to certain Canadian tax-deferred retirement savings accounts.....	§270.7d-2
Amendments to registration statement.....	§270.8b-16
Exemption of acquisition of securities during the existence of an underwriting or selling syndicate.....	§270.10f-3
Definition of exchange for purposes of section 11 of the Act .....	§270.11a-1
Offers of exchange by open-end investment companies other than separate accounts.....	§270.11a-3
Distribution of shares by registered open-end management investment company.....	§270.12b-1
Exemption of acquisitions of securities issued by persons engaged in securities related businesses.....	§270.12d3-1
Exemption for change of status by temporarily diversified company.....	§270.13a-1
Exemption from stockholders’ approval of certain small investment advisory contracts .....	§270.15a-1
Temporary exemption for certain investment advisers.....	§270.15a-4
Exemption of transactions with certain affiliated persons.....	§270.17a-6
Exemption of certain purchase or sale transactions between an investment company and certain affiliated persons thereof.....	§270.17a-7

Mergers of certain affiliated investment companies .....	§270.17a-8
Purchase of certain securities from a money market fund by an affiliate, or an affiliate of an affiliate.....	§270.17a-9
Exemption for transactions with certain subadvisory affiliates.....	§270.17a-10
Applications regarding joint enterprises or arrangements and certain profit-sharing plans. ....	§270.17d-1
Brokerage transactions on a securities exchange.....	§270.17e-1
Deposits of securities in securities depositories.....	§270.17f-4
Custody of investment company assets outside the United States.....	§270.17f-5
Custody of investment company assets with futures commissions merchants and commodity clearing organizations. ....	§270.17f-6
Bonding of officers and employees of registered management investment companies. ....	§270.17g-1
Certain unlawful acts, practices, or courses of business and requirements relating to codes of ethics with respect to registered investment companies. ....	§270.17j-1
Fair and equitable treatment for holders of each class or series of stock of series investment companies.....	§270.18f-2
Multiple class companies .....	§270.18f-3
Written statement to accompany dividend payments by management companies. ....	§270.19a-1
Frequency of distribution of capital gains.....	§270.19b-1
Pricing of redeemable securities for distribution, redemption and repurchase. ....	§270.22c-1
Redemption fees for redeemable securities .....	§270.22c-2
Exemption from section 22(d) to permit sales of redeemable securities at prices which reflect sales loads set pursuant to a schedule .....	§270.22d-1
Repurchase of securities by closed-end companies. ....	§270.23c-1
Filing of certain prospectuses as post-effective amendments to registration statements under the Securities Act of 1933.....	§270.24e-1
Registration under the Securities Act of 1933 of an indefinite number of certain investment company securities. ....	§270.24f-2
Certification of Form N-CSR and Form N-Q. ....	§270.30a-2

*Appendix II (cont'd)*

Controls and procedures .....	§270.30a-3
Quarterly report. ....	§270.30b1-5
Filing of reports to stockholders.....	§270.30b2-1
Designation of periodic reports under the securities Exchange Act of 1934.....	§270.30d-1
Records to be maintained by registered investment companies, certain majority-owned subsidiaries thereof, and other persons having transactions with registered investment companies. ....	§270.31a-1
Records to be preserved by registered investment companies, certain majority-owned subsidiaries thereof, and other persons having transactions with registered investment companies. ....	§270.31a-2
Exemption from provision of Section 32(a)(1) regarding the time period during which a registered management investment company must select an independent public accountant. ....	§270.32a-3
Sales literature deemed to be misleading.....	§270.34b-1
Investment company names .....	§270.35d-1
Compliance procedures and practices of certain investment companies.....	§270.38a-1

**Appendix III: Related Statutes,  
Rules, Notices**

**Statutes (Section A)****Title 7 U.S.C. §1a, et seq. – Commodity Exchange Act****Selected Sections**

Definitions .....	Sec. 1a
-------------------	---------

**Title 15 U.S.C. §77a, et seq. – Securities Act of 1933****Selected Sections**

Definitions .....	Sec. 2
-------------------	--------

**Title 15 U.S.C. §78a, et seq. – Securities Exchange Act of 1934****Selected Sections**

Effect on existing law .....	Sec. 28
------------------------------	---------

**Title 26 U.S.C. §1, et seq. – Internal Revenue Code****Selected Sections**

Tax on prohibited transactions .....	Sec. 4975
--------------------------------------	-----------

**Title 29 U.S.C. §1001, et seq. – Employee Retirement Income Security Act, As Amended****Selected Sections**

Definitions .....	Sec. 3
Fiduciary duties.....	Sec. 404
Liability for breach by co-fiduciary.....	Sec. 405
Prohibited transactions. ....	Sec. 406
Exemptions from prohibited transactions. ....	Sec. 408
Liability for breach of fiduciary duty.....	Sec. 409

**Rules (Section B)****Title 17 C.F.R. –****Chapter I – Commodity Futures Trading Commission****Part 1 – General Regulations Under the Commodity****Exchange Act****Selected Sections**

Definitions .....	§1.3
-------------------	------

**Part 4 – Commodity Pool Operators and Commodity Trading Advisors****Selected Sections**

Exclusion for certain otherwise regulated persons from the definition of the term “commodity pool operator”.....	§4.5
Exclusion for certain otherwise regulated persons from the definition of the term “commodity trading advisor”.....	§4.6
Exemption from certain part 4 requirements for commodity pool operators with respect to offerings to qualified eligible persons and for commodity trading advisors with respect to advising qualified eli- gible persons.....	§4.7
Exemption from provisions of part 4.....	§4.12
Exemption from registration as a commodity pool operator .....	§4.13
Exemption from registration as a commodity trading advisor.....	§4.14

**Part 37 – Derivatives Transaction Execution Facilities****Selected Sections**

Scope and definition .....	§37.1
Requirements for underlying commodities. ....	§37.3

**Title 17 C.F.R. –****Chapter II – Securities and Exchange Commission****Part 201 – Rules of Practice****Selected Sections**

Summary suspensions pursuant to Exchange Act Section 12(k)(1)(A) .....	§201.550
---	----------

**Part 202 – Informal and Other Procedures****Selected Sections**

General.....	§202.1
Pre-filing assistance and interpretative advice.....	§202.2
Processing of filings.....	§202.3
Instructions for filing fees .....	§202.3a
Facilitating administrative hearings.....	§202.4
Enforcement activities.....	§202.5
Adoption, revision, and rescission of rules and regulations of general applications .....	§202.6
Submittals.....	§202.7

**Part 203 – Rules Relating to Investigations****Selected Sections****Subpart A – In General**

Application of the rules in this part.....	§203.1
Information obtained in investigations and examinations .....	§203.2
Suspension and disbarment.....	§203.3

**Subpart B – Formal Investigative Proceedings**

Applicability of §§203.4 through 203.8.....	§203.4
---	--------



## Table of Contents

### Appendix III (cont'd)

Non-public formal investigative proceedings.....	§203.5
Transcripts.....	§203.6
Rights of witnesses.....	§203.7
Service of subpoenas.....	§203.8

### Part 210 – Form and Content Requirements for Financial Statements, Securities Act of 1933, Securities Exchange Act of 1934, Public Utility Holding Company Act of 1935, Investment Company Act of 1940, and Energy Policy and Conservation Act of 1975

#### Selected Sections

Special provisions as to registered management investment companies and companies required to be registered as management investment companies.....	§210.3-18
---	-----------

### Part 230 – General Rules and Regulations

#### Selected Sections

Communications not deemed a prospectus.....	§230.134
Investment company sales literature.....	§230.156
Information required in prospectus.....	§230.481
Advertising by an investment company as satisfying requirements of section 10.....	§230.482
Effective date of post-effective amendments filed by certain registered investment companies.....	§230.485
Filing of investment company prospectuses – number of copies.....	§230.497
Profiles for certain open-end management investment companies.....	§230.498

### Part 240 – General Rules and Regulations, Securities Exchange Act of 1934

#### Selected Sections

Employment of manipulative and deceptive devices.....	§240.10b-5
Trading “on the basis of” material nonpublic information in insider trading cases.....	§240.10b5-1
Duties of trust or confidence in misappropriation insider trading cases.....	§240.10b5-2
Item 22 of Schedule 14A: Proxy statements by investment companies.....	§240.14a-101

### Part 243 – Regulation FD

#### Selected Sections

General rule regarding selective disclosure.....	§243.100
Definitions.....	§243.101
No effect on antifraud liability.....	§243.102
No effect on Exchange Act reporting status...	§243.103

### Part 248 – Regulation S-P: Privacy Of Consumer Financial Information

#### Selected Sections

Purpose and scope.....	§248.1
Definitions.....	§248.3

### Subpart A – Privacy and Opt Out Notices

Initial privacy notice to consumers required.....	§248.4
Annual privacy notice to customers required.....	§248.5
Information to be included in privacy notices.....	§248.6
Form of opt out notice to consumers; opt out methods.....	§248.7
Revised privacy notices.....	§248.8
Delivering privacy and opt out notices.....	§248.9

### Subpart B – Limits on Disclosures

Limits on disclosure of nonpublic personal information to nonaffiliated third parties.....	§248.10
Limits on redisclosure and reuse of information.....	§248.11
Limits on sharing account number information for marketing purposes.....	§248.12

### Subpart C – Exceptions

Exception to opt out requirements for service providers and joint marketing.....	§248.13
Exceptions to notice and opt out requirements for processing and servicing transactions.....	§248.14
Other exceptions to notice and opt out requirements.....	§248.15

### Subpart D – Relation to Other Laws; Effective Date

Protection of Fair Credit Reporting Act.....	§248.16
Relation to State laws.....	§248.17
Procedures to safeguard customer records and information; disposal of consumer report information.....	§248.30

### Title 29 C.F.R. –

#### Chapter XXV – Employee Benefits Security Administration, Department of Labor

#### Part 2510 – Definitions of Terms Used in Subchapters C, D, E, F, and G of this Chapter

##### Selected Sections

Definition of “Fiduciary”.....	§2510.3-21
--------------------------------	------------

#### Part 2550 – Rules and Regulations for Fiduciary

##### Responsibility

##### Selected Sections

Investment duties.....	§2550.404a-1
General statutory exemption for services or office space.....	§2550.408b-2

### Title 31 C.F.R. –

#### Chapter I – Monetary Offices, Department of Treasury

#### Part 103 – Financial Recordkeeping and Reporting of Currency and Foreign Transactions

##### Selected Sections

Anti-Money Laundering Programs for Mutual Funds	§103.130
---	----------

##### Notices (Section C)

Prohibited Transaction Class Exemption 77-4	Certain Transactions Between Investment Companies and Employee Benefit Plans
Prohibited Transaction Class Exemption 84-14	Plan Asset Transaction Determined by Independent Qualified Professional Asset Managers

*Appendix III (cont'd)*

- Prohibited Transaction Class Exemption 84-24  
Amendments to PTCE 77-9 for Certain Transactions Involving Insurance Agents and Brokers, Pension Consultants, Insurance Companies, Investment Companies and Investment Company Principal Underwriters
- Prohibited Transaction Class Exemption 86-128  
Securities Transaction Involving Employee Benefit Plans and Broker-dealers
- ERISA Technical Release 86-1  
Statement on Policies Concerning Soft Dollar and Directed Commission Arrangements
- ERISA Interpretive Bulletin 94-3, 59 FR 66735 (Dec. 28, 1994)  
On In-Kind Contributions
- ERISA Interpretive Bulletin 96-1  
Relating to Participant Investor Education

**U.S. Department of Labor Advisory Opinion 2013-01A**

- Relating to Clearing Members, Central Counterparties and Pension Plans

**Internal Revenue Service Revenue Procedure 2014-45**

- The circumstances in which the IRS will not treat a redemption of shares in a money market fund as part of a wash sale for purposes of Section 1091

**Laws (Section D)**

- Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203), Title IX – Investor Protections and Improvements to the Regulation of Securities (“Investor Protection and Securities Reform Act of 2010”)

**Selected subtitles**

- Subtitle A – Increasing Investor Protection
- Subtitle B – Increasing Regulatory Enforcement and Remedies
- Subtitle C – Improvements to the Regulation of Credit Rating Agencies
- Subtitle H – Municipal Securities

**Appendix IV: Agency Releases****Investment Advisers Act Releases (Section A)**

- SEC Release No. IA-8, Dec. 12, 1940  
re: use of term “investment counsel”
- SEC Release No. IA-40, Feb. 5, 1945  
re: purchase or sale of security from client
- SEC Release No. IA-58, April 10, 1951  
re: use of hedge clauses
- SEC Release No. IA-721, May 16, 1980  
re: use by investment advisers of contingent-fee arrangements

**Investment Company Act Releases (Section B)**

- SEC Release No. IC-167, July 23, 1941  
General Counsel Opinion re: required statements of investment policy
- SEC Release No. IC-10666, April 18, 1979  
re: securities trading practices

- SEC Release No. IC-11330, Sept. 2, 1980  
re: indemnification of investment company directors
- SEC Release No. IC-11414, Oct. 28, 1980  
re: mutual fund payments of distribution expenses
- SEC Release No. IC-13005, Feb. 2, 1983  
re: securities trading practices

**Securities Exchange Act Releases (Section C)**

- SEC Interpretive Release No. 34-23170, April 28, 1986  
re: Interpretation of SEA §28(e)

**SEC Staff Letters (Section D)**

- SEC No-action Letter, April 15, 1986  
re: Growth Stock Outlook Trust, Inc
- SEC No-action Letter, Oct. 28, 1986  
re: Clover Capital Management, Inc.
- SEC Staff Letter, Oct. 3, 1989  
re: prospectus disclosure requirements for investments in junk bonds
- SEC Staff Letter, Feb. 23, 1990  
re: prospectus disclosure requirements for investments in junk bonds
- SEC Staff Letter, May 1, 2000  
re: areas reviewed and violations found during inspections
- SEC Staff Letter, April 30, 2001  
re: fair value pricing and significant events
- SEC No-action Letter, Feb. 12, 2007  
re: use of hedge clauses in advisory contracts

**SEC Frequently Asked Questions (FAQs) (Section E)**

- FAQs About Mutual Fund After-Tax Return Requirements
- FAQs About Rule 35d-1 (Investment Company Names) Q&A Regarding the Mutual Fund Customer Identification Program Rule
- FAQs About Form 13F
- FAQs About the Amended Custody Rule for Advisers

**Commodity Futures Trading Commission No-action Letter, July 14, 2011**

- Re: Application of certain CEA provisions after July 16, 2011 – the general effective date of Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

**Commodity Futures Trading Commission Guidance**

- Division of Swap Dealer and Intermediary Oversight Responds to Frequently Asked Questions – CPO/CTA Amendments to Compliance Obligations (Released Aug. 14, 2012)

**Appendix V: Forms and Schedules**

- Because Securities and Exchange Commission (SEC) forms change frequently, we have decided to discontinue printing them in the *Money Manager's Compliance Guide*. All relevant forms can be found on the SEC website at <http://www.sec.gov/about/forms/secforms.htm>.

**Index**

- Manual Index
- Newsletter Index

[The next page is Table of Contents, Current Contents, Page 27.]