

LOWENSTEIN SANDLER PC INVESTMENT MANAGEMENT GROUP CLIENT UPDATE

ATTORNEY ADVERTISING

YEAR-END DEVELOPMENTS AND COMPLIANCE CHECKLIST January 2012

Lowenstein Sandler's Investment Management Group is pleased to provide you with a summary of recent legislative and regulatory developments that impact the investment management community and [checklists](#) of year-end considerations for private investment funds, investment advisers, commodity trading advisers and commodity pool operators. The checklists appear after the legislative and regulatory summary. For more information regarding any matter covered in this update, please contact one of the attorneys in our [Investment Management Group](#).

SELECT LEGISLATIVE AND REGULATORY DEVELOPMENTS

Form PF and related rules

Synopsis: On October 26, 2011, the Securities and Exchange Commission (the "SEC") approved the final version of Form PF and related rules, which implement Sections 404 and 406 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), the comprehensive financial regulatory reform signed into law in July 2010, and provide for extensive disclosure

to the Financial Stability Oversight Council. The rules establish a *de minimis* threshold by requiring only those registered investment advisers who manage at least \$150 million in private fund assets to file Form PF. Additionally, the rules establish three different thresholds for "large private fund advisers" based on the type of assets under management, as follows:

- \$1.5 billion in *hedge fund* assets under management;
- \$2 billion in *private equity fund* assets under management; and
- \$1 billion in *liquidity fund* assets under management.

Form PF also establishes different reporting requirements and deadlines for advisers based on size and type of fund advised. All smaller private fund advisers (i.e., advisers with private fund assets under management in excess of \$150 million but who do not meet any of the large private fund adviser thresholds listed above) and large private fund advisers to private equity funds are required to file Form PF only annually, within 120 days after the adviser's fiscal year-end. Large private fund advisers to hedge funds are required to file Form PF quarterly within 60 days of each fiscal quarter-end. Large private fund advisers to liquidity funds must file quarterly, within 15 days of each fiscal quarter-end.

Private fund advisers managing at least \$5 billion in assets of any single fund class are required to file their initial Form PF after the first fiscal quarter or year-end (as applicable) ending on or after June 15, 2012. Other private fund advisers are required to file their initial Form PF after the first fiscal quarter or fiscal year, as applicable, ending on or after December 15, 2012. The rule provides for implementation of additional internal controls by the SEC in order to ensure that the information disclosed on Form PF remains strictly confidential.

Status: The final version of Form PF, as well as related rules, was released on October 31, 2011. As discussed above, the largest private fund advisers must file their initial Form PF for fiscal periods ending on or after June 15, 2012. Other reporting private fund advisers must file their initial form PF for fiscal periods ending on or after December 15, 2012. The Lowenstein Sandler PC Investment Management Group alert analyzing Form PF and related rules is available [here](#).

**Lowenstein
Sandler**
ATTORNEYS AT LAW

Amended SEC registration and reporting requirements

Synopsis: On June 22, 2011, the SEC approved final rules relating to, among other things, the registration of investment advisers to hedge funds and other private funds under the Dodd-Frank Act. These rules implemented significant changes to investment adviser regulation and have far-reaching implications. Notably, these rules postponed the registration deadline for investment advisers who had been previously relying on the “private adviser” exemption from July 21, 2011 to March 30, 2012. The rules also provide for the implementation of several new exemptions from registration under the Dodd-Frank Act, as well as certain minimum reporting requirements for so-called exempt reporting advisers. These “exempt reporting advisers” include (i) advisers solely to venture capital funds, and (ii) advisers solely to private funds with less than \$150 million in regulatory assets under management. Additionally, among other things, the final rules clarify the registration requirements for “mid-sized investment advisers” (with assets under management between \$25 million and \$100 million) and specify whether such advisers may register with the SEC or are subject to state regulation.

Status: Investment advisers who are now required to register under the Investment Advisers Act of 1940 (the “Advisers Act”) should file Form ADV by February 14, 2012, in order to meet the March 30, 2012, deadline. Furthermore, such advisers should be prepared to meet the requirements of the Advisers Act as soon as their Form ADV is declared effective (i.e., have in place compliance policies

and procedures and a designated chief compliance officer). Investment advisers registered as of January 1, 2012, are required to file an updated Form ADV by March 30, 2012, and those who are no longer eligible to remain registered with the SEC must file Form ADV-W withdrawing their federal registration no later than June 28, 2012. Exempt reporting advisers must file Form ADV Part 1 between January 1, 2012, and March 30, 2012. The Lowenstein Sandler PC Investment Management Group alert analyzing these registration and reporting requirements and related rules is available [here](#).

New accredited investor rules finalized

Synopsis: On December 21, 2011, the SEC issued final rules implementing revisions to the accredited investor qualification requirements under the Securities Act of 1933. The action, which was part of the SEC’s Dodd-Frank Act rulemaking, memorializes revisions to the net worth standard portion of the accredited investor qualification requirements enacted as part of the Dodd-Frank Act. The SEC’s rules also provide for (i) a grandfathering provision that permits the application of the former accredited investor net worth test in certain limited circumstances, and (ii) a provision addressing the treatment of incremental debt secured by an investor’s primary residence that is incurred in the 60-day period before the sale of securities to the investor.

Status: The effective date of the revised rules is February 27, 2012. Advisers should begin to review their current subscription (and similar) documents and implement revisions in order to reflect the new thresholds.

A link to the SEC’s rules relating to the revised accredited investor standard is available [here](#).

New qualified client thresholds

Synopsis: On July 12, 2011, the SEC issued an order increasing the dollar-amount threshold for both tests of Rule 205-3 under the Advisers Act, the “Qualified Client Rule.” The Advisers Act generally prohibits registered investment advisers from charging performance fees to clients other than qualified clients. The order modifies Rule 205-3 to define a qualified client as (i) a person with at least \$1 million under management with the adviser, or (ii) a person whose net worth (including joint assets with a spouse) exceeds \$2 million. The previous thresholds, last revised in 1998, were \$750,000 and \$1.5 million, respectively. The increased thresholds became effective on September 19, 2011.

Status: Advisers should update their forms of managed account agreement as well as private fund offering memoranda and subscription documents to reflect the new thresholds, if applicable. In addition to the revised thresholds, the SEC is also considering further amendments to Rule 205-3, which purport to, among other things, (i) adjust the qualified client thresholds every five years to account for inflation, (ii) exclude the value of the primary residence from the net worth test, and (iii) implement “transition rules” that may grandfather the thresholds for existing clients/investors. The SEC has yet to issue any guidance relating to these proposed rules. The Lowenstein Sandler PC Investment Management Group alert analyzing these revised thresholds is available [here](#).

Large trader reporting requirements

Synopsis: On July 26, 2011, the SEC adopted a new Rule 13h-1 under Section 13(h) of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), establishing new reporting requirements for "large traders" and broker-dealers. Rule 13h-1 defines a "large trader" as anyone who, directly or indirectly, exercises control over an account or accounts that effect transactions in NMS securities in the aggregate amount of at least (i) 2 million shares or shares with a fair market value of \$20 million in a calendar day, or (ii) 20 million shares or shares with a fair market value of \$200 million in a calendar month. Such large traders must file the nonpublic, web-based Form 13H through the EDGAR system. The SEC will then issue the filer a Large Trader Identification Number (LTID), which the adviser must provide to any broker-dealer through which the adviser effects trades in NMS securities. The rule also establishes new record-keeping practices for broker-dealers conducting business with both large traders and unidentified large traders (i.e., those persons who qualify as large traders but have not yet filed Form 13H). The term "NMS security" generally refers to exchange-listed equities and options.

Status: Rule 13h-1 became effective on October 3, 2011. Any person who meets or exceeds the large trader threshold after November 22, 2011, generally has 10 days to file Form 13H. Additionally, the deadline for registered broker-dealers to comply with the rule's reporting requirements is April 30, 2012, after which the SEC may ask broker-dealers to produce their relevant records at any time. The

Lowenstein Sandler PC Investment Management Group alert analyzing these reporting requirements is available [here](#).

New carried interest tax proposal

Synopsis: On September 12, 2011, President Obama submitted the American Jobs Act of 2011 to Congress. The proposed legislation included a provision that would tax the carried interest of certain investment managers as ordinary income rather than capital gains. Currently, when a partnership earns capital gains, the managers report their carried interest (gains associated with their interest in a fund partnership) as capital gains for tax purposes. Under the President's proposed legislation, such gains would be treated as ordinary income and subject to the standard progressive tax rates, as well as to Social Security and Medicare taxes. As proposed, the legislation retains capital gains treatment for income relating to the manager's "qualified capital interest," the portion of the manager's partnership interest that is attributable to cash or property contributed to the partnership in exchange for such interest. Finally, the legislation would provide for an increased penalty (40% instead of 20%) for underpayment of taxes.

Status: If the American Jobs Acts of 2011 is passed in its proposed form, its provisions governing tax treatment of carried interest would apply to income earned on or after January 1, 2013. Most observers view passage of the proposal in its current form as highly unlikely.

Banking entity compliance with the Volcker Rule

Synopsis: The Volcker Rule, adopted as part of the Dodd-Frank Act, seeks to restrict "banking entities" from (i)

engaging in proprietary trading (i.e., using bank funds and deposits to trade for their own accounts, rather than effecting trades for the accounts of their customers), and (ii) sponsoring or acquiring ownership interests in hedge funds or private equity funds, each of which is subject to a litany of exceptions known as "permitted activities." The nature and scope of permitted activities continues to be a matter of significant debate.

Status: Regulators are continuing to seek public comment on the proposed regulations implementing the Volcker Rule until February 13, 2012, and may make significant changes before the legislation's July 21, 2012 effective date. The Dodd-Frank Act provides for a two-year transition period for banking entities to conform their activities to comply with the Volcker Rule, subject to the possibility of three one-year extensions. Subject to certain conditions, the legislation also provides for an extended transition period for divestiture of investments in illiquid funds up to a maximum of five years.

New FINRA rules affecting broker-dealers and prohibiting "spinning"

Synopsis: FINRA Rule 5131 became effective on May 27, 2011 (except for certain provisions that became effective September 26, 2011). This rule prohibits FINRA members from allocating shares of a new issue into accounts in which the executive officers and directors of current investment banking clients have a beneficial interest. This prohibition against "spinning" may also extend to former and future investment banking clients. The spinning prohibition does not generally apply to allocations to institutional accounts exempted in Rule 5130(c) or accounts in which less

than 25% (in the aggregate) of the beneficial interests in such account are owned by executive officers and directors of a specific investment banking client or people materially supported by such executive officers and directors. Additionally, Rule 5131 prohibits FINRA-member broker-dealers from (i) using new issue allocations to induce excessive compensation (kickbacks) and (ii) recouping or attempting to recoup commissions or credit paid for selling shares that are flipped by a customer. Rule 5131 also mandates that underwriters provide to the issuer reports of indications of interest from, and final allocations of shares to, institutional investors and notify the issuer of (or announce publicly) the impending release of a lock-up provision or waiver. Finally, the rule prohibits broker-dealers from accepting a market order for the purchase of shares of a new issue in the secondary market prior to the commencement of the trading of such shares in the secondary market.

The SEC also approved FINRA Rule 1230(b)(6) on June 16, 2011. This rule became effective October 17, 2011, and impacts FINRA-member broker-dealers, regardless of their size or business lines. Under the rule, for the first time, certain “back office” operations personnel of FINRA members are required to register with FINRA and pass the Series 99, Operations Personnel, qualification examination, unless they already possess certain other registrations. Rule 1230(b)(6) specifies three types of personnel who must be registered and pass the examination: (i) senior management with direct responsibility over back office operations, (ii) supervisors who are responsible for approving and authorizing back office work, and (iii) any other personnel

with authority to commit a member’s capital or a member to any agreement in furtherance of certain “Covered Functions” outlined in the rule. The Series 99 exam includes both general ethical and professional conduct questions, as well as questions requiring general knowledge of the Covered Functions.

Status: Portions of Rule 5131 became effective on May 27, 2011, and September 26, 2011. With regard to Rule 1230(b)(6), FINRA members had 60 days from the effective date (i.e., December 16, 2011) to identify personnel who must register as operations personnel on their Form U4. Such persons will have until October 17, 2012, to pass the exam, and until that date, they may still function as operations personnel. Additionally, any newly hired operations personnel must first register before engaging in any Covered Functions but have 120 days to pass the exam (again, during which time they may continue to perform their job responsibilities as operations personnel). The Lowenstein Sandler PC Investment Management Group alert analyzing these rules is available [here](#).

Form SHC

Synopsis: Every five years, certain U.S. persons are required to complete a survey on Form SHC concerning ownership of foreign securities. U.S. persons who own (or manage funds or accounts that own), or serve as custodian for, foreign securities having a fair value in excess of \$100 million as of December 31, 2011 (aggregated over all accounts and for all U.S. branches and affiliates) are required to file Form SHC by March 2, 2012. Regardless of the threshold, any person receiving a letter from the Federal Reserve Bank of New York regarding such survey is required to respond and

file Form SHC (even if only to indicate that such U.S. person is exempt). Only aggregate data for all survey respondents is publicly available.

Status: Those U.S. persons owning, managing or serving as custodian with respect to in excess of \$100 million of foreign securities as of December 31, 2011 (or receiving a letter from the Federal Reserve Bank of New York regarding Form SHC) must file Form SHC, as applicable, by March 2, 2012.

COMPLIANCE CHECKLISTS

Private Investment Funds and Their Advisers

- Evaluate effect of the Dodd-Frank Act on investment adviser registration.
- Evaluate Form PF filing requirements.
- File Form SHC by March 2, 2012.
- Conduct periodic review of compliance policies.
- Provide/collect new issues certifications regarding whether funds/investors are “restricted persons.”
- Conduct periodic review and update of offering documents.
- Consult counsel regarding blue-sky and local securities matters in connection with offers or sales.
- File Schedule 13G year-end amendments by February 14, 2012.
- File Schedule 13H year-end amendments by February 14, 2012.
- File Form 13F for fourth quarter of 2011 by February 14, 2012.
- Conduct periodic review of Section 13 and Section 16 filings.
- Conduct periodic review of compliance with 25% ERISA threshold.
- Prepare annual VCOC certification.
- Prepare year-end audits and distribute financial statements as appropriate.
- Distribute privacy notices.

Discussion:

Dodd-Frank Registration Regime.

The effective date of the new registration regime under Dodd-Frank is March 30, 2012. Any investment adviser who has not yet done so should act promptly to evaluate whether registration with the SEC, or with one or more states, will be required under the Dodd-Frank Act. If federal registration is required, the adviser should file Form ADV with the SEC no later than February 14, 2012.

Form PF. Registered advisers to private funds should take steps now to comply with the reporting requirements of Form PF. We encourage large private fund advisers to allow sufficient time to collect the data to be included on the form. Such reporting requirements begin with fiscal periods ending on or after June 15, 2012.

Form SHC. In connection with a survey conducted every five years regarding foreign securities ownership, those U.S. persons owning, managing or serving as custodian with respect to \$100 million or more of foreign securities as of December 31, 2011, are required to file Form SHC by March 2, 2012. See detailed discussion of Form SHC above.

Compliance Policies. The compliance and operating requirements pertaining to registered investment advisers and unregistered advisers have continued to merge, and more and more unregistered managers are adopting best practices and upgrading their compliance policies to meet the demands of regulators and/or investors. Whether your firm is currently federally registered or will be required to register in the future, you should review your compliance policies periodically to verify that they are adequate and appropriately tailored to

your business risks and verify that your firm is adhering to them.

New Issues Certifications. If you purchase “new issues” (i.e., equity securities issued in initial public offerings), your broker (or if you are a fund-of-funds that invests indirectly in new issues, the underlying funds) will require that you certify each year as to whether the fund is a “restricted person” within the meaning of Rules 5130 and 5131. To make the certification, you must determine the status of investors in your fund as either restricted persons or unrestricted persons.

Offering Documents. Offering documents should be reviewed from time to time to verify that they: (i) contain a current, complete and accurate description of the fund’s strategy, management and soft-dollar and brokerage practices; (ii) comply with current laws and regulations, including recent changes resulting from the Dodd-Frank Act and the new accredited investor and qualified client thresholds; and (iii) reflect current disclosure best practices.

Blue-Sky and Local Securities Matters. You should continue to inform counsel of all offers or sales of fund interests. Offers to U.S. persons may trigger filing obligations in a given investor’s state of residence. Offers to foreign persons may require filings in the country of an investor’s residence.

Beneficial Ownership Reporting Requirements. If you have filed Schedule 13G and the information reflected in the schedule is different as of December 31, 2011 from that previously reported, you are generally required to amend the schedule by February 14, 2012. Year-end also serves as a convenient time to confirm that any Schedule 13D and Section 16 filings are current and complete.

Form 13H. Section 13(h) of the Exchange Act establishes a new reporting system and filing requirements for “large traders” (i.e., persons effecting transactions in certain securities in amounts equal to 2 million shares or \$20 million (determined by fair market value of the shares) in one calendar day or 20 million shares or \$200 million in one calendar month). Persons meeting these thresholds must file Form 13H no later than 10 days after the identifying activity level has been reached. Amended filings must be effected promptly after the end of a calendar quarter during which any of the information contained in Form 13H becomes outdated or inaccurate. Large traders may file amended filings more often than quarterly but are not required to do so. Annual amendments (regardless of the number of amended filings previously effected) are due within 45 days of the end of each calendar year.

Form 13F. Section 13(f) of the Exchange Act requires “institutional investment managers” with investment discretion over \$100 million or more of certain equity securities to file quarterly reports on Form 13F. Form 13F must be filed within 45 days of the end of each calendar quarter. An initial Form 13F must be filed at the end of the first year in which an institutional investment manager exceeds the \$100 million threshold. To the extent that you already have a Form 13F filing obligation, you must file your Form 13F for the fourth quarter of 2011 by February 14, 2012.

ERISA Compliance. If the aggregate amount invested in a fund by benefit plan investors (e.g., employee benefit plans, individual retirement accounts (IRAs) and entities the underlying

assets of which include plan assets) equals twenty-five percent (25%) or more of the aggregate investments in any class of equity interests in the fund (excluding investments by the fund's managers that are not benefit plan investors), the fund is subject to various ERISA requirements and prohibitions. You should continuously monitor (i.e., upon subscriptions, redemptions, transfers, etc.) the level of investments by benefit plan investors to determine whether the fund is approaching the twenty-five percent (25%) threshold.

Annual VCOC Certification. Prior to investing in a venture fund or a private equity fund, ERISA plan investors often require the fund to provide an annual venture capital operating company, or VCOC, certification stating that the fund qualifies as a VCOC and is deemed not to hold "plan assets" subject to ERISA. A fund will be a VCOC if (a) at least fifty percent (50%) of the fund's portfolio investments (as determined on the fund's annual valuation date) are venture capital investments in operating companies for which the fund has management rights, and (b) the fund has and exercises substantial management rights in at least one of its portfolio companies.

Year-End Audit. Now is the time to begin all necessary year-end audits so that funds can distribute financials to investors on a timely basis as required by relevant governing documents and, in certain instances, to comply with the custody rule.

Privacy Notices. In accordance with applicable federal law, investment advisers and investment funds must have a privacy policy in place. In addition to being provided at the time of initial

subscription, privacy notices must be distributed at least annually and more frequently if there are any changes to the policy/notice. We believe that the best time for the annual distribution of the notice is with a fund's annual financial statements and/or tax reports. Additionally, some states have privacy regulations in place that may subject investment advisers and investment funds to additional or, in some cases, more stringent privacy requirements.

REGISTERED INVESTMENT ADVISERS

- Prepare annual updating amendments to Form ADV.
- File Form SHC by March 2, 2012.
- Comply with state annual filing requirements.
- Conduct periodic review of compliance policies and code of ethics.
- Comply with custody rule annual surprise examination.
- File Form 13F for fourth quarter of 2011 by February 14, 2012.
- Distribute privacy notices.

Discussion:

Annual Updating Amendments to Form ADV. An investment adviser who is registered with the SEC as of December 31, 2011 (and with a December 31, 2011 fiscal year-end), must file an annual updating amendment of items on Form ADV by March 31, 2012.

State Filing Requirements.

Applicable state law may require a federally registered investment adviser to make notice filings and to pay fees in the state if he or she has clients or a place of business therein. Laws vary significantly from state to state. There may also be certain licensing

or qualification requirements for representatives of investment advisers. Please contact counsel with any state-specific questions.

Compliance Policies and Code of Ethics.

Federally registered investment advisers must adopt and maintain comprehensive compliance policies and a code of ethics and appoint a chief compliance officer. If you have not already done so, please contact counsel immediately so that counsel may assist you in creating and/or documenting compliance procedures appropriately tailored to your business. In addition, compliance policies and procedures must be reviewed by the adviser at least annually. The first review is required to be conducted within 18 months after the adoption of the compliance policies. The compliance policies and procedures review should focus on an evaluation of the effectiveness of the policies and procedures in light of current risks and the need for revisions as a result of (i) any compliance issues that arose during the prior year, (ii) any changes in the business activities of the investment adviser, and/or (iii) any regulatory changes. We recommend that this review be conducted relatively early in the year or staggered throughout the year so that it does not interfere with other time-sensitive activities when quarter-end or year-end matters are pressing. Policies that are materially changed as a result of such review should be redistributed to all appropriate personnel. In addition, Item 11 of Form ADV Part 2A must contain a current description of the code of ethics and a statement that the investment adviser will provide the code of ethics to any current or prospective client upon request.

Custody Rule Annual Surprise

Examination. Where the adviser (or its related person) serves as custodian for client securities and assets, the adviser may be required to undergo an annual surprise examination by an independent public accountant.

REGISTERED COMMODITY POOL OPERATORS AND COMMODITY TRADING ADVISORS

Annual Questionnaires and Annual Registration Updates.

Discussion:

Annual Questionnaires and Annual Registration Updates.

Registered CPOs and CTAs must prepare and file with the NFA Annual Questionnaires and Annual Registration Updates. Additionally, registered CPOs must prepare and file with the NFA an annual report for each sponsored commodity pool. Finally, unless the applicable fund(s) qualify for an exemption, registered CPOs and CTAs must update their disclosure documents periodically, as they may not use any document dated more than nine months prior to the date of its intended use. Disclosure documents that are materially inaccurate or incomplete must be promptly corrected, and the correction must be promptly distributed to pool participants.

RECENT PUBLICATIONS AND COMMENTARY

Below are links to recent articles and publications featuring or authored by members of the Investment Management Group.

Client Alerts and Newsletters

- [Dodd-Frank Act Rulemaking - SEC and CFTC Release Joint Final Rules Relating to Form PF](#)
Investment Management Client Alert, November 2011
- [Reminder: Rule 13h-1 \(The Large Trader Reporting Rule\) Compliance Date Is Dec. 1, 2011; Effective Date Was Oct. 3, 2011](#)
Metropolitan Corporate Counsel, November 2011
- [Investment Management Alert - Dodd-Frank Act Rulemaking: SEC Approves Final Version of Form PF](#)
Investment Management Client Alert, October 2011
- [Investment Management Alert - Reminder: Rule 13h-1 \(the Large Trader Reporting Rule\) Compliance Date Is Dec. 1, 2011; Effective Date Was Oct. 3, 2011](#)
Investment Management Client Alert, October 2011
- [Dodd-Frank Rulemaking: SEC Releases Final Rules Clarifying Certain Registration Exemptions, Planning for Transition of Mid-Sized Investment Advisers](#)
Investment Management Client Alert, September 2011
- [Why Is It So Hard to Launch a Hedge Fund Today?](#)
Financier Worldwide, August 2011

In the News

- January 9, 2012 - *New York Law Journal* - Lowenstein Sandler's election of [Richard Bernstein](#) and [Matthew Magidson](#) to Members of the Firm is highlighted.

- January 9, 2012 - *Bloomberg Derivatives Law Report* - [Matthew Magidson](#) comments on the impact that derivatives trading rules, set to be finalized in 2012, will have on the marketplace.
- December 16, 2011 - *The Wall Street Journal* - [Matthew Magidson](#) comments on the benefits of establishing a protocol for the global swaps market to respond to a partial or full dissolution of the euro.
- December 15, 2011 - *The Hedge Fund Law Report* - [Scott Moss](#) discusses the pros and cons of hedge fund managers engaging in transactions with their own hedge funds and their investors.
- October 27, 2011 - *Hedge Funds Review* - [Scott Moss](#) comments on the SEC's approval of a final Form PF and the SEC's revisions from the proposed form.
- October 10, 2011 - *Compliance Reporter* - [Douglas Cohen](#) comments on FINRA's new operations professional examination and requirements.
- October 3, 2011 - *Risk.net* - [Matthew Magidson](#) comments on legal challenges in the derivatives section of the Dodd-Frank Act in light of an increase in lawsuits seeking relief from the Dodd-Frank Act's rules.
- August 8, 2011 - *Private Equity Manager* - [Marie DeFalco](#) comments on the effects and prospects of the Dodd-Frank Act.
- August 1, 2011 - *Compliance Reporter* - [Douglas Cohen](#) comments on FINRA's new exam and registration for broker-dealer back-office operations professionals.

UPCOMING EVENTS

Below is information regarding upcoming events sponsored by or featuring members of the Investment Management Group. For more information regarding any of these events, please contact events@lowenstein.com.

PEI CFOs and COOs Forum 2012 - January 19-20, 2012, New York, NY

Lowenstein Sandler is presenting at Private Equity International's CFOs and COOs Forum. This forum consistently attracts an audience of over 250 CFOs and COOs from across the private equity and venture capital community. Peter Greene, Vice Chair of Lowenstein Sandler's Investment Management Group, is part of a panel presenting "Best Practices from the Fundraising Trail."

MFA Network 2012 - January 19 - 21, 2012 - Palm Beach, FL

Lowenstein Sandler's Investment Management Group is a premier sponsor of MFA Network 2012. MFA's Network series is the alternative investment industry's top networking conference and exposition. Matthew Magidson, Chair of Lowenstein Sandler's Derivatives Practice, is a speaker on the "Institutional Investor Operational Due Diligence of Hedge Funds" panel.

HFM Week PAM Awards - February 7, 2012 - New York, NY

Lowenstein Sandler is sponsoring and presenting an award at the 2012 Private Asset Manager (PAM) awards gala. The PAM awards are among the most highly regarded awards in the wealth management sector and are attended by family offices, wealth managers and private banks.

NYC CCO Roundtable with Lowenstein Sandler and ACA Compliance - March 6, 2012 - Lowenstein Sandler NYC

Lowenstein Sandler and ACA Compliance are hosting a roundtable for CCOs, CFOs and other high-level compliance professionals. Panelists from Lowenstein Sandler, ACA and leading investment firms will discuss recent developments in the area of investment management and broker-dealer regulation.

Women's Private Equity Summit - March 14-15, 2012 - Half Moon Bay, CA

Lowenstein Sandler is participating in the Women's Private Equity Summit, a high-level and content-rich information and networking event for senior-level women in private equity and venture capital. The program features high-profile keynote speakers and many opportunities for information sharing and fosters networking and collaboration among the most powerful women in the industry.

GAIM Ops Cayman - April 22-25, 2012 - Grand Cayman

GAIM Ops Cayman is a world-class alternative investment operational due diligence, risk management and compliance conference. Lowenstein Sandler is a proud sponsor of GAIM Ops Cayman's Charity Event Gala, which raises funds in support of R Baby and Hedge Fund Cares.

ACA 2012 Spring Compliance Conference - April 25, 2012 - Fort Lauderdale, FL

Lowenstein Sandler's Investment Management Group will be presenting at and sponsoring the ACA Compliance Group's Spring 2012 Compliance Conference, which will be attended by leading CCOs, General Counsel and Fund Managers. Scott Moss, Partner in Lowenstein Sandler's Investment Management Group, will be presenting.

10th Annual Family Office Symposium - May 7-8, 2012 - Bermuda

Lowenstein Sandler is a platinum sponsor and speaker at Financial Research Associate's 10th Anniversary Family Office Symposium in Bermuda. Family offices and wealth managers from all over the world will hear directly from other family offices and industry experts about both the "hard" and the "soft" sides of family office management.

LOWENSTEIN SANDLER PC CLIENT ALERT
INVESTMENT MANAGEMENT GROUP
CLIENT UPDATE

Please contact any of the attorneys listed, or any other member of Lowenstein Sandler's [Investment Management Group](#), for further information:

Robert G. Minion, Esq.

973 597 2424
rminion@lowenstein.com

Allen B. Levithan, Esq.

973 597 2406
alevithan@lowenstein.com

Marie T. DeFalco, Esq.

973 597 6180
mdefalco@lowenstein.com

Peter D. Greene, Esq.

646 414 6908
pgreene@lowenstein.com

Elaine M. Hughes, Esq.

973 422 6502
ehughes@lowenstein.com

Scott H. Moss, Esq.

973 597 2334
smoss@lowenstein.com

David L. Goret, Esq.

973 597 2474
dgoret@lowenstein.com

Matthew Magidson, Esq.

646 414 6952
mmagidson@lowenstein.com

Richard Bernstein, Esq.

973 422 6714
rbernstein@lowenstein.com

Douglas N. Cohen, Esq.

646 414 6972
dcohen@lowenstein.com

Cole Beaubouef, Esq.

973 597 2322
cbeaubouef@lowenstein.com

George Danenhauer, Esq.

646 414 6879
gdanenhauer@lowenstein.com

Lowenstein Sandler makes no representation or warranty, express or implied, as to the completeness or accuracy of this Client Alert and assumes no responsibility to update the Client Alert based upon events subsequent to the date of its publication, such as new legislation, regulations and judicial decisions. Readers should consult legal counsel of their own choosing to discuss how these matters may relate to their individual circumstances.

www.lowenstein.com

New York

1251 Avenue of the Americas
New York, NY 10020
212 262 6700

Palo Alto

390 Lytton Avenue
Palo Alto, CA 94301
650 433 5800

Roseland

65 Livingston Avenue
Roseland, NJ 07068
973 597 2500

**Lowenstein
Sandler**
ATTORNEYS AT LAW