

INVESTMENT ADVISER ASSOCIATION

FOR IMMEDIATE RELEASE
January 20, 2011

CONTACT: NEIL SIMON
neil.simon@investmentadviser.org
202.293.4222

IAA STATEMENT RE: SEC DODD-FRANK SECTION 914 “STUDY ON ENHANCING INVESTMENT ADVISER EXAMINATIONS”

Washington, DC., January 20, 2011: David Tittsworth, Executive Director of the Investment Adviser Association, today issued the following statement regarding the SEC staff report “Study on Enhancing Investment Adviser Examinations” required by Section 914 of the Dodd-Frank Wall Street Reform and Consumer Protection Act:

“The Investment Adviser Association has consistently supported meaningful regulation of the investment advisory profession, including an effective examination program. To achieve this goal, we continue to strongly support regulation and oversight by the SEC, a single governmental regulator, accountable to the Congress and the public, that places investor protection as its paramount mission.

The SEC report sets forth a range of options for enhancing investment adviser examinations: (1) imposing user fees on federally-registered investment advisers to fund their examinations by the SEC Office of Compliance Inspections and Examinations; (2) authorizing one or more SROs to examine all SEC-registered investment advisers; and (3) authorizing FINRA to examine dual registrants for compliance with the Investment Advisers Act.

In its analysis of these options, the report appears to find the greatest number of advantages, and the least number of disadvantages, with regard to user fees. It also includes a thorough discussion of the problems, including the inefficiencies and high costs, inherent in designating an SRO for the diverse investment advisory profession. As an alternative to an SRO or to expanding FINRA’s authority, we believe that user fees deserve strong consideration by Congress.

We look forward to participating fully in the discussion of how best to protect the interests of investors by ensuring effective and efficient oversight of investment advisers and other financial services providers.”

About the Investment Adviser Association

The Investment Adviser Association is a not-for-profit organization that represents the investment advisory profession. Founded in 1937, its membership consists of more than

500 SEC-registered investment adviser firms that collectively manage in excess of \$10 trillion for a wide variety of individual and institutional investors. For more information, please visit www.investmentadviser.org.

###