



A Division of O'Connor Davies Munns & Dobbins LLP

Monthly *Foot* Notes

November 16, 2009

Hedge Fund Advisor Registration, Are You Ready?

On Tuesday, Senate Banking Committee Chairman Chris Dodd introduced a regulatory bill that would require advisors of certain hedge funds and other private pools of funds to register with the Securities and Exchange Commission (SEC). The legislation is part of a broader effort to update America's financial regulatory system.

The bill would require federal regulation of investment advisors with \$100 million or more in assets and increase state supervision of advisors. Some exemptions exist for private-equity and venture-capital funds.

On November 4, 2009, the House Financial Services Committee passed H.R. 3817, the Investor Protection Act, by a vote of 41-28. This legislation is also part of the effort to update America's financial regulatory system.

A few highlights include strengthen SEC powers to better protect investors and regulate the securities markets, increased SEC funding, which doubles over the next 5 years, a whistleblower program that will create incentives to identify wrongdoing in our securities markets and a requirement that every financial intermediary who provides advice will have a fiduciary duty toward their customers.

O'Connor Davies Financial Services (**ODFS**) can help. Our broad offerings and expertise in the investment advisor compliance area can help you establish and implement an effective, thorough and sustainable compliance program. Our investment professionals have a rare combination of accounting and Wall Street experience. We truly understand the impact of a changing regulatory environment on your business dynamics. We are in a unique position to provide value-added compliance services at a cost effective price. See our compliance service listing at www.odfsconsulting.com.

Hedge Funds Down 0.5% In October, Up 20% In 2009

The Hennessee Group has reported that hedge funds along with equity markets were down in October. This decrease snaps a seven month long winning streak for hedge funds. The Hennessee Hedge Fund Index fell 0.5% last month, which was better than the S&P 500's 2% decrease and the NASDAQ's 3.6% fall.

The year-to-date Hennessee Hedge Fund index was up 20%, better than both the S&P 500 and Dow performance.

New York, NY
212.286.2600

Harrison, NY
914.381.8900

White Plains, NY
914.421.5600

Paramus, NJ
201.712.9800

Stamford, CT
203.323.2400

www.ODMD.com