STATE OF NEBRASKA
DEPARTMENT OF BANKING AND FINANCE

DAVE HEINEMAN
GOVERNOR

JOHN MUNN
DIRECTOR

IMPORTANT RENEWAL NOTICE

October 31, 2006

To: Nebraska Registered Investment Advisers

From: Nebraska Department of Banking and Finance

Re: 2007 CRD/IARD Investment Adviser and Representative Registration Renewal Notice

Special Notice to Investment Advisers and Representatives Pertaining to Senior Designations and Form U-4

State-registered investment adviser and investment adviser representative registrations expire in Nebraska on December 31, 2006. For the CRD/IARD renewal, adhere to the timetables and methods of payments as set forth at http://www.iard.com/renewals.asp and in other communications your firm received from NASD. All renewal payment fees must be submitted through CRD/IARD before December 8, 2006. All required electronic form filings must be submitted via Web CRD/IARD by December 20, 2006. All required paperwork submitted to this Department (see below) is also due by December 20, 2006. Failure to renew by the above date means you will no longer have an investment advisor/representative license in Nebraska on January 1, 2007; therefore, you cannot conduct any investment advisory business.

All applicable fees for investment advisers and representatives will be extracted by the CRD/IARD on December 8, 2006. Forms ADV Part I, U-4, U-5, and ADV-W must be electronically filed with the CRD/IARD by December 20, 2006, so that those portions can be reviewed by our Department electronically.

***Item 3. Pages 1 & 2 Contains important information pertaining to Form ADV Part I.**

SUBMIT THE FOLLOWING DOCUMENTS TO NEBRASKA BY DECEMBER 20, 2006. Please include a cover letter which lists the firm's CRD number and all renewal documents that are being submitted or excluded, along with an explanation for the exclusion:

1. A current Form IAR "Designation of Investment Adviser Representatives" is available at www.ndbf.org/ia/iaforms.shtml and must be completed and submitted annually. Verify that each representative's Form U-4 is updated on CRD/IARD;

2. A current audited Financial Statement if your firm has custody of client funds. If not, submit a Balance Sheet signed by an officer or owner of the firm. Refer to Ch. 7.009.02 attesting that the financial statement is true and accurate. These financial documents must be within 90 days of the expiration of the investment adviser's current registration. If the investment adviser's net capital falls below $25,000 at any time during the year, then a $25,000 surety bond certificate must be submitted to the Department (pursuant to 48 NAC 7.009);

3. *An annual updating amendment must be filed electronically via the CRD/IARD system. This annual amendment allows you to make changes to information about your advisory business which inherently will change on at least an annual basis and is reported on Form ADV, Part I and Schedules A through E.

If indicated on Form ADV, Part I, Item 5.D (6) that there are clients which are pooled investment vehicles (hedge funds) and you have checked "Yes" on Form ADV, Part I, Item 7.B, in addition to providing the necessary information about the LP, LLC or Private Fund on Form ADV, Part I, Schedule D, Page 4, Section 7.B, it will be necessary to provide the Department with a copy of the fund's Subscription Agreement and Private Placement Memorandum in addition to the usual Client Contract.

Additionally, if disclosing that the General Partner or Manager of the LP, LLC or Private Fund is another Investment Adviser, then provide the Department with the Sub-Advisory and/or Co-Adviser Agreement between both I.A. firms.

Also, if there is a Sub-Advisory or Co-Adviser relationship with another I.A. (whether a hedge fund is involved or not) then we require a copy of the Sub-Advisory and/or Co-Adviser Agreement;

4. Please include the date of the investment adviser's most recent amendment to Form ADV Part II in the renewal cover letter. Form ADV, Part II and Schedules F through H, are the primary sources of disclosure information to clients and must be amended when there is any material change in your business or relationship with your clients. These amendments should be submitted directly to the Department in a timely manner subsequent to each change. If you have made any material change in your investment advisory business since your most recent ADV amendment, you must submit it with your renewal materials.

   Failure to keep your Form ADV current may result in the Department taking administrative action against you. Please refer to Form ADV General Instructions item #4 "When am I required to update my Form ADV?" when amending Form ADV, Parts IA and IB for the annual updating amendment and the other-than-annual amendments information (available at http://www.sec.gov/about/forms/formadv.pdf);

5. Please include the date(s) of the investment adviser's most recent amendments to the Client Contract or Agreement in the renewal cover letter. Each investment adviser must provide the Department with copies of all Contracts or Client Agreements immediately upon any material changes being made to those documents. A revision date should be included on the revised Contracts and current Client Agreements to be used by the investment adviser when submitted to the Department with the renewal documents. It should be remembered that the Contract or Client Agreement must be consistent with information provided by the I.A. on Form ADV Parts I & II; and

6. Promotional or disclosure literature, including all advertising, internet web pages, or other information to be furnished or disseminated to any client or prospective client in Nebraska. If the investment adviser has no literature other than Part II of Form ADV, this should be stated in the cover letter.

Refer to 48 NAC 7 and 48 NAC 9 pertaining to renewal of state registered investment adviser firms and investment adviser representatives. These rules are available for review at our website http://www.ndbf.org . Failure to renew on a timely basis is a violation of the Securities Act of Nebraska and may result in the firm being required to refund applicable fees to clients or subject to other possible sanctions or fines.

The Department will not be sending out reminder letters or making telephone calls reminding firms to submit their required information to the Department by the due date. **If your fees and information are not submitted when required, your license will be cancelled on January 1, 2007.**

If you have questions regarding the CRD/IARD portion of the renewal process for investment advisers or investment adviser representatives, please contact the IARD Hotline (NASDR Gateway Call Center) at (240) 386-4848. For other questions, you may contact Marcia Greve, Staff Assistant at (402) 471-3445, or email marcia.greve@bkg.ne.gov .

Amended 11-28-06