

**State of Rhode Island and Providence Plantations
DEPARTMENT OF BUSINESS REGULATION**

Division of Insurance

**1511 Pontiac Avenue, Bldg. 69-2
Cranston, Rhode Island 02920**

CONCISE EXPLANATORY STATEMENT

Securities Regulation

The Department of Business Regulation (“Department”) hereby adopts amendments to Securities Regulation Rule 204(3)-(3) effective May 21, 2013 and makes this statement in accordance with R.I. Gen. Laws § 42-35-2.3. The Department makes this amendment in order to add Rule 204(3)-(3) relating to a registration exemption for investment advisers to private funds. Under the regulatory framework established by the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act” or “Act”), advisers to certain private funds who previously relied on an exemption from SEC registration pursuant to Section 203(b)(3) of the Investment Advisers Act will now be subject to registration while others, including advisers to venture capital funds, will be exempt from registration but required to submit reports to the SEC.

There are no differences between the text of the proposed rule as published in accordance with R.I. Gen. Laws § 42-35-3 and the rule as adopted.