



Department of Commerce

Division of Securities

John R. Kasich, Governor
Jacqueline T. Williams, Director

INVESTMENT ADVISER EXAM LIST OF RECORDS NEEDED FOR REVIEW

The following items should be ready for your examination by the Division of Securities. Copies should be made of those items marked (copy). In addition to the items listed below, **the examiner may request additional records and information** as necessary to complete the exam.

1. Compliance Manual;
2. Business Card(s) for all Investment Advisers and Investment Adviser Representatives;
3. Most recent Form ADV Part 2A ("Firm Brochure"), 2B ("Brochure Supplement") and Appendix A (Wrap Fee Brochure), if applicable) **(copy)**;
4. Record providing evidence or dates of the delivery of the Form ADV Part 2A and Part 2B and its annual offer;
5. A list of all clients, include names and addresses **(copy)**;
6. Current account balances, account numbers and client names for all investment advisory clients **(copy)**;
7. A list of all clients whom have terminated their relationship with the IA in the last 12 months (including the date of termination) **(copy)**;
8. A sample copy of the currently used Investment Advisory Contract(s) or agreement(s) **(copy)**;
9. All sub-advisory agreements executed with other investment advisers **(copy)**;
10. Advertising file including promotional brochures, pamphlets, newsletters or other materials used to inform or solicit prospective clients;
11. Complaint File;
12. Access to all incoming and outgoing correspondence;
13. A list of all employees with job titles and duties **(copy)**;
14. Required Financial Statements (balance sheet, profit & loss statement, general ledger) for the last year end and most recent period **(copy)**;

15. Cash receipts journal, cash disbursements journal or equivalent (checkbook), bank statements, bank reconciliations, and credit card statements;
16. Custodial records that show all assets under management. These should indicate the current securities position for each security that is held under management, as well as give total dollar amount of assets under management **(copy)**;
17. Access to a trade blotter for the last six months.
This should list transactions in securities and other financial instruments (including privately offered funds) for current and former clients, proprietary and/or trading accounts of the RA's of the adviser. (A suggested format for this information is in Exhibit 1);
18. Records pertaining to any trade errors in the last twelve months;
19. Details regarding commissions received;
20. Details regarding fees received, client invoices, and supporting details and records detailing any fee refunds;
21. Contracts and agreements executed with any third party solicitor(s) and disclosure documents disseminated by such solicitor(s);
22. Access to client files including signed contracts, custodial account applications, statements, correspondence, financial plans, etc.
23. Access to sales literature, prospectuses, private placement memoranda, offering circulars, etc. provided to clients or prospective clients;
24. Information regarding any wrap fee programs that your clients may participate in;
25. The firm's income tax filings for the prior year;
26. If the firm manages a private fund(s), please provide copies of the operating agreement, private placement memorandum, subscription agreement and the last audit report for the fund(s). Also have copies of any filings made concerning the fund(s) with the State or Securities Exchange Commission ("SEC").

Exhibit 1

Layout for Securities Trading Blotter

In conjunction with the scheduled exam, the staff requests records for all purchases and sales of securities for portfolios of advisory clients and proprietary accounts managed by the adviser. This record should include the fields of information listed below, and may be maintained in an Excel spreadsheet.

Example:

Trade Date	Client Name	Buy/Sell	Security Symbol	Security Description	Quantity	Unit Price	Principal	Trader
1/15/11	Mike Wallander	B	MA	Mastercard	100	\$350	\$35,000	Em H.