STATE OF NEW HAMPSHIRE
BUREAU OF SECURITIES REGULATION
INTERPRETIVE ORDER

WHEREAS, the New Hampshire Bureau of Securities Regulation (the “Bureau”) is charged with the administration of the New Hampshire Uniform Securities Act (the “Act”);

WHEREAS, RSA §421-B:2, IX, as in effect until December 31, 2015, defined an investment adviser, in pertinent part, as “any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities, or other investments, or as to the advisability of investing in, purchasing or selling securities, or as to the advisability of making other investments, or who, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities, or other investments,” and RSA §421-B:6, as in effect until December 31, 2015, required investment advisers transacting business in New Hampshire to obtain a license from the Bureau in accordance with the Act;

WHEREAS, RSA §421-B:1-102(26), which became effective on January 1, 2016, defines an investment adviser, in pertinent part, as “a person that, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities,” and RSA §421-B:4-403, which became effective on January 1, 2016, requires investment advisers transacting business in New Hampshire to register with the Bureau in accordance with the Act;

WHEREAS, RSA §421-B:1-102(26)(M) excludes from the definition of “investment adviser” (and thus from the registration requirements of RSA §421-B:4-403) any other person excluded by order issued pursuant to the Act;

WHEREAS, on July 21, 2011, the United States Securities and Exchange Commission (“SEC”), pursuant to Title IV of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“the Dodd-Frank Act”), adopted rules (SEC Release No. IA-3222; File No. S7-37-
10) implementing a new exemption from the investment adviser registration requirements under the Investment Advisers Act of 1940 to include advisers to "venture capital funds";

WHEREAS, the Dodd-Frank Act delegated to the states oversight of investment advisers with up to $100 million in assets under management;

WHEREAS, an exemption for venture capital funds with less than $100 million in assets under management similar to the rules adopted by the SEC has not heretofore been adopted in New Hampshire for New Hampshire-based advisers;

WHEREAS, RSA §421-B:6-608(b) states, "This [Act] shall be so construed as to effectuate its general purpose to make uniform the laws of those states which enact it and to coordinate the interpretation of this [Act] with the related federal regulation."

WHEREAS, finding that the promotion of capital formation through the use of venture capital funds is important to the economic development of the state of New Hampshire, that an exemption with sufficient limitations will provide a reasonable accommodation between the need to encourage venture capital investment and the interest of the Bureau in protecting investors, and that the absence of an exemption for venture capital funds located in New Hampshire with less than $100 million in assets under management puts such funds at a disadvantage in comparison with those regulated by other states and the SEC;

NOW, THEREFORE, it is Ordered that:

1. Any investment adviser qualifying for the exemption under Section 203(l) of the Investment Advisers Act of 1940 who acts as an investment adviser solely to one or more "venture capital funds," as that term is defined in Rule 203(l)-1 under the Investment Advisers Act, as amended, and who is in compliance with the reporting requirements in Rule 204-4 under the Investment Advisers Act shall be exempt from the registration requirements of RSA §421-B:4-403.

2. An investment adviser relying on the exemption from state registration under this Order shall not be required to make the reports required by Rule 204-4 under the Investment Advisers Act available to the Bureau.
3. The exemption from the state registration requirement in this Order incorporates by reference the “grandfather” provision in Rule 203(l)-1(b) under the Investment Advisers Act.

4. An individual is exempt from the registration requirements of RSA §421-B:4-404 as an investment adviser representative if he or she is employed by or associated with an investment adviser that is exempt from registration pursuant to this Order and does not otherwise act as an investment adviser representative.

5. Any adviser or affiliate of an adviser that is subject to a disqualification as described in Rule 262 of SEC Regulation A, found at 17 C.F.R. §230.262 shall not be entitled to an exemption from registration under this Order.

WILLIAM GARDNER  
SECRETARY OF STATE  
By His Designee

[Signature]
Barry J. Glennon  
Director of the New Hampshire Bureau of Securities Regulation

Dated: May 12, 2017  
Concord, New Hampshire