

Date	New York City	New York State	California	Federal
2008		AG Cuomo promotes Public Pension Reform Code of Conduct endorsed by 16 firms and 2 individuals.		
April 2009	NYC Comptroller Thompson asks the New York City Pension Funds to ban the use of the placement agents. NYCERS bans placement agents	State Comptroller DiNapoli Bans Placement Agents in connection with the investment of funds of the NYS Common Retirement Fund, "whether compensated on a flat fee, a contingent fee, or any other basis."		
May 2009	NYC Police Pension Bans Placement Agent Use	NYAG begins sweep investigation finding that 40-50% of intermediaries are unlicensed	AB 1584 proposed, requiring CalPERS to adopt disclosure policy on placement agency practices. Adopted Fall 2009.	
August 2009				SEC proposes pay-to-play rules under the Investment Advisers Act of 1940
February 2010	NYC Comptroller Liu Recognizes Value-Added Placement Agents Comptroller Liu announced that he would like to extend the current ban on private equity placement agents to other fund types, but ease the rules to allow legitimate placement agents who provide value-added services. Announcement includes, subject to Board approval, "zero tolerance" gift prohibition, minimizing contacts, disclosing contacts, disclosing placement agent fees, and recourse for pension plans, including recoupment of fees, proof of min. \$500MM raised outside NYC, disclosure of value-added services and personnel, and SEC or FINRA registration.			
March 2010	NYC Corporation Counsel issues an opinion to the City Clerk that placement agents and investment advisers that perform similar services would be required to register as lobbyists. As a result, such placement agents became subject to the prohibition against contingent retainer agreements found in Section 3-218 of the New York City Administrative Code. No further action taken.			
June 2010	Comptroller Liu Announces New Disclosure Requirements for NYCERS, BERS and TRS Plan Boards vote to keep ban on placement agents for private equity only. Comptroller Liu volunteers not to accept campaign contributions from advisers and their agents.			
July 2010				Congress adopts the Dodd-Frank Act, which mandates changes to the regulation of municipal advisers. SEC issues final rule on pay-to-play, providing for extensive recordkeeping of political contributions, loss of revenue for violations, and a ban on the use of agents for government business, other than registered advisers and broker/dealers.

Date	New York City	New York State	California	Federal
September 2010			CA Imposes Lobbyist Registration and Contingency Compensation Prohibition (AB 1743) for managers and placement agents that interact with California pension funds (eff. Jan 2011). California also clarified in AB 1743 that placement agents would be subject to the prohibition against contingent compensation. Exempts RIAs in some circumstances.	SEC adopts a form for municipal advisor registration. Forms are required to be filed with substantive regulatory consequences still unknown.
December 2010	City Clerk suddenly and selectively issues a "reminder" that the March 2010 Corporation Counsel opinion that investment advisers may be required to register as lobbyists.			SEC proposes permanent rule requiring municipal advisor registration
January 2011	Deadline for NYC lobbyist registration for 2011. (Fortunately, 2011 deadline was then extended, but for reasons unrelated to reasonable notice for asset managers.)			MSRB proposes pay-to-play rule for municipal advisors
April 2011		Gov. Cuomo seeking to "stop the culture of corruption" directed the Insurance Dept. to ban elected officials, lobbyists and placement agents from state pension fund dealings, permanently. (Query: How does one ban elected officials? Are appointed officials never corrupt?) Proposal includes ban on agents (even if unpaid), "improper relationships" between pension officials and advisers and their agents, "revolving door" employment between pension plans and advisers, "improper gifts" from advisers to pension plan officials, and any gifts or contributions to the Comptroller (who is an elected official). Rep. Abbate, with Comptroller DiNapoli's endorsement, proposes amendment to make temporary placement agent ban permanent. Drafting is unclear as to coverage of private or mutual funds. Bans lobbyists, too.	CA Fair Political Practices Commission releases two Advice Letters, dated April 7, 2011 and April 20, 2011. These letters clarified aspects of AB 1743, including the scope of exemptions for competitive bidding and whether certain defined contribution plans were covered by AB 1743.	
August 2011				House introduces a bill to limit the applicability of the municipal advisor rules
September 2011				MSRB withdraws its municipal advisor registration rule proposal pending SEC's adoption of permanent rules
October 2011			CA amends lobbyist requirements (SB 398), clarifying applicability to separate accounts and funds-of-one. Carves out mutual funds. Preempts local override of RIA exemption.	
March 2012				Private fund adviser registration deadline under Dodd Frank and new rules.



SANDRA POE

Partner

Tel: +1 212 549 0388

Email: apoe@reedsmith.com

ReedSmith