



General Assembly

Amendment

January Session, 2009

LCO No. 7285

SB0095307285SD0

Offered by:

SEN. DUFF, 25th Dist.

REP. BARRY, 12th Dist.

REP. STRIPP, 135th Dist.

To: Subst. Senate Bill No. 953

File No. 171

Cal. No. 180

"AN ACT CONCERNING HEDGE FUNDS."

1 Strike lines 1 to 52, inclusive, in their entirety and insert the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective October 1, 2009*) (a) As used in this
4 section, "hedge fund" means any investment company, as defined in
5 Section 3(a)(1) of the Investment Company Act of 1940, (1) that claims
6 an exemption under Section 3(c)(1) or Section 3(c)(7) of the Investment
7 Company Act of 1940; (2) whose offering of securities is exempt under
8 the private offering safe harbor criteria in Rule 506 of Regulation D of
9 the Securities Act; (3) that offers or sells securities in this state or is
10 located in this state; (4) that permits its securities owners to redeem
11 any portion of their securities within two years of the purchase of such
12 securities; and (5) that meets any other criteria as may be established
13 by the Banking Commissioner in regulations adopted under
14 subsection (c) of this section. A hedge fund is located in this state if

15 such fund has an office in this state where employees regularly
16 conduct business on behalf of the hedge fund.

17 (b) Any investment adviser to a hedge fund shall disclose to each
18 investor in such hedge fund, not later than forty-eight hours before
19 any such investment, or prospective investor in such hedge fund, not
20 later than forty-eight hours before any such investment: (1) Any
21 affiliation between the investment adviser and any broker-dealer,
22 custodian, accounting firm or other similar service provider to the
23 hedge fund; and (2) any financial or other interests the investment
24 adviser may have that materially conflict with or are likely to
25 materially impair the investment adviser's duties and responsibilities
26 to the hedge fund or its investors, provided nothing in this subsection
27 shall require the disclosure of information concerning any specific
28 investment unless such disclosure is required under section 36b-4 or
29 36b-5 of the general statutes.

30 (c) The Banking Commissioner may adopt regulations, in
31 accordance with chapter 54 of the general statutes, to implement the
32 provisions of this section."

33 In line 53, strike "3." and insert "2." in lieu thereof

34 In line 56, strike "section 2" and insert "section 1" in lieu thereof

35 In line 161, strike ", as amended by this act"

36 In line 218, strike "as amended by"

37 In line 219, strike "this act,"