



General Assembly

**Amendment**

January Session, 2009

LCO No. 7977

\*SB0095307977SR0\*

Offered by:  
SEN. MCKINNEY, 28<sup>th</sup> Dist.

To: Subst. Senate Bill No. 953

File No. 171

Cal. No. 180

(As Amended)

**"AN ACT CONCERNING HEDGE FUNDS."**

1 After the last section, add the following and renumber sections and  
2 internal references accordingly:

3 "Sec. 501. For purposes of section 1 of this act, an investment adviser  
4 has a material conflict of interest if such investment adviser has reason  
5 to believe or expect that such investment adviser, such investment  
6 adviser's spouse or dependent child or a business with which such  
7 investment adviser is associated will derive a direct monetary gain by  
8 reason of such investment. "Business with which such investment  
9 adviser is associated" means any sole proprietorship, partnership, firm,  
10 corporation, trust or other entity through which business for profit or  
11 not-for-profit is conducted in which the investment adviser or member  
12 of such investment adviser's immediate family is a director, officer,  
13 owner, limited or general partner, beneficiary of a trust or holder of  
14 stock constituting five per cent or more of the total outstanding stock

15 of any class, provided an investment adviser or a member of such  
16 investment adviser's immediate family shall not be deemed to be  
17 associated with (1) the hedge fund for which such investment adviser  
18 is acting as an investment adviser, or (2) a not-for-profit entity solely  
19 by virtue of the fact that the investment adviser or member of such  
20 investment adviser's immediate family is an unpaid director or officer  
21 of the not-for-profit entity. "Officer" means the president, executive or  
22 senior vice president or treasurer of such business."