**Section 130.844 Statement of Financial Condition to Be Filed By a Registered Investment Adviser Which Retains Custody of Client's Cash or Securities or Accepts Pre-Payment of Fees in Excess of $500.00 Per Client and Six (6) or More Months in Advance and Interim Financial Statements**

a) Each registered investment adviser which retains custody of client's cash or securities or accepts pre-payment of fees in excess of $500.00 per client and six (6) or more months in advance shall file a statement of financial condition (balance sheet) and interim financial statements, in such detail as will disclose the nature and amount of assets and liabilities and the net worth of the investment adviser, as follows:

1) the statement shall be filed annually as of the date of its fiscal year end or of an audit date selected by and reported to the Securities Department;

2) the statement shall be filed no later than the first day of the fourth month after the date of its fiscal year end or of the selected audit date;

3) the time period covered by the statement shall be the twelve month period immediately following the date of the most recent audited statement; and

4) should an investment adviser elect to change its audit date, a written request for variance from the filing period covered by the statement shall be filed in accordance with Section 130.190 of this Part with the Securities Department in Springfield, Illinois. The request shall include each reason for the change. An unaudited statement shall be filed with the Securities Department and be as of the date of the investment adviser's selected audit date. If the investment adviser is required to file an audited statement it shall encompass the entire period of time which has elapsed since the most current filing of an audited statement.

5) For purposes of this Section, the term "audit date" shall mean the date selected and reported to the Securities Department by the investment adviser for fulfilling the filing requirement of this Section.

b) The statement of financial condition shall consist of a signed independent auditors' report, a balance sheet and notes to the financial statement, if any. The statement of financial condition shall be accompanied by the cover page, if any, designated by the Securities Department.

c) The Secretary may, at his or her discretion, require any investment adviser to file an interim statement of financial condition as of a date selected by the Secretary. Such statements shall be audited by an Independent Certified Public Accountant if the investment adviser retains custody of any client's cash or securities or accepts pre-payment of fees in excess of $500.00 per client and six (6) or more months in advance.

d) If an unaudited statement of financial condition is filed, the statement shall contain the following oath or affirmation: "I hereby attest that the information contained in this statement of financial condition is true and correct to the best of my knowledge."

1) The oath or affirmation filed by an investment adviser shall be deemed acceptable even though it varies from the language set forth above unless the oath or affirmation does not contain a specific reference that the information is true and correct and unless the Securities Department notifies the investment adviser in writing of its objection.

2) The oath or affirmation shall be made before a person duly authorized to administer oaths or affirmations. If the investment adviser is a sole proprietorship, the oath or affirmation shall be made by the proprietor; if a partnership, by a general partner; or if a corporation, by a duly authorized officer.

e) Each statement of financial condition, except the independent auditors' report, the balance sheet and notes, if any, shall be deemed confidential when filed with the Securities Department. The independent auditors' report, the balance sheet and notes, if any, shall be a matter of public record and available to the public upon written request.

f) Anything to the contrary notwithstanding, all of the information contained in any statement of financial condition shall be available to any federal, state or local law enforcement agency, any state or federal financial regulator or any self-regulatory organization registered under any federal law upon written request to the Securities Department.

(Source: Amended at 14 Ill. Reg. 5188, effective March 26, 1990)