

INVESTMENT FUNDS ALERT

D.C. CIRCUIT DELAYS EFFECTIVENESS OF ITS JUNE 23 DECISION



In an unusual move, the D.C. Circuit has of its own initiative delayed the effectiveness of its June 23rd decision striking down the SEC's rule requiring hedge fund managers to register as investment advisers. The order issued by the D.C. Circuit withholds the issuance of a mandate to the SEC making its decision effective until seven days after the earlier of (i) the expiration of the period for filing a petition for rehearing en banc by the D.C. Circuit or for appeal to the Supreme Court and (ii) the disposition of any such appeal. As a result of the D.C. Circuit's order, the SEC's registration rule will remain in effect until August 7 at the earliest unless the SEC announces that it will not seek rehearing or Supreme Court review prior to that time and the court enters a new order releasing its mandate. During the interim, the rule remains in effect as a technical matter and therefore managers must consider themselves subject to its requirements until the mandate is released.

We will continue to monitor the situation and will let you know if there are any further developments.

CONTACT INFORMATION

If you have questions or would like to learn more about this topic, please contact the partner who represents you, or:

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