

## SEC Charges 13 Private Fund Advisers for Repeated Filing Failures

On June 1, 2018, the Securities and Exchange Commission (SEC) announced settlements with 13 registered investment advisers who repeatedly failed to file Form PF over multi-year periods.<sup>1</sup> In the settlement orders, the SEC highlighted the importance of the information collected on Form PF to financial regulators, including to the SEC's examination and investigation programs and its investor protection efforts relating to private fund advisers.<sup>2</sup> The SEC has been receiving information from the forms since July 2012, and the filings are used to help monitor industry trends, inform rulemaking, identify compliance risks, and target examinations and enforcement investigations.

Pursuant to Rule 204(b)-1 of the Investment Advisers Act of 1940 (Advisers Act), registered investment advisers who manage private fund assets of at least \$150 million are required to file and periodically update Form PF. Information required to be reported on Form PF includes information regarding the adviser's identity and assets under management and information regarding the size, leverage, and performance of all private funds subject to the Form PF reporting requirements. Large advisers — defined as private equity advisers with at least \$2 billion in assets and hedge fund advisers with at least \$1.5 billion — must submit more detailed information and are required to file every quarter.

The no-admission settlement orders, which involved advisers of various sizes, imposed the same sanctions for each private fund adviser's violation of the reporting requirement of the Advisers Act. Specifically, each order imposed a civil penalty of \$75,000, while also recognizing that each adviser remediated its reporting failure by making the necessary filings.

These settlements show that the SEC remains focused on policing even the most technical of violations and serve as a stern warning that advisers to private funds should ensure that they are timely filing their Form PF and that the information contained in their Form PF is accurate and complete.

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**If you need assistance with filing your Form PF, please contact Christopher Bellini at [cbellini@cozen.com](mailto:cbellini@cozen.com) or (612) 260-9029 or Ingrid Welch at [iwelch@cozen.com](mailto:iwelch@cozen.com) or (215) 665-4616.**

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- Corporate Governance & Securities
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<sup>1</sup> Press Release, U.S. Sec. & Exch. Comm'n, SEC Charges 13 Private Fund Advisers for Repeated Filing Failures (June 1, 2018).

<sup>2</sup> See, e.g., *In the Matter of Bachrach Asset Management Inc.* (Jun. 1, 2018).