

**AMENDMENT TO THE DISCUSSION DRAFT OF OCTOBER
1, 2009 [PRIVATE FUND INVESTMENT
ADVISERS REGISTRATION ACT OF 2009]
OFFERED BY MR. HENSARLING OF TEXAS**

Page 10, after line 2, insert the following new section (and redesignate succeeding sections accordingly):

SEC. 7. EXEMPTION OF HEDGE FUND ADVISERS.

Section 203 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3) is amended by adding at the end the following new subsection:

“(1) EXEMPTION OF AND REPORTING BY HEDGE FUND ADVISERS.—The Commission shall identify and define the term ‘hedge fund’ and shall provide an adviser to such a fund an exemption from the registration requirements under this section. The Commission shall require such advisers to maintain such records and provide to the Commission such annual or other reports as the Commission determines necessary or appropriate in the public interest or for the protection of investors.”.