

FINNY initially registered with the SEC under the Internet Adviser Exemption and, within its first year of registration, underwent a new registrant examination by the SEC.

Following its examination, the SEC Staff concluded that the Adviser's activities do not constitute providing investment advice. Based on the SEC's findings, FINNY's activities do not constitute providing "investment advice" under Section 203A of the Investment Advisers Act of 1940.

FINNY's website connects RIAs with potential clients, and while it employs AI to suggest matches, the Staff determined these activities do not amount to delivering investment advice to clients. This determination was made even though the firm receives fees for its services.

The SEC Staff also noted that the Adviser does not provide investment advice through any channel, does not manage accounts, and has no assets under management. As such, the firm does not meet the criteria under Section 203A of the Advisers Act to remain registered with the SEC as an investment adviser, nor is the firm required to be registered with any State. Importantly, the SEC did not require FINNY to act as a solicitor, since no investment advice is given and no adviser-client relationship is formed through its services. Based on these findings, the SEC Staff requested that the Adviser withdraw its registration by filing Form ADV-W through FINRA's Investment Adviser Registration Depository (IARD).

This means FINNY can continue operating exactly as it does today – as a research and automation platform for RIAs, publishing educational content, and earning fees for its services - without the need for SEC registration. FINNY's business model is fully outside the scope of SEC investment adviser or solicitor regulations. As confirmed by the SEC in the below letter, FINNY's activities are considered matchmaking and marketing support for RIAs, not investment advisory services, and therefore do not trigger the registration, solicitation, or related compliance requirements under federal securities laws.

**I. Failure to Qualify for Commission Registration as an Internet Investment Adviser–  
Section 203A and Rule 203A-2(e) of the Investment Advisers Act of 1940**

Section 203A of the Investment Advisers Act of 1940 (the “Advisers Act”) generally prohibits investment advisers that have less than \$100 million in regulatory assets under management (“RAUM”) from registering with the Commission, subject to certain limited exceptions. Under Rule 203A-2(e) of the Advisers Act (the “Internet Adviser Exemption”), an adviser may register if it provides investment advice to its clients exclusively through an interactive website. An interactive website is a website in which computer software-based models or applications provide investment advice to clients based on personal information each client supplies through the website.

The Adviser’s registration with the Commission was effective as of September 12, 2024, by relying on Rule 203A-2(e) of the Advisers Act. The rule requires that an adviser “provides investment advice to all of its clients exclusively through an operational interactive website at all times.” Specifically, Rule 203A-2(e)(2) of the Advisers Act describes digital investment advisory service as “investment advice to clients that is generated by the operational interactive website’s software-based models, algorithms, or applications based on personal information each client supplies through the operational interactive website.”

The Adviser acts as a promoter or solicitor for other registered investment advisers (“RIAs”), and states that in doing so, the Adviser provides investment advice as part of its business model. The Adviser operates through an interactive website <https://www.finnyai.com/> (“FINNY”) and considers the RIAs it provides a service to, its clients. However, the examination revealed that the Adviser does not provide any investment advice to RIAs. Rather, the Adviser provides a recommendation of prospective clients to RIAs but no interaction is held with such potential prospects. In addition, the Staff understands that you publish articles/blogs on the FINNY website, however, you do not consider the information presented on the website to be investment advice.

Since the Adviser is matching RIAs to prospects, it is the Staff’s opinion that the Adviser is not providing invest advice to clients. In addition, since the Adviser does not provide investment advice through its website or by any other means and does not maintain any accounts or assets under management, it appears that the Adviser does not meet the requirements of Section 203A of the Advisers Act to remain registered as an investment adviser with the Commission. Consequently, the Staff requests that the Adviser file a Form ADV-W through the Financial Industry Regulatory Authority’s (“FINRA”) Investment Adviser Registration Depository (“IARD”) to withdraw its registration with the Commission. Please provide the Staff with a copy of the Adviser’s Form ADV-W with its response to this letter.

In the event the Adviser does satisfy its requirements to remain registered with the Commission, the Staff requests the Adviser to take corrective actions on the deficiencies and weaknesses in controls noted below.