

**BENTLEY SECURITIES CORPORATION**

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October 5, 2009

Ms. Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street NE  
Washington, D.C. 20549-1090

**Re: Release IA-2910  
File S7-18-09:  
Political Contributions by Certain Investment Advisers**

Dear Secretary Murphy,

Bentley Securities Corporation, a FINRA-registered firm, was formed in 1991. The group consists of 26 experienced investment bankers, all of whom have at least 20 years of experience in investment banking and related fields. All of the 26 senior professionals have their Series 7 and Series 63 licenses.

Whereas we support the proposed ban on political contributions (the "pay to play" schemes), we are concerned that the many public entity Limited Partners ("LPs"), smaller and emerging General Partner fund managers ("GPs") and professional placement agents would be made to pay for the sins of the few if the proposed ban on the use of placement agents by public entity LPs and their advisors goes into effect.

In this letter, we would like to explain our activities on behalf of smaller and emerging GPs, both domestic and international, and how this is valuable to public entity LPs and their advisors.

Professional, registered placement agents serve two constituencies: their GP client, by whom they are hired to raise commitments, and the institutional LPs that commit to those funds. Although paid only by the GP, a professional placement agent also has to treat the LP with the utmost respect for the LPs responsibilities, needs and resources and attempt to conduct itself in a manner that is helpful to the LP so that the LP will continue to want the placement agent to present fund clients.

From the standpoint of the institutional LPs, many of whom are public pension funds and other public entities, and from the standpoint of advisors to these entities, the professional placement agent performs the valuable functions of:

- Introducing smaller and emerging GPs to whom LPs might not otherwise have access.
- Screening the funds that are presented to LPs, making sure that the funds meet their investment criteria.
- Presenting only “institutional quality” GPs, meaning GPs that have worked together, have a reasonable and attributable track record, and know how to work with and on behalf of institutional investors.
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- Preparing the GP to know what is important to the LP, including what their responsibilities will be post-commitment with respect to reporting, transparency, etc.
- Performing due diligence on the GP in preparation for the due diligence of the LP and making sure that all materials are available to the LP, that there is transparency, and that no pertinent facts or events have been obscured.
- Serving as a professional point of contact for the LP to be able to voice concerns or needs which can then be explained to the placement agent’s GP clients.
- Overall, making every effort to make the introduction, review, due diligence and commitment process as efficient as possible for the LP, because placement agents are aware that many LPs have extremely limited resources.

In fact, looking just at the review process, it is hard to imagine how the LPs could field the number of inquiries that would come their way were there not a placement agent to screen a portion of these inquiries. At Bentley we receive over 150 inquiries per year from funds seeking to raise capital commitments, but only a small fraction of these meet our criteria for being presented to institutional LPs because we are aware of their stringent requirements.

For the smaller and emerging GP, we basically act as their marketing and distribution department, which a small or emerging GP cannot afford to have in-house. In this capacity we perform the valuable tasks of:

- Assisting in the preparation marketing and presentation materials with appropriate disclosure in areas of importance to an institution
- Working with the GP’s lawyers to prepare the Private Placement Memorandum
- Working with the GP and their lawyers to prepare complete due diligence materials
- Explaining how institutions operate and what their responsibilities will be in the future in terms of reporting, transparency, etc.

- Working with the GP to improve their presentation skills
- Identifying and subsequently introducing the GP to appropriate institutions that will have an interest in their fund and arranging meetings
- Following up with LPs request for additional information and due diligence
- After fund closing, arranging investor update meetings

The GPs with whom we work are generally raising \$100 to \$500 million. Most do not have the sophistication to raise their own funds without a placement agent to organize the marketing. Because they are at the smaller end of the range of funds, they invest in smaller companies, and they use their own expertise, or the expertise of their Advisory Boards, to grow these companies thus creating jobs. After a first closing we continue the marketing efforts to complete the fund while our GP clients can focus on investing the money already raised and monitoring their portfolio of investments. Many of these smaller funds would likely not be raised without the assistance of a placement agent.

In addition to our placement activities in representing U.S.-based GP fund managers, we have also been active in representing both European and Asian GPs, typically with funds in the \$100 to \$500 million range. Frequently, these managers have raised some money in their local market, but they have little knowledge as to which institutional investors should be approached in the U.S. market and how the process should be managed from a logistics and travel standpoint. Many U.S. institutional LPs have significant allocations for both European and Asian managers and are interested in meeting high quality managers from Europe and Asia.

When we work with foreign clients, we generally spend the first several months preparing the client before arranging meetings with U.S. LPs. This initial phase typically includes the following:

- Verification of overseas fund background and management team experience to ensure that the fund does have a legitimate track record and will meet the standards required by U.S. LPs
- Review of key documents to be presented in the U.S. such as the Placement Memorandum, presentation (PowerPoint) document and other marketing materials
- Due diligence and preparation of due diligence materials
- Work with the GP's U.S. lawyers to confirm that the fund can be legally offered to U.S. LPs on a private placement basis
- Identification of U.S. LPs that have allocations for Europe or Asia, as appropriate, in the various U.S. institutional categories. (endowments, pension funds, insurance companies etc.)

- Selection of U.S. LPs with allocations and interest in investing in the size range offered
- Assistance in the preparation of an Executive Summary that is the initial piece sent to U.S. LPs in support of request for meetings during U.S. ‘road shows’
- Planning and arranging meetings with interested investors, typically six weeks in advance of the trip,

In the next phase, we generally travel with the management team to co-ordinate the various travel needs, meet the various U.S. LPs and assist the Fund in following up on requests from U.S. LPs for additional materials, clarification on specific questions and requests for ‘due diligence’ materials. We also initiate and co-ordinate second meetings in the U.S. or at the fund location overseas, and we generally facilitate the co-ordination of law firms, accounting firms and others involved in the investment approval process.

Apart from the above functions, placement agents help non-U.S. GPs and U.S. LPs in another very practical way. Non-U.S. GPs have great difficulty initiating and following up on requests for meetings and materials because of the time differences. (This is especially true for Asian GPs where the time difference is 12+ hours.) Moreover, U.S. LPs are likewise in an awkward position if they have an interest in a fund and would like to talk to the principals. For these very practical reasons, the services of a placement agent like Bentley can help both parties operate more efficiently.

In short, our work is to act as a catalyst and coordinator for GP fund managers and potential U.S. institutional LPs. If the GP fund managers are large, they will typically have relatively good knowledge of the U.S, institutional market and usually in-house marketing and distribution capabilities to perform the functions described above. Below that range, U.S., European and Asian managers increasingly seek to hire FINRA registered firms such as Bentley to assist them with an increasingly lengthy and time consuming process.

In summary, we support the objectives of the SEC to end “pay to play” practices. We also welcome any recommendations that would lead to greater transparency between our GP clients, Bentley and the institutional LP investors. However, we urge maintaining professional FINRA-registered placement agents as we truly believe that they add value to all the participants in this market.

Respectfully submitted,

Bentley Securities Corporation

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By: Lore Monnig

Managing Director