

**Teacher Retirement System  
of Texas**

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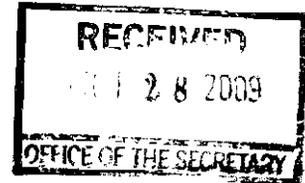
EXECUTIVE DIRECTOR  
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CHIEF INVESTMENT OFFICER  
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October 12, 2009

Elizabeth M. Murphy, Secretary  
Securities & Exchange Commission  
100 F. Street, NE  
Washington, DC 20549-0609



File No. S7-18-09: Political Contributions by Certain Investment Advisors

Dear Madam Secretary:

This letter is written to oppose regulation as proposed regarding placement agent interaction with public funds. It is my opinion that the current suggested regulations would prove to be an overly aggressive reaction and not in line with the benefits and interaction typical with placement agents. I certainly recognize the historical and potential risks associated with the practice of third party marketing. That said, the current recommended approach by the SEC of simply banning private placement agents would have negative impacts. We support and allow communication with all registered agents and discourage the practice of engaging with unregistered agents.

The commission's proposal to ban placement agents would deprive pension plans with more20limited resources, who are dependent on outside entities like placement agents, from performing due diligence and analytical analysis. Ideally, any given fund would conduct this work internally but realistically, a third party will provide such services.

As a pension plan that invests in the emerging manager space, a placement agent ban would prove a large barrier to the pension universe as many of these firms lack the operating budget to have internal marketing capabilities. Without the third party marketers, the emerging and minority managers would not be visible and dealt a massive set back.

In closing, it is in the best interest of pension plans and the asset management community in general to continue allowing the services of registered placement agents that operate in full view of all regulatory bodies, their clients and within their firms. TRS welcomes reforms brought on by recent pay-to-play scandals but urges the SEC to react responsibly and act in the best interest of the industry.

Sincerely,

T. Britton Harris  
Chief Investment Officer