



DIVISION OF  
TRADING AND MARKETS

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

April 1, 2010

**Via Facsimile and U.S. Mail**

Laurie A. Cerveney  
Bingham McCutchen LLP  
One Federal Street  
Boston, MA 02110-1726

**Re: Highbury Financial Inc. Request for Exemptive Relief from Rule 10b-17 of  
the Exchange Act  
File No. TP 10-22**

Dear Ms. Cerveney:

This is in response to your letter dated April 1, 2010, as supplemented by telephone conversations with the staff of the Division of Trading and Markets (the "Division"), with regard to your request for exemptive relief. I have attached a copy of your letter to avoid reciting the facts that it presents. Unless otherwise noted, the defined terms in this letter have the same meaning as in your letter of April 1, 2010.

On the basis of your representations and the facts presented, particularly that all of the applicable conditions of Rule 10b-17 will be satisfied except subparagraph (b)(1)(v)(a), that FINRA has expressed approval of the proposed notice arrangement, and that there has been public disclosure regarding the Special Dividend and its estimated amount,<sup>1</sup> and without necessarily concurring in your analysis, the Commission hereby grants an exemption from Rule 10b-17 to allow Highbury Financial Inc. ("Highbury") to provide notice to FINRA regarding the Special Dividend at least ten days prior to the record date without specifying the exact cash amount to be paid per share, subject to the following conditions:

1. Highbury will provide notice to FINRA at least ten days in advance of the record date for the Special Dividend, and this notice will fulfill all of the applicable requirements of Rule 10b-17 with the exception of subparagraph (b)(1)(v)(a) of the Rule;

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<sup>1</sup> This public disclosure includes Highbury's Current Report on Form 8-K filed on December 14, 2009, Highbury's press release dated December 14, 2009, AMG's Registration Statement on Form S-4 filed on January 15, 2010, AMG's Registration Statement on Form S-4/A filed on February 2, 2010, AMG's 424(b)(3) prospectus filed on February 24, 2010, Highbury's Current Report on Form 8-K filed on March 29, 2010, and Highbury's press release dated March 29, 2010.

2. In this notice, Highbury will provide the most up-to-date, accurate, and narrow range of the estimated cash per share for the Special Dividend as is available at the time;
3. In this notice, Highbury will set forth the method for calculating the per share cash amount of the Special Dividend in accordance with the Merger Agreement;
4. Highbury will notify FINRA of the exact amount of cash to be paid per share pursuant to the Special Dividend as soon as possible and no later than April 13, 2010;
5. Upon request of the Division, Highbury or AMG will disclose to it any information and documentation related to the exemptive relief, including the determination of the actual Special Dividend amount;
6. Upon request of the Division, Highbury or AMG will transmit the information specified in item (5) above to the Division at its offices in Washington, D.C. within 30 days of its request;
7. Highbury or AMG will retain all documents and other information required to be maintained pursuant to this exemption for a period of not less than two years from closing of the Merger;
8. Representatives of Highbury or AMG will be made available (in person at the offices of the Division or by telephone) to respond to inquiries of the Division relating to such records; and
9. Except as otherwise exempted herein, Highbury will comply with the requirements of Rule 10b-17.

The foregoing exemptive relief is based solely on the representations and facts presented in your letter dated April 1, 2010, and any different facts or conditions may necessitate a different response. Any transaction must be discontinued, pending representation of the facts for our consideration, in the event that any material change occurs with respect to any of those facts or representations. The relief granted is strictly limited to the application of Rule 10b-17(b)(1)(v)(a) to this transaction and is dependent on fulfillment of all required conditions. In addition, this position is subject to modification or revocation if at any time the Commission or the Division determines that such action is necessary or appropriate in furtherance of the purposes of the Exchange Act.

I also direct your attention to the anti-fraud and anti-manipulation provisions of the Exchange Act, particularly Sections 9(a), 10(b) and Rule 10b-5 thereunder. Responsibility for compliance with these and other provisions of the federal or state securities laws must rest with persons relying on this exemption. The Division expresses

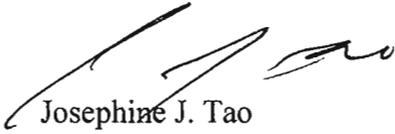
Ms. Laurie A. Cervený

April 1, 2010

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no view with respect to any other questions that the proposed transaction may raise, including, but not limited to, the adequacy of disclosure concerning and the applicability of any federal or state laws to, the proposed transaction.

For the Commission,  
By the Division of Trading and Markets,  
Pursuant to delegated authority,

A handwritten signature in black ink, appearing to read "J. Tao", is written over the typed name.

Josephine J. Tao  
Assistant Director  
Office of Trading Practices  
Division of Trading and Markets

Laurie A. Cerveny  
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April 1, 2010

Josephine J. Tao, Esq.  
Assistant Director  
Division of Trading and Markets  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

**Re: Highbury Financial Inc. Request for Exemptive Relief from  
Rule 10b-17 promulgated under the Securities Exchange Act of  
1934, as amended**

Dear Ms. Tao:

We are writing this letter on behalf of our client, Highbury Financial Inc., a Delaware corporation (the "Company"). As previously discussed with members of the staff of the Division of Trading and Markets (the "Division") of the Securities and Exchange Commission (the "SEC"), the Company intends to declare a special dividend (the "Special Dividend") payable immediately prior and subject to the closing of a merger pursuant to the Agreement and Plan of Merger (the "Merger Agreement"), dated as of December 12, 2009, by and among Affiliated Managers Group, Inc., a Delaware corporation publicly traded on the New York Stock Exchange ("AMG"), Manor LLC, a newly formed Delaware limited liability company and a wholly-owned subsidiary of AMG ("Merger Sub"), and the Company, whereby the Company will merge with and into the Merger Sub (the "Merger") and the Company's separate corporate existence will cease.

Pursuant to Rule 10b-17 ("Rule 10b-17") promulgated under the Securities Exchange Act of 1934 (the "Exchange Act"), as amended, an issuer's failure to provide at least 10 days' advance notice (the "Notice") to the Financial Industry Regulatory Authority ("FINRA") of the record date relating to certain events, including the declaration of dividends, stock splits or reverse stock splits, or rights or other subscription offerings shall constitute a manipulative or deceptive device or contrivance. The Notice must include certain specific information set forth in Rule 10b-17(b)(1). Rule 10b-17(b)(2), however, provides that the SEC, upon written request or upon its own motion, may exempt an issuer, either unconditionally or on specified terms and conditions, from compliance with subparagraph (b)(1) of Rule 10b-17.

In connection with the Special Dividend and on behalf of the Company, we hereby respectfully request exemptive relief pursuant to the SEC's power under Rule 10b-17(b)(2) from subparagraph (b)(1)(v)(a) of Rule 10b-17 (which requires that the Notice include the amount of cash per share to be paid as the Special Dividend). The Company believes that such exemptive relief is appropriate because: (1) the Company has and will satisfy the purpose and intent of Rule 10b-17 by providing FINRA with at least 10 days'

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notice of the record date for the Special Dividend and will include within the Notice the most up-to-date, accurate and narrow range of the estimated cash per share for the Special Dividend as is available at the time, and the method for calculating the Special Dividend under the Merger Agreement; (2) the Company will provide to FINRA the exact amount of the Special Dividend as soon as possible prior to payment of the Special Dividend, and no later than April 13, 2010, which combined with the 10 days' notice of the record date for the Special Dividend would result in no "manipulative or deceptive device or contrivance"; and (3) the relief will enable the Company to conduct business with its stockholders consistent with the information which has been previously disclosed to them and will allow the Company to maximize stockholder value by maximizing the amount of the Special Dividend. The Company requests relief following discussions with SEC staff and FINRA staff.<sup>1</sup> Further, the Company has been informed by FINRA that, even with the relief requested, FINRA will have sufficient time to put the market on notice of the Special Dividend.

Upon request of the Division, the Company or AMG will disclose to it any information and documentation related to the proposed relief, including the determination of the actual Special Dividend amount. Upon request of the Division, the Company or AMG will transmit the information specified above to the Division at its offices in Washington, D.C. within 30 days of its request. The Company or AMG will retain all documents and other information required to be maintained pursuant to this exemption for a period of not less than two years from the closing of the Merger. Representatives of the Company or AMG will be made available (in person at the offices of the Division or by telephone) to respond to inquiries of the Division relating to such records.

### **Background Information**

As originally announced in the Company's Current Report on Form 8-K filed on December 14, 2009, at the effective time of the Merger, all outstanding shares of the Company's common stock (other than shares owned or held directly by the Company and dissenting shares) will be converted into the right to receive an aggregate of 1,748,879 shares of AMG common stock, subject to reduction in certain circumstances as more fully described in the Merger Agreement.<sup>2</sup>

In addition, immediately prior to the closing of the Merger, subject to applicable law and the terms of the Merger Agreement, the Company's board of directors intends to declare the Special Dividend, payable in cash on the closing date of the Merger, to all holders of

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<sup>1</sup> The Company has also had similar discussions with the Depository Trust Company.

<sup>2</sup> In addition to the December 14, 2009 Current Report on Form 8-K, additional information about the transaction was filed with the SEC in AMG's Registration Statement on Form S-4 filed on January 15, 2010, AMG's Registration Statement on Form S-4/A filed on February 2, 2010 and AMG's 424(b)(3) prospectus filed on February 24, 2010, which includes the Company's definitive proxy statement in connection with its special meeting of stockholders to approve the Merger, and in the Company's Current Report on Form 8-K filed on March 29, 2010.

record of shares of the Company's common stock immediately prior to the effective time of the Merger in an aggregate amount equal to the Company's working capital (net of the Company's liabilities, excluding any deferred rent or certain contingent liabilities, and estimated Merger related transaction expenses, such as unpaid fees to financial advisers and other consultants, severance, stay bonus and other payments to employees upon the closing of the Merger) as of the end of the calendar month prior to the closing of the Merger, minus \$5.0 million. The Company's press release dated December 14, 2009, filed with its Form 8-K, estimated that, assuming an April 30, 2010 closing, the Special Dividend would be in the range of \$0.34 to \$1.09 per share, depending on the number of outstanding Company warrants exercised prior to closing. In the Registration Statement on Form S-4/A filed on February 2, 2010 and the 424(b)(3) prospectus filed on February 24, 2010, the Company estimated that the Special Dividend would be in the range of \$1.06 to \$1.11 per share. The Company's press release dated March 29, 2010, filed with its Form 8-K, estimated that, assuming the conditions to the Merger contained in the Merger Agreement are either satisfied or waived by March 31, 2010, the Special Dividend would be in the range of \$0.99 to \$1.04 per share.

All conditions precedent to the Merger are expected to be completed by March 31, 2010, with the closing of the Merger required to occur 10 business days later on April 15, 2010<sup>3</sup>. Pursuant to the Merger Agreement, the Company will have five business days to calculate the Special Dividend and AMG will have three business days to review and dispute this amount. The Company has informed us that with its best efforts, calculating the Special Dividend will take several business days, since its principal operating subsidiary will need to collect information from several sources. Thus, given the length of time the Company will need to calculate the Special Dividend and the AMG review period, the Company will not be able to determine the exact amount of the Special Dividend within sufficient time prior to the record date to comply with Rule 10b-17(b)(1)(v)(a). Accordingly, absent relief, the Company would be required to postpone the record date and payment of the Special Dividend, as well as the closing of the Merger.

#### **Justification for Relief**

##### *1. The Company Will Satisfy the Purpose and Intent of Rule 10b-17*

The Company has satisfied the purpose and intent of Rule 10b-17 based on its prior disclosures regarding the Special Dividend, and will continue to update the market as to its best estimate of the range for the Special Dividend. The Company will provide a Notice in compliance with Rule 10b-17, subject to its inclusion of the most up-to-date, accurate and narrow range of the estimated cash per share for the Special Dividend as is

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<sup>3</sup> April 15, 2010 is determined by counting the 10 business days beginning April 1, 2010, excluding weekends and April 2, 2010 (Good Friday), which are not considered "business days" pursuant to the Merger Agreement.

available at the time, and the method for calculating the Special Dividend under the Merger Agreement in lieu of the exact amount, which exact amount it will provide supplementally to FINRA as soon as possible thereafter, and no later than April 13, 2010.

According to the SEC release adopting Rule 10b-17, failure of a public company to provide sufficient announcement of a record date may have “a misleading and deceptive effect on both the broker-dealer community and the investing public” and without proper notice, those who purchase the securities and their brokers may not have sufficient knowledge of their rights or how to protect their interests.<sup>4</sup> In the context of dividends, confusion may occur when holders sell without sufficient notice of the record date.<sup>5</sup>

However, Rule 10b-17 also provides for the possibility of an exemption from its requirements. Such an exemption will only be granted “in special circumstances where the purposes of the rule are not applicable” and where FINRA “does not need the report to enable it to adequately disseminate the information to its members and the investing public.”<sup>6</sup>

Here, the Company has kept the market informed about the Special Dividend. First, in December 2009, with the press release announcing the Merger Agreement, and later in February 2010 with the filing of AMG’s Registration Statement on Form S-4/A and its 424(b)(3) prospectus containing the Company’s proxy statement. The Company will comply with all other requirements of Rule 10b-17, other than including in the Notice the precise amount of the Special Dividend. In light of the substantial information that already has been released to the market, and in light of the fact that the Company will comply with all of the remaining requirements of Rule 10b-17, the purpose and intent of Rule 10b-17 have been and will be fulfilled by the Company. The SEC has provided relief when issuers have taken similar efforts to adhere to the purpose and intent of Rule 10b-17. For example, in the Request for No-Action Relief by The Vista Organization Partnership, L.P. (Jun. 2, 1986), the issuer intended to distribute cash monthly in an amount sufficient to enable its holders to pay tax liabilities based on their allocations, but it was impossible to determine prior to the end of the tax year whether any tax liability existed and thus impossible to determine whether any cash to cover such liability would be distributed. As a solution, the issuer agreed to announce the record date of the possible distribution 10 days in advance of each calendar month, announced the method for determining the amount of the cash distribution, and argued that since no one could predict whether or not there would be a tax profit or loss, the market could not be adversely effected. Also, similar to the issuer in the Request for No-Action Relief by MACRO Securities Depositor, LLC (Jul. 1, 2008), the investing public and broker-dealer community will be aware of the record date for the Special Dividend and of the Company’s estimate of the range for the Special Dividend.

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<sup>4</sup> See Securities Exchange Act Release No. 9192 (June 7, 1971).

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

2. *Inability to Provide the Precise Amount of the Special Dividend in the Notice is not a Manipulative or Deceptive Device or Contrivance*

The Company's inability to provide the precise amount of the Special Dividend in the Notice is not a "manipulative or deceptive device or contrivance". The Company has and will continue to promptly release information regarding the estimated amount of the Special Dividend and will provide a Notice in compliance with all other aspects of Rule 10b-17. Stockholders will know the record date of the Special Dividend and will have the most up-to-date, accurate and narrow range of the estimated cash per share for the Special Dividend as is available at the time, and the method for calculating the Special Dividend under the Merger Agreement in lieu of the exact amount, allowing them the ability to make informed investment decisions. There is no intent by the Company to delay the communication of the Special Dividend amount or to deceive investors in any way. In fact, on the contrary, the Company is motivated to expediently calculate the Special Dividend in order to close the transaction on April 15, 2010 and to maximize the amount of the Special Dividend by reducing transaction costs associated with an extended closing date. The Company is not trying to benefit by withholding information from the market, but, instead, has openly disclosed information regarding the transaction to the market and to investors and is soliciting relief from the SEC in advance of the 10 day notice period, showing both its good faith and desire to comply with the law in order to close the Merger as contemplated and to maximize stockholder value.

3. *Granting an Exemption Will Enable the Company to Conduct Business with its Stockholders Consistent with the Information that has been Previously Disclosed and Will Prevent Harm to the Company's Stockholders*

The Company seeks to ensure that the Merger closes in accordance with the Merger Agreement and to maximize the amount of the Special Dividend. A delay in the closing date beyond April 15, 2010 in order to comply with subparagraph (b)(1)(v)(a) of Rule 10b-17 increases the risk to the Company's stockholders that the Merger may not close and would likely reduce the Special Dividend. A delay in the closing increases expenses to the Company, including professional and advisory expenses, which reduces the amount of the Special Dividend under the terms of the Merger Agreement. It should be noted that, although the anticipated closing date is April 15, 2010, 10 business days after the end of the month when the closing conditions will likely be completed, this identical issue would exist if the closing were to be delayed a month or a number of months, due to the mechanics of the Merger Agreement and the process of calculating the Special Dividend. Thus, compliance with subparagraph (b)(1)(v)(a) of Rule 10b-17 is impracticable and the Company respectfully believes relief is appropriate.

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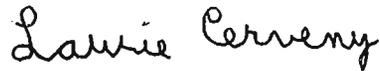
**Conclusion**

For the reasons discussed herein, consistent with the SEC's authority to grant exemptive relief pursuant to Rule 10b-17(b)(2), we respectfully request that the Company be exempted only from the requirement of subparagraph (b)(1)(v)(a) of Rule 10b-17, provided the Company acts in a manner consistent with that set forth herein.

In view of the parties' intention to close the Merger on or about April 15, 2010, we respectfully request your response as soon as possible. If for any reason you do not concur with our conclusion, we would appreciate the opportunity to confer with members of the SEC by telephone prior to any written response to this letter.

If you have any questions or require any additional information in connection with this request, please contact the undersigned by telephone at 617-951-8527 or my partner, J.Q. Newton Davis, at 617-951-8383.

Sincerely yours,



Laurie A. Cerveney

cc: Angela Moudy  
Victoria Crane  
Securities and Exchange Commission

R. Bradley Forth  
Highbury Financial Inc.

J.Q. Newton Davis, Esq.  
Bingham McCutchen LLP