Abbott Capital
Management, LLC

1211 AVENUE OF
THE AMERICAS
SUITE 4300
NEW YORK, NY
10036-8701
212-757-2700 *tel*
212-757-0835 *fax*

ABBOTT CAPITAL

November 16, 2010

Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Attention:
Jennifer McHugh, Counsel to Chairman Shapiro
Christian Broadbent, Counsel to Commissioner Walter
Smeeta Ramarathnam, Chief of Staff to Commissioner Aguilar
Zachary May, Counsel to Commissioner Aguilar
Scott Kimpel, Counsel to Commissioner Paredes
Vanessa Countryman, Counsel to Commissioner Casey
David Vaughan, Investment Management Division

Ladies and Gentlemen,

Abbott Capital Management, LLC is a registered investment adviser with a 25-year history of investing in private equity and venture capital funds on behalf of institutional investors, including public pension plans, ERISA plans, foundations, endowments and other classes of institutional investors. As a member of the National Venture Capital Association, we have been kept abreast of the efforts of the NVCA to assist the Securities and Exchange Commission with its efforts to define "venture capital" in light of the recently enacted Dodd-Frank Bill. We have been advised by representatives of the NVCA that the SEC would find it helpful to receive input from institutional investors such as Abbott Capital on this topic.

Abbott Capital, as an investor, believes that the venture capital industry incorporates those firms that manage funds making minority investments primarily in the equity securities of early and mid stage pre-IPO companies developing new and innovative products and services. Venture investment rarely involves significant or material amounts of leverage. Venture-backed companies are generally unprofitable at the time of investment and have little, if any, access to the capital markets for funding. Abbott Capital Management believes that firms that predominantly invest in such early and mid stage companies and provide them the necessary capital to grow should fall under the exemption created for venture capital firms under the Dodd-Frank Bill.

The "portfolio companies" financed by venture capital firms represent little systemic risk to the United States economy. These companies are generally small but their existence creates thousands of jobs in often high-value industries, such as healthcare and technology. As a matter of public policy, the Unites States should continue to recognize the desperate need filled by these companies to maintain a competitive and innovative edge compared with the rest of the world. By way of example, leading-edge U.S. companies once backed by venture capital firms include Cisco, Amgen, Genentech, Google, Apple, Starbucks, Ciena, Ebay, Oracle, YouTube, Sun Microsystems and Yahoo!

Clearly, SEC registration would not cause capital to completely dry up for these kinds of investments. However, many venture capital firms are small and nimble, with lean in-house staff, which permits them to focus on their core mission of seeking out and assisting in the development of new and innovative companies. The cost/benefit analysis applicable to SEC registration for venture capital firms does not support the need for registration as Abbott Capital, and the other investors in this area, are sophisticated investors, have well defined criteria for venture investing, and already engage in deep due diligence efforts to determine which firms have the capability to appropriately and successfully invest in this kind of space. As an SEC registrant, we appreciate the commitment of time and resources required by a firm that is registered, and we are concerned that these regulatory obligations could potentially distract venture capital firms from their core mission of communicating with and responding to investors and finding the innovative companies we want them to support.

The vast majority of venture capital funds are funded by long-term sophisticated investors that require routine disclosure and accountability. Venture capital firms and their investors are partners seeking a similar outcome. Investing in venture capital does not incorporate the characteristics evident in hedge funds such as short term investment and little, if any, personal relationship between the partners.

Abbott Capital Management is supportive of the venture capital exemption under the Dodd-Frank Bill and appreciates the opportunity to provide input to the SEC on this important topic. We hope that our comments here will help the SEC clarify which firms should fall under the definition of venture capital firms under this bill. We remain at your disposal, and should you have any further questions please do not hesitate to contact Thad Gray (tgray@abbottcapital.com) or Mary Hornby (mhornby@abbottcapital.com).

Respectfully submitted,

Thaddeus I. Gray
Managing Director
Chief Investment Officer
Abbott Capital Management, LLC