

21 March 2022

U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

RE: Amendments to Form PF to Require Current Reporting and Amend Reporting Requirements for Large Private Equity Advisers and Large Liquidity Fund Advisers; RIN 3235-AM75

To Whom It May Concern,

The Private Equity Stakeholder Project (PESP) is a financial watchdog organization that researches and reports on private equity investments and their impacts on various communities.

PESP appreciates the opportunity to comment on the Securities and Exchange Commission's proposed amendments to Form PF. We believe that amending the form to provide greater transparency will allow the Financial Stability Oversight Committee (FSOC) to better monitor risks in the [REDACTED], large hedge funds and private equity firms. Additionally, although the information collected in Form PF is currently confidential, we urge you to consider including public disclosure of events and data that are in the public interest as part of the amendments.

Among other changes, the proposed rule requires current reporting regarding a number of key events that might negatively affect investors or the larger financial system. We applaud this change and believe that it will help FSOC to react more quickly to potentially risky scenarios than if it had to wait on quarterly reports to receive such information. Specifically, regarding large private equity firms, events such as general partner removal and investor-led fund/investment fund terminations can sometimes signal systemic issues if the removal or termination is "for-cause" (e.g., violations of securities laws, fraud, embezzlement, gross negligence, etc.).

Large private equity firms do not operate in a vacuum, and the actions of the general partner can, and do, directly affect the performance of a fund's portfolio companies. Those actions can in turn reverberate down to affect employees at these companies, let alone patients, consumers and other stakeholders depending on the fund's specific strategy. Therefore, the public has a cognizable interest in having access to such information if events like general partner removal or fund termination happen as a result of behavior that could harm the economy. Therefore, we propose that for-cause key events be

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included as a potential trigger for the SEC to publicly disclose (1) the existence of the key event, (2) the affected fund's investment strategy, and (3) the description and number of controlled portfolio companies under that fund's control (together the "Publicly Disclosable Information"). This limited disclosure would notify the public of key events that may negatively affect the economy and to which sectors and companies such events apply.

If our suggestions were to be implemented, we trust FSOC to use its discretion in determining what for-cause key events may be appropriate for triggering the Publicly Disclosable Information. However, we would suggest that any for-cause key event that has negative implications for a sector of the economy should create a rebuttable presumption of Publicly Disclosable Information when considering the totality of the circumstances. We also trust the SEC's discretion in determining the best method to make the Publicly Disclosable Information available to the public (e.g., publishing such information on its website).

We appreciate the opportunity to comment on the SEC's proposed amendments to Form PF. We support the steps the SEC has taken in this proposal to require greater internal transparency regarding the systemic risks that large hedge funds and private equity firms may pose to the larger financial system. We also encourage you to make the Publicly Disclosable Information available to the public if such information may serve the public interest. If you have any questions or feedback about or comment, please contact our Policy Coordinator, Chris Noble, at [REDACTED].

Best,



Jim Baker,
Executive Director



Chris Noble,
Policy Coordinator