



Vanessa A. Countryman  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090  
Via email: [rule-comments@sec.gov](mailto:rule-comments@sec.gov)  
File Number S7-03-22

Dear Ms. Countryman:

The Regulatory Action Center at FreedomWorks Foundation is dedicated to educating Americans about the impact of government regulations on economic prosperity and individual liberty. FreedomWorks Foundation is committed to lowering the barrier between FreedomWorks citizen activists and the rule-making process of government agencies to which they are entitled to contribute.

On behalf of millions of activists nationwide, FreedomWorks Foundation appreciates the opportunity to offer these comments regarding the Securities and Exchange Commission's (SEC) proposal to impose extensive new regulations and reporting requirements on private equity. The SEC's goal is to provide "transparency" to investors regarding private funds.

If finalized, this proposal would represent—as Commissioner Hester Peirce noted—a "sea change" from the SEC's primary mission of protecting small retail, "mom-and-pop" investors. Private fund investors are wealthy individuals and knowledgeable institutions such as pension funds. Yet the SEC would divert scarce resources away from protecting small investors to shielding those who can take care of themselves. This is a misuse of taxpayer resources. Either the SEC's traditional mission will suffer, or Congress will have to provide more funding. Neither alternative is acceptable.

Second, this proposal further blurs the regulatory lines between public and private markets. Onerous government overregulation of public markets has pushed start-up companies into private equity and venture capital, where they can secure funding at a lower cost. Imposing an expensive regulatory regime on private capital will, of course, mean the financing costs for new

businesses will go up—and some start-ups that would be funded will not be. What breakthrough innovations will never come to fruition because the SEC decided to protect sophisticated investors from risks they willingly and knowingly take?

President Biden's tax-and-spend agenda is stalled in Congress, so executive branch agencies are rushing to legislate through regulation, creating red tape and rewriting the securities laws governing private markets and private companies. Imposition of these burdens on small private companies will harm America's competitiveness—and ultimately inflict costs on American workers. And for what reasons? Evidently, the SEC believes it is more important to mandate via government fiat the favorable terms public pensions want when investing in private equity—and push private companies into complying with “woke” dictates—than it is to promote economic growth.

Respectfully submitted,

Beverly McKittrick  
Director, Regulatory Action Center  
FreedomWorks Foundation