

April 25, 2022

VIA ELECTRONIC SUBMISSION

Vanessa A. Countryman  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street NE  
Washington, D.C. 20549-1090

**Re: Private Fund Advisers; Documentation of Registered Investment Adviser Compliance Reviews (SEC Release No. IA-5955; File No. S7-03-22 (February 9, 2022)).**

Dear Ms. Countryman:

Steamwork Ventures, LLC (“Steamwork”) thanks you for the opportunity to comment on the Securities and Exchange Commission’s proposed rules (the “Proposal”) regarding investment advisers to private funds. Founded in 2021, Steamwork is a Los Angeles-based venture fund investing in early-stage tech for good companies. We invest in startups that positively impact wealth, health, or the climate.

The Biden Administration actively expresses alignment with the approach we are taking to address societal, economic and environmental shortcomings, by way of impact investing. Consequently, the Administration’s agenda will be thwarted by the SEC’s proposed extensive new rules, which distort the foundation by which private fund managers conduct business. As a firm, we feel that many of the rules were proposed without proper due diligence and an analysis that considers new entrants, especially impact focused, diverse emerging fund managers.

The Proposal fails to consider the strain on resources and the burden placed on diverse emerging fund managers as we are starting to gain traction. Many of us do not have the capacity to respond to the proposed rules and rely heavily on outside counsel, which can result in exorbitant costs at present or as a deferred fee. As such, the inability to charge fees for the increased regulatory compliance, examinations, and investigations place additional constraints on resources that would otherwise be used to identify viable investments and ensure investors realize appropriate returns.

Other concerns include but are not limited to prohibiting managers from seeking indemnification, or limited liability in the event of an unforeseen incident. The SEC’s plan to eliminate the standard of care typically applicable to investment advisers, which at present holds a private fund sponsor liable for willful and egregious behavior. The gross negligence standard is critical to venture capital, which as an asset class is fundamentally designed to encourage risk-taking by sponsors so that the investors might generate greater returns than they may experience with other classes. Investors will require managers to put in their own capital to align interests and balance the risk/reward profile when many of the newer managers lack the personal

resources to do so. Additional standards of care beyond willful and egregious behaviors would quash their ability to take necessary, efficient, and mitigated risks.

As mentioned, this is not an exhaustive list of concerns. Rather, this is an immediate response based on our initial assessment of the proposal. Hopefully this letter is helpful to the Commission as it reconsiders this important proposal.

Respectfully submitted,

Steamwork Ventures, LLC

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