

JOEL A. ADLER

**VIA ELECTRONIC MAIL**

10 February 2011

United States Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549-1090

Re: Release No. IA-3145 (File No. S7-05-11): Reporting by Investment  
Advisers to Private Funds and Certain Commodity Pool Operators and  
Commodity Trading Advisors on Form PF

Ladies and Gentlemen:

I respectfully submit this letter in response to a request by the Securities and Exchange Commission (the “Commission” or “SEC”) for comments regarding the above-referenced proposing release. I am confining my comments to the Glossary.

Cash and cash equivalents – The term “bank” should be defined, perhaps by reference to Securities Act of 1933, Section 3(a)(2) or Securities Exchange Act of 1934, Section 3(a)(6) or another definition peculiar to Proposed Form PF (“PF”). In light of the global reach of PF and the securities industry participants that will be affected by it, the definition of a “bank” would seem important.

Committed capital – This term, which is a yardstick for other elements of PF, e.g., the definition of Hedge fund, warrants a definition that reflects industry practice. Capital commitments either are secured (often by a standby letter of credit or equivalent) or unsecured. It would seem that an unsecured capital commitment should be subject to an appropriate haircut, unless made by an investor that meets certain prescribed financial standards; e.g., a large institutional investor or sovereign wealth fund.

Unfunded Commitments – It would seem appropriate that in the calculation of Unfunded Commitments, an unfunded commitment of an investor that has defaulted upon a capital call should be reduced to zero. The same treatment should apply to an investor, the Capital Commitment of which has been excused, in part if not in whole, due to legal constraints; e.g., limitations on ownership of media companies, Sharia law restrictions and similar exigencies.

Value – The Glossary ought to have rules, or at least strict guidelines, as to how and when “value” is determined when dealing with assets and liabilities denominated in a currency other than the United States Dollar. It might be a snapshot at the last banking

day of the reporting period or perhaps better, given the volatility of the foreign exchange markets, an average for the period covered by the report.

The source of the exchange rate could be the Noon Buying Rate of Exchange as quoted by the Federal Reserve Bank of New York for customs purposes of the average interbank rate as reported by a broadly recognized provider such as OANDA.

Respectfully,

Joel A. Adler  
Member of the Bar of the State of New York