

MEMORANDUM

To: File No. S7-09-09

From: Vivien Liu
Division of Investment Management

Date: Aug. 14, 2009

Re: Meeting with Mr. Hill, Principal of Pinnacle Advisory Group, Inc.

On Aug. 14, 2009, staff of the Division of Investment Management met with Mr. John R. Hill, principal of Pinnacle Advisory Group, Inc. regarding recently proposed amendments to rule 206(4)-2 under the Investment Advisers Act of 1940. The staff of the Division of Investment Management included Sarah A. Bessin and Vivien Liu.

The meeting focused primarily on the potential impact of the proposed amendments on medium-sized and small-sized advisers. The meeting also discussed other issues regarding the proposed amendments.