Ms. Elizabeth M. Murphy
Secretary Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Dear Ms. Murphy:

I am writing to comment on the proposed rule "Political Contributions by Certain Investment Advisers" dated August 3, 2009. As part of this Rule, Placement Agents would be barred from contacting government pension funds on behalf of their clients. We agree making political contributions to gain access to government pension funds is wrong but placement agents are not the problem.

Placement agents offer services on a contract basis to work with fund managers on a broad mandate contacting institutional investors on their behalf. Our business is highly competitive and time consuming for us as well as for our clients. We work closely with our clients to prepare offering documents and marketing materials (subject to legal review), develop strategic plans, coach presentation skills, advise clients throughout the marketing period and introduce fund managers to potential institutional investors.

Placement agents are critical to fund managers who can neither afford to hire an in house marketing team or have the time to raise the capital. These fund managers are investment professionals with a niche strategy and track record within a specific investment sector. These fund managers are not marketers nor do they have the contacts or resources to canvass the institutional community and complete the subsequent follow up. Their job is to find good investments so they often hire a professional placement agent to represent them.

Public pension funds will be adversely affected if the SEC adopts this rule. The placement industry brings hundreds of varied investment strategies to public pension funds, their consultants and advisors. If this rule is instituted, pension plans will not have access to as many fund managers including fund managers with compelling strategies and track records. This decision against placement agents will lead to a lack of competition creating a "quasi monopoly" – advantaging bigger fund managers with their own marketing departments. It will result in a lack of capital for the small business owner who creates jobs and increases the tax base -- at least half of GDP. A ruling against placement agents will hurt the same groups the SEC is trying to protect.

As for "pay to play" --- in the New York State example as cited in the proposed rule, fund managers hired a political operative (finder) to secure capital from one source. As reported in a number of articles in the media, these same fund managers paid "settlements" to the state of New York. After paying the "settlements" these funds are still managing NYS pension assets, collecting management fees and have the additional upside to earn a percentage of the profits. Isn't this "pay to play"?

I support your view to institute the part of MSRB rule G-37, that was designed to prevent advisers from participating in pay to play practices. I also suggest that if a Placement Agent firm hires a lobbyist or political employee the firm must report to FINRA and register that employee. Rule 3012 can be amended to include these individuals and these employees should be placed on heightened supervision for two years.

In conclusion, I ask the commission not to punish legitimate small businesses who are adding value to pension funds by creating more competition; bringing managers who may have a strategic fit within a pension portfolio; and saving time by working with pension fund consultants to expedite needed information and manager due diligence. Also, remember Placement Agents are paid directly by their clients – there is no impact on tax payers or pension funds.

Respectively,

Robert G. McGroarty
Managing Partner
Bridge 1 Advisors, LLC