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September 25, 2009

Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File No. S7-18-09: Comments on Proposed Rule - Political Contributions by
Certain Investment Advisors

To Whom It May Concern:

Wrightwood Capital is a real estate finance and investment company with a long history of providing debt and equity capital to middle-market commercial and multi-family real estate owners and operators throughout the United States. Headquartered in Chicago, Wrightwood Capital has a national presence with approximately sixty employees locally and in six regional offices: Connecticut, Dallas, Houston, Los Angeles, Newport Beach and San Francisco.

In January 2009, Wrightwood Capital completed fundraising for Wrightwood Capital High Yield Partners II, a real estate mezzanine and equity fund with \$243.1 million of capital commitments from a variety of institutional and high net worth investors. Fundraising concluded at the peak of the capital and credit market dislocation and would have been impossible without the assistance of a placement agent – in our case, Park Hill Real Estate Group, an affiliate of the Blackstone Group. At every stage of the process, from fund formation, through due diligence and at each closing, Park Hill delivered invaluable assistance in the process and their efforts were critical to our successful completion of fundraising.

When we launched High Yield Partners II, Wrightwood Capital was an emerging manager and did not have the infrastructure to support a full-time fund marketing team. While we had previously raised capital for two small industrial funds and a small equity fund, our investor profile was primarily made up of friends, family and two non-public institutions. The relationships we had cultivated, although helpful and longstanding, were not instrumental in opening the doors we needed to access the type and quality of institutional investors required for a fund the size of High Yield Partners II. As a result, we made the decision to retain Park Hill to assist us with taking High Yield Partners II to market.

Even with our recent fundraising success, we remain an emerging manager that is unknown to many institutional investors. As such, we will continue to require the assistance of placement agents for the foreseeable future as we establish an identity and reputation among institutional investors and build our fund



September 25, 2009
Page 2

management business, the success of which is critical to the company's overall continued success. By allowing placement agents to function, they allow firms like Wrightwood Capital to participate in the institutional investor marketplace – something they would otherwise be unable to do on a cost-effective basis.

Park Hill enabled Wrightwood Capital to engage in a national and international fundraising effort and, more importantly, introduced Wrightwood Capital to the pension funds, endowments, foundations, consultants and insurance companies with whom we had little or no relationship with or foray to gain entry. These introductions would not have been possible without Park Hill or a placement agent of its caliber, as these investors have historically relied on the selectivity and disciplines of reputable placement agents as a means to vet new investment opportunities. Without a placement agent, it would have been terribly challenging, if not impossible, to determine which investors to contact, let alone to gain access to the responsible individuals within these organizations. In the absence of placement agents, investors, who for the most part, have limited staffs, will be challenged to invest in firms other than the largest and most established ones that can afford extensive internal marketing staffs.

As a result of our recent fundraising success and experience working with Park Hill, we clearly understand and appreciate the importance of a reputable placement agent in the fundraising process. Not only do placement agents stake their reputation on the fund sponsors they recommend, lending credibility to the entire process, they also invest significant time and energy, typically sharing the risk of fundraising efforts through success-based fees. As a result of these efforts, public fund investment staffs are offered exposure to new managers without the necessity of separately vetting a significant number of fund sponsors before selecting those most worthy of an institutional capital investment. To thrust this responsibility on public fund investment employees strikes us an overwhelming task for what seem to us to be generally burdened staffs.

That being said, Wrightwood Capital is in favor of a more balanced solution in which placement agents are registered and adhere to certain defined qualifications, while still allowing them to serve in the productive and positive intermediary capacity that has largely been successful to date. We are further supportive of the proposed ban on political contributions as such a ban will afford the public greater comfort with the investment choices being made by the funds in which their pensions and other funds are invested. However, we believe that there is more surgical and less broad-brush solution than the current blanket proposal to prohibit the use of placement agents when soliciting funds from public pension plans. Placement agents have a critical and necessary role to small and mid-sized investment management firms like us. The preponderance of great investment management firms in the world today were once small firms. To limit the opportunities for budding firms effectively grow themselves would be a



September 25, 2009
Page 3

mistake. Further, it risks limiting the opportunities available to state and local pension funds to optimally invest.

In summary, we urge the Securities and Exchange Commission to give further consideration to a more regulated atmosphere within which placement agents may appropriately function, as opposed to a blanket ban on the industry in totality.

We appreciate the opportunity to comment on this important matter.

Sincerely,

A handwritten signature in black ink, consisting of a stylized, cursive "DF" followed by a long, horizontal, wavy line that tapers to the right.

David Friedman
Managing Director, Fund Management