



Ms. Elizabeth M. Murphy
Secretary Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-0609

RE: File No. S7-18-09

Dear Madame Secretary,

We, at XT Capital Partners, are a very small company of four professionals, three women and one man, who are engaged in representing Investment Management firms who decided for a number of reasons not to hire internal resources to help them raise capital from tax exempt institutional investors such as Public Pension Funds. We all have many years experience in this industry and have chosen to be Third Party Marketers because we recognized a great need in the industry for people with our skills. In many cases, Plan Sponsors of Public Pension Funds do not have the resources to find Investment Managers who have the investment strategy and proven track record to help generate returns which will ensure that the assets will be available over the long term to meet the liabilities associated with these funds. For Public Funds, if they can achieve a rate of return that over time exceeds the actuarially determined required rate of return, then the promised pensions can be paid and additional taxes will not have to be levied to meet any shortfall.

We represent outstanding Investment Managers, but many are offering first time funds and are truly “emerging managers” who would not be considered by many Public Pension Funds because, while they are investment professionals, that are not skilled in marketing and sales. Many of these “emerging managers” are minority or women owned firms that need that one chance to demonstrate their skills alongside the well-known, well-resourced and well-capitalized firms. We like other Third Party Marketers are giving these “emerging managers” that one chance.

We have read almost of all the submissions listed on your website regarding S7-18-09 and most of the ones we have read agree that certain of the prohibitions in the proposed rule are valid and supportable. But **all of the submissions disagree with 206(4)-5(a)(2)(i)** for all the reasons so eloquently presented. We too cannot understand why prohibiting the use of Third Party Marketers by Investment Advisers seeking to manage a portion of a Public Pension Fund makes any sense or is a logical conclusion when presented with the facts that a few unethical people associated with one Public Pension Fund engaged in egregious, unlawful behavior.

To propose a ban on the use of hard working, ethical and professional individuals who have dedicated their working life to provide an important function in the Public Pension Fund and investment management industry seems very unreasonable, irrational and unfair. We ask, therefore, that the SEC not only read these submissions, but also take to heart their common message: that the proposed ban on the use of Third Party Marketers is totally inappropriate and wrong.

Respectfully submitted,
XT Capital Partners