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October 2, 2009

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

Re: File Number S7-19-09- Proposed Rule for Political Contributions By Certain Investment Advisors (the "Proposed Rule")

Dear Secretary Murphy,

On behalf of Roark Capital Management, LLC, I am submitting this letter to express my support for a number of initiatives that you have undertaken and to express concern over the unintended consequences of the Proposed Rule.

We agree with you that the prohibition of political contributions by certain investment advisors is appropriate and in the public best interest. The abuses that have occurred are unacceptable and we applaud your efforts to take action. However, we respectfully request the SEC reconsider its proposed ban of legitimate and lawful placement agents, as such a ban would be very damaging to multiple constituencies (including the very people you are appropriately trying to protect).

Problems have arisen because of the illegal behavior by certain municipal employees, fund managers and influence peddlers. These people, and anyone who behaves in this manner, should be punished. Rules should be adopted that enhance disclosure and establish meaningful penalties for those who do not follow the rules. Yet, the vast majority of registered placement agents have operated ethically and thoughtfully, serving the legitimate business interests of fund managers and public fund investors alike. Further, the valuable role that placement agents play has had a very positive impact on the economy and the main constituency of the public funds (i.e. pensioners and retirees). By allowing public funds access to the broadest and best fund managers, the public funds can generate enhanced investment returns, the benefit of which inures directly to the pensioners of those funds. In addition, placement agents help fund managers of different sizes, asset classes, and investment styles. Eliminating the use of all placement agents would result in only the largest fund managers (and therefore only the largest companies) access to public pension fund capital, which would hurt small businesses and the overall economy.

We wholeheartedly endorse any proposal that would:

- require any placement agent to be registered as a broker dealer and be regularly engaged in the business of raising capital as a placement agent
- require enhanced disclosure regarding the services offered between the placement agent and fund manager
- limit placement agents from making political contributions on the same terms as investment advisors

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On the other hand, we hope the SEC will modify the Proposed Rule so that legitimate placement agents can continue to play a crucial role in raising capital, assisting in driving economic growth and employment, and enhancing investment returns for pension funds.

By way of background, Roark is a private equity firm founded in 2001 to invest in middle market companies. We currently have $1.5 billion of capital under management, including investments from various public pension funds and their beneficiaries such as state, local and municipal workers. Approximately 75% of our invested capital has provided liquidity to entrepreneurs and families or growth capital to small businesses. The companies we own employ or support thousands of people in 50 U.S. states and 33 countries.

Roark hired New York based Lazard Freres & Co. LLC as placement agent for two fund raisings (in 2004 and 2007). Prior to hiring Lazard, our investor base was largely individuals whom I had previously known. Our decision to hire a placement agent was based on the fact that our core expertise was investing in companies, helping them grow, and creating value for our investors. We had limited knowledge of the institutional investor market. We did not know who to contact, the best way to communicate with them, or the information that would be required for an institutional investor to make a decision. We had no expertise in finding high quality fundraising professionals nor did we know the rules and regulations in order to manage them properly. We also could not afford to hire a team of fund raisers. Trying to do so would have materially distracted us from our core business. Without the use of a placement agent, we would not have been able to access public pension fund investors and others, thereby denying them a chance to invest with us.

Our decision to select a placement agent was based on their ability to add value to our fund raising effort by assisting us in preparing offering materials, by accessing their knowledge of which institutions had expressed interest in our investment style, and by making appropriate introductions to prospective investors. We were continually impressed by the mutual respect shown between the investors we met and our placement agent. It is clear to us that these relationships were developed over time, founded on trust and transparency, and resulted from a proven ability to contribute to the investment goals of various investors. Institutional investors seemed pleased to meet us and learn about our investment approach. Our placement agent provided significant value to both our investors, who would not have met us without our agent's assistance, and to us, who would not have met our investors without our agent's help.

The Proposed Rules would likely limit all but the largest fund managers from gaining access to public fund investors. The result would be a reduced number of investment alternatives for public pension fund investors. The inability of small or emerging investment managers to access public fund investors would deprive these pensioners of an opportunity to benefit from attractive returns and investment diversity as a complement to their investment portfolio. This approach is core to the objectives of any investment portfolio. It would also have materially hurt the ability of small businesses to access capital needed to invest in their businesses and to grow their employee bases.

An example of the valuable function that intermediaries play in helping our economy work and grow is the role of investment bankers. Investment bankers help companies raise debt and equity financing to facilitate growth and to provide liquidity for shareholders. As intermediaries, the roles of these investment bankers are similar to those of a placement agent. The asset base of public pension funds, the overall economy, and the number of jobs created would all be hurt if investment bankers were eliminated since this action would make it much more difficult for companies to find growth capital and business owners to obtain liquidity. The elimination of legitimate placement agents would have a similar deleterious effect on the economy, job creation and pension fund investors.

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In summary, we hope you will consider our views and our request to eliminate the ban of legitimate placement agents from the Proposed Rule.

Respectfully,

Neal Aronson
Managing Partner

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