RP
REALTY PARTNERS, LLC
Real Estate Acquisition, Finance and Management

October 2, 2009

Dear SEC Chairman and Commissioners:

RP Realty Partners is an institutional investment fund manager focused on the real estate sector, and as such we are aware of the 'pay-to-play' abuses that have recently caused a great deal of controversy in the private equity industry. Although these 'pay-to-play' schemes are unquestionably illegal and we support the SEC's efforts to curb them, we adamantly oppose the proposed solution of banning all placements, as it is: (a) dysfunctional (hurts the very constituents, pension plans, it is trying to protect); (b) unfair (disadvantages all emerging small- and medium-size investment managers); and (c) unjust (devastates an entire industry of professionals based on the actions of a few corrupt individuals).

Like many other real estate investment managers, we started funding our business with our own capital and a select number of high net worth investors. As our success and the investment opportunities grew, it became clear that we were outgrowing our existing investors' capacity to fund our continued growth. At that time, we considered a number of public and private options to advance our business strategy and elected to transition into the private equity institutional investor market. Given our limited experience with this market, we decided to seek out the assistance of an experienced placement agent. Ultimately, we engaged Triton Pacific Capital as our exclusive placement agent and financial advisor to assist us in this important and strategic transition.

Triton Pacific Capital spent innumerable hours assisting us with a wide variety of tasks associated with assimilating and synthesizing data on our historical performance, identifying our strengths and weaknesses, refining an investment strategy that reflected our core competencies and advising us on how to strengthen our reporting processes and transparency. They identified, pre-screened and prioritized hundreds of potential domestic and offshore institutional investors, including public and corporate pension funds, endowments, foundations, etc. Triton Pacific Capital then introduced our firm and our investment strategy to those investors whose objectives best matched ours. They arranged and moderated all of the investor meetings to help keep them on point and coordinated any follow-up items to ensure they were handled in a thorough and timely manner. They advised us on the appropriate structure and terms for our fund, assisted our legal and tax consultants on the offering documents and assisted in the preparation of the presentations, due diligence materials and investor questionnaires. They helped us navigate through the resolution of various investor issues and worked closely with us post-closing to ensure that our investor communications were thorough and consistent with institutional standards. We were successful in our endeavors, and our placement agent, Triton Pacific Capital, played a critical role in that success.

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The industry knowledge, experience and manpower of placement agents, like Triton Pacific Capital, do not reside at our company, nor do I expect it resides at most of the other investment management firms of similar size. As such, if emerging, small- and mid-cap investment management firms are precluded from using placement agents, they will be forced, unjustly, to operate at a significant disadvantage to large investment managers that can afford 'in-house' placement agent professionals.

In our experience, most pension fund investors value placement agents, as they use them to help communicate their investment criteria (such as risk/return parameters, institutional due diligence, track record, and fiduciary responsibilities, etc.) to potential investment managers as a way of helping the pension funds filter out unqualified candidates. Correspondingly, a public pension fund's access to opportunities from emerging, small- and medium-sized investment management firms would be significantly reduced without placement agents, and that cannot be a favorable result to the pension fund's constituents. It would also be safe to assume that the proposed ban on placement agents will certainly cause significant job loss, which certainly is not a welcome result in an already difficult economic environment.

I strongly urge the SEC to eliminate their proposed ban on placement agents and instead adopt the following: (a) require all placement agents to be properly licensed with the SEC and FINRA and operate through a fully licensed Broker Dealer; (b) impose a two-year ban on doing business with any governmental agency to which a prohibited contribution is made by any placement agents, investment advisers and consultants; (c) ban any political contributions to any government entity by any investment manager, consultant or placement agent soliciting business from such government entity; and (d) require governmental entities to revise their investment decision-making structures to reduce the opportunity for government employees who control (or have influencing control over) investment decision making, to perpetrate 'pay-to-play' schemes.

Thank you for taking our views into consideration on this very important matter.

Sincerely,

Jerry Gold

Jerry Gold
Chief Financial Officer