

Elizabeth Murphy
Secretary
Securities and Exchange Commission
100 F Street NE
Washington DC, 20549

File No. S7-18-09: Political Contributions by Certain Investment Advisers.

Dear Ms Murphy:

I would like to comment on the referenced draft rule regarding certain investment advisers, specifically the provision that would ban the use of third party marketers and Private Placement Agents from representing asset managers who provide investment services to State and Local Government pension plans.

I have been in the private equity business for more than 21 years. I was the Director of Private equity at the California State Teachers' Pension Fund for eight and one half years, and then ran a Fund of Funds for the last twelve years. I have dealt with all kinds of Private Placement Agents: the good, the bad and the ugly... To penalize the whole industry for the action of the few bad ones, I believe and in my opinion, is a grave mistake.

The majority of the placement agents that I have dealt with in the last 21 years are honest agents who add a lot of value to the investment process. In addition to setting up and confirming meetings (a time consuming activity to say the least) these agents act as the marketing arm for the various private equity firms they represent; hence, freeing up the time of the general partners to do deals and negotiate transactions. In addition, the majority of these placement agents conduct in depth due diligence on the funds they represent and share the due diligence with the clients. These agents in many cases play an important role in collecting data and sharing that information with the staff of the various potential investors, including public pension funds.

Should political contributions to elected officials by these agents be banned? Yes they should. Should the unethical agents be penalized? Yes they should. Should all of the placement agents pay a price for the misconduct of a few? No they should not.

I urge you to reconsider this ruling.

Respectfully,

Solomon Owayda