October 5, 2009

Elizabeth M. Murphy, Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-0609

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

Dear Secretary Murphy:

I am the owner of Strategic Marketing Solutions Ltd., LLC ("SMS") a small women-owned FINRA registered broker/dealer in California. We act as a full service management and marketing consultant and placement agent to private equity funds seeking to raise capital from institutional investors. The proposed ban by the Securities and Exchange Commission, to prevent placement agents from acting as intermediaries and from being compensated for investments made by public pension funds into the private equity funds we represent is having and will have an extremely negative impact on our business.

For example, one of the funds that we are representing is an emerging manager - majority women and minority owned- planning to invest equity in the renewable and clean energy electric power sector. As a new fund coming to market SMS has assisted this group with all facets of management consulting, including structuring the fund, recruiting, defining and articulating the investment strategy, training the Partners on presentation skills, developing the marketing presentation, drafting the private placement memorandum, drafting an extensive due diligence questionnaire, organizing the track record of prior investments, and, as a critical part of our job – fundraising and attending meetings. Both the State of New York, along with their consultant and the State of Illinois had expressed interest in this fund – however, we have been unable to proceed with our discussions with these prospective investors – and the fund manager has not been able to make further progress on their own. In this case, we have been working sweat equity since October 2008 and will do so up until we achieve a first closing when we are counting on payment to make us whole. In addition, the investment strategy of this emerging manager directly supports Obama's Stimulus Package agenda and if successful would be instrumental in funding renewable and clean energy electric power projects in the U.S. and employing many people in rural and underserved areas.

Those who were involved in the pay-to-play schemes knowingly broke the law and should be held accountable. It is ill advised to eliminate and deregulate an entire industry when it is the reputable broker/dealers that provide an honest and valuable service to the market. Dishonest people who want to break the law will try and finds ways to do so. Some of these dishonest people were "finders" who tell fund managers that they can get them in the door of a certain prospective investor rather than implementing and executing a well-thought out marketing plan that starts by contacting up to 1,000 prospective investors and managing the process to a small group of 20 – 40 that actually invest. These are established relationships that it takes a life time, over the course of a career, to build.

As a FINRA registered broker/dealer we take very seriously the ethical standards that we are held to. There is no doubt that the new rules will dramatically affect the ability of small firms such as ours from successfully launching important and innovative new private equity funds, as described above. These funds do not have the internal staffs to do their own marketing and rely upon groups such as ours to get them known and funded in an increasingly difficult environment. The typical cycle for a small private equity fund is twelve to eighteen months of fundraising or longer, followed by three years of asset acquisition and management. They simply do not need fundraisers in-house the majority of the time. It is cumbersome and certainly not cost effective. Our clients agree to pay us a retainer for the fundraising period as well as a success fee on capital raised that is derived from the management fee that investors pay to the fund. It is a fair arrangement, considering the amount of effort that it takes to raise a fund and that emerging fund managers, for example, do not have any other way to compensate marketers. We work hard and we are honest, as are the vast majority of the people in our field.

If these new rules are permanently adopted, we and others in our industry will be adversely affected. It will also mean that the public pension funds in this country will not be introduced to much of the outstanding talent that exists within the private market. In many cases, some private equity funds will not even form because of the restrictions. This will affect forward progress and job creation across the country. It is our hope that you will reconsider the ramifications of this decision and allow those of us in the industry that do play by the rules to continue to honestly pursue our business.

Best regards,

Patricia Ter Heun
Owner
Strategic Marketing Solutions Ltd.,LLC