October 6, 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:

We are a small placement agent and broker dealer that markets private equity funds to the institutional market. This proposed ban by the Securities and Exchange Commission, to prevent placement agents from being compensated for investments made by public pension funds into the private equity funds we represent, is in our view both unnecessary and counter productive. Those who were involved in the pay-to-play schemes that instigated the proposed ban knowingly broke existing securities laws and should be punished accordingly. It is unwarranted to punish and limit an entire industry for the transgressions of a few. It is fundamentally unfair and, undoubtedly, those who are inclined to play outside the rules will always try to find a way to gain an unfair advantage, no matter what rules are put in place. It is important to point out that the majority of those implicated in these pay-to-play arrangements were not licensed securities professionals. We are a licensed broker dealer and take 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. 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, followed by three to four 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 small percentage of the funds raised. It is a fair arrangement, considering the amount of effort that it takes to raise a fund. 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 play by the rules to continue to honestly pursue our business.

Sincerely,

Brady Pyeatt