CHB | *Capital Partners*

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

Re: File Number S7-18-09 – Political Contributions by Certain Investment Advisers

Dear Ms. Murphy:

We are writing to comment on the SEC proposal addressing "pay to play" issues in the public pension fund arena. We are the founders and Managing General Partners of a Denver, Colorado based private equity firm currently investing our third fund. We have a diverse group of individual and institutional investors and we invest in rapidly growing small businesses. We applaud the efforts of the SEC to address the "pay to play" issue, but believe that banning third party marketers/placement agents from soliciting investments from public pension funds is an inappropriately broad solution.

Third party marketers play a valuable role in supporting fund managers' efforts to access capital from large institutional investors -- including public funds. For small investment managers, like us, that cannot afford internal marketing teams, placement agents are an outsourced resource that provides credible access to an increased set of potential investors and improves both the efficiency and effectiveness of the capital raising process. Without them, we would invest significantly more time in a capital raising process that would have a less certain outcome. This would, ultimately, negatively impact our ability to deploy and manage the capital we raise.

A blanket ban of all placement agents from marketing to public funds is a blow to efficient flow of capital from those funds to small businesses and punitive to legitimate and valuable participants in the capital formation process. That said, we also recognize that neither this benefit nor any other indirect benefit of capital efficiency justifies or provides cover for the influence pedaling and purchase of favors through political donations at the heart of the recent "pay to play" scandals. As such, we think a ban on political contributions for those soliciting investments from public pension funds along with a requirement that all placement agents be registered broker dealers abiding by a specific set of rules would be more appropriate solutions.

Thank you for considering our comments.

Sincerely,

Thomas L. Kelly

John W. Flanigan