Respectfully submitted:

My name is Dayna Gant and I'm the Founder and Managing Director of Apple Lane Group LLC, CRD number [redacted] and my individual CRD number is [redacted]. I've been licensed with Series 24, 7, 22 and 63 for many years and received the designation of Charted Financial Analyst (CFA) in 1997. Until recently I've been working closely with Veritage Group LLC, also a registered broker dealer for over 10 years. I have been raising capital from large tax-exempt institutions on behalf of general partnership teams and institutional asset managers since the late 1980's.

In all the years that I've been calling on public, corporate, endowment and foundation plans, and their advisors and consultants, not only in the alternative space, but also for international quantitative long-only strategies, it wasn't until the story broke last spring that I knew there was something called "pay-to-play." When I asked some of my friends at public pension plans what was going on, they said that there was a certain small set of rogue agents that used influence peddling with trustees and in some cases insiders, to gain business. I asked how this could go on and was told that it was a small circle of folks that conducted business this way and that everyone on the buy side knew who the bad folks were and the rogue agents were routinely dismissed/ignored by the internal investment staff, except allegedly at New York Common Retirement System.

When the NY scandal broke last spring, I was shocked to see my beloved profession attacked. I have spent 20+ years building, painstakingly building my reputation in the industry by always having the highest standards of ethics, integrity, honesty, transparency, intelligence, strong work ethic, skilled selection of exceptional teams to represent, and above all, by maintaining highly professional relationships with the investor groups I work with. I explain to every client that retains my group that the ultimate client is the investor. If we, the collective efforts of my firm and the client's, were to ever, ever compromise any of the above values for one instance, we would be out of business in a heartbeat. To wake up one day and on the front page of the NY Times see Mr. Cuomo refer to my profession as equivalent to that of a used car salesman, is not only demeaning to legitimate used car salesmen, but also to me and other legitimate placement agents. I'm sure there are plenty of used car salesmen that are busy right now in this recession selling cars ethically and feeding their families. Shame on you Mr. Cuomo. But shame on Ms. Shapiro too, (who should know better since she regulated us when she headed up FINRA.) Ms. Shapiro has lumped placement agents and third party marketers along with finders, lobbyists, consultants, solicitors and other intermediaries who are not licensed or regulated like I am. The great majority of placement agent groups are financial professionals associated with B/D's and regulated under FINRA with spotless records. I know what consultants do but I don't know what finders, lobbyists, solicitors or other intermediaries really do. However, I know they don't do what my firm does or they'd be licensed, regulated and ethical. But to add insult to injury, the proposed ban would exclude the general partners themselves! Who thinks that the general partners are ALL morally above board and have nothing to gain by paying to play? Wasn't it the general partners that Mr. Cuomo made pay some pretty big fines for misconduct and accept his hastily put together Code of Conduct? Quadrangle seems to be missing from that group. I just know that several groups paid what must have seemed under public scrutiny to be big fines but to those of us in the business, we know that $20 million was barely a slap on the wrist for Carlyle in order to continue to do business with New York.

My letter will only address the placement agent ban. The banning of political contributions I wholeheartedly agree with and have personally taken that stance my entire working career. That's a no brainer. Just make sure you enforce it and include family members too.

Mr. Cuomo's solution to the problem of "pay-to-play" by banning all agents is so misguided, misdirected, unwarranted and just plain wrong. It seems to me that in order for this type of influence to work you have to have someone to "pay" and "someone to play." That someone "to play" has to be on the inside and doing something against all ethics standards that I'm sure exist at all public plans. So how does the agent ban stop the rogue insider(s) that still may exist?

Many of the other letters go to great lengths to describe how much work we do on behalf of our clients and for the investor groups we work with so that won't be covered here. My team does all of that too. Many other letters do a great job of explaining how the ban will have a tremendously negative effect on the smaller, emerging managers. My group specializes in representing "break out", or "spin out" types of groups, all trying to raise small funds compared to Carlyle. I can offer first hand experience as to why smaller and/or emerging managers will be severely affected. A while back we represented Union Square Ventures, a group formed by two very experienced venture capitalists that never needed to raise capital from third party investors. We did extensive due diligence and decided to take a chance on this breakout group, otherwise known as a "first time fund." We also represented Gold Hill Capital, a seasoned group of investors that spun out of Silicon Valley Bank where they worked. It is exactly these kinds of funds that will never be able to get the attention of public plans should the agent ban go through. If the agent ban was in place, internal staffs would have no choice but to migrate to the large groups since there would be no way to sift through hundreds and hundreds of fund offerings. The names of the partners at Union Square Ventures and Gold Hill Capital were not known at the time to institutional investors. However, because I had developed a strong professional reputation for working with exceptional teams, and for performing very thorough due diligence and extensive documentation of that, I gained the trust of the investor groups to at least give my client's the opportunity to present their investment thesis to the internal staff's and their advisors. Because there was no ban, some very large public plans (and private ones too) now own a piece of Twitter and many other exciting companies through investing with Union Square and some other very large public plans (and private ones too) have been receiving distributions from Gold Hill in an otherwise pretty dry time for distributions. All of which benefits directly the pension plans that invested in each group.

Many of the letters explain how the ban will affect the investment returns since the public plans will have much fewer choices from which to choose investment ideas. And I agree, but there's another problem that Mr. Cuomo hasn't considered, nor has Mr. DiNapoli, who in his letter, thinks that his portfolio hasn't been affected. Should the ban go into place, there are other very large pools of public assets that can be tapped and that would be non-US sovereign wealth funds. More and more wealth funds are opening US offices and expanding into alternative investments. They will have greater access to investment ideas and thus a greater opportunity to generate superior returns than US public plans.

What has gone on in NY and other states is a very real, very serious problem and that element of how to conduct business needs to be eliminated. Why not simply require any and all investment commitments to public plans file fee arrangement disclosure statements with the SEC/FINRA. It's already part of the closing documents in some places. And/or require fee payment disclosure each quarter when the FOCUS reports are filed at FINRA. And/or require all contracts signed by a placement agent or third party marketer be filed with the SEC/FINRA. There are a lot of legitimate placement agents and third party marketers that would love to have regulations in place that eliminate the rogue agents and the insiders they collude with. Let us help you do the right thing for the public plans and the investment teams we work with. All you have to do is ask us. I'm sure you could put together an excellent working committee to put into place reforms and regulations to protect the ultimate beneficiary, the pensioners themselves.

While I wholeheartedly endorse everyone's efforts to eliminate the rogue agents and the people that play their game, can someone in charge take a deep breathe and talk to the folks that work with us every day? I saw very few comments by public plan staff but was told that they couldn't comment personally. But the vast majority of people that I've worked with over the years at public plans quietly tell me that the ban is outrageous. I also saw very few comments by general partners or investment managers. Not sure why more of them haven't come to our defense, but if you call them you'd learn first hand how hard we work, the tremendous value we add, and how respected we are by the also hard working internal staffs of institutional investors of every kind.