HUDSON CLEAN ENERGY

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Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Attention: Ms. Elizabeth M. Murphy, Secretary

Reference: SEC File Number S7-18-09, Political Contributions by Certain Investment Advisers

Ladies and Gentlemen:

We appreciate the opportunity to comment on the SEC's proposed Rule 206(4)-5 to prohibit certain political contributions by certain investment advisers. In order to provide context, Hudson Capital Management (NY), L.P. ("Hudson") formed a private equity fund, Hudson Clean Energy Partners, L.P. (the "Fund"), in 2007 to invest in the dynamic and fast-growing clean energy markets. Global in scope, the Fund invests in renewable power, alternative fuels and energy efficiency in sectors that include wind and solar energy, biofuels, biomass, energy efficiency and storage. The Fund currently has five investments in renewable energy companies, three of which are headquartered in the U.S., with more than 150 U.S. employees in aggregate and growing rapidly.

We agree with and applaud the SEC's regulatory proposals to address "pay to play" practices entered into by certain individuals which undermine the integrity of our markets. We also concur that curtailing the inappropriate actions of certain advisers will "level the playing field" and enhance the legitimate process by which advisers are chosen based on their merits (investment acumen and quality of their services) rather than through influence secured through unethical contributions, direct or indirect, to political officials. However, we believe banning legitimate placement agents from representing clients before municipal investors would be counterproductive and would negatively impact the broader capital formation process across the U.S. It would also meaningfully curb municipal investors' access to fund managers of all types, particularly emerging investment firms such as Hudson, and impair their ability to critically evaluate those managers.

Hudson Clean Energy Partners, L.P. is Hudson's inaugural fund, and Hudson enlisted the services of placement agents to assist in raising the Fund's targeted assets under management of $1 billion. Despite Hudson's founding partners having extensive and well-respected professional histories in the financial services sector, the firm retained the services of legitimate, seasoned, licensed placement agents who provided Hudson valuable services, including among others: (i) assisting in the preparation of offering materials; (ii) introducing Hudson to a broad, global universe of institutional investors; (iii) qualifying potential investor interest; (iv) coordinating the logistics of an extensive roadshow involving several hundred meetings; (v) collecting investor feedback, identifying prospective investor concerns and assisting in objectively addressing them; and (vi) as professional intermediaries, ultimately bringing together investors with an interest in investing in the renewables space with Hudson. Going forward, we expect placement agents to continue to add value by disseminating information regarding the progress of Hudson and the Fund's portfolio companies to our investor base, and to potential investors in future Hudson funds.

Hudson's experience working with bona fide placement agents has been that each has performed its duties with the utmost integrity and professionalism. Indeed, as a direct result of Hudson's relationships with placement agents our fundraising efforts were successful despite (i) Hudson being an emerging manager operating in a highly specialized industry, clean energy, comprised of a number of niche sub-sectors, and (ii) that our fundraise was conducted during what arguably has been one of the most challenging fundraising environments ever.

Based on our direct experience, we strongly believe that the proposed prohibition on engaging legitimate, licensed third party placement agents to solicit state and local government pension plans in the context of a broad overall fundraise would be a case of "punishing the many" due to the unethical behavior of the bad-acting "few". Moreover, one of the negative consequences of such a ban on legitimate placement agent activity would be to disproportionately curtail the ability of smaller, less established investment advisers to compete in a highly competitive, relationship-oriented marketplace. This would likely restrict the future growth of the private equity industry, an industry that directly employs more than 36,000 people in the U.S.[1] and indirectly employs many times more in portfolio companies. Equally important, state and local government pension plans may find that their reduced access to and ability to vet promising new entrepreneurial fund management talent will result in lower potential investment returns.

In conclusion, we strongly support the SEC's proposed policies to eliminate "pay to play" activities and curtail the unethical behavior of certain investment advisers that have tarnished the fundraising process, particularly in the municipal arena. We believe that such measures can be adopted and the desired result achieved while safeguarding the important capital markets role and functions performed by legitimate placement agents, properly licensed and regulated, who provide valuable services to both fund managers and municipal investors alike.

Yours sincerely,

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Managing Partner

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[1] Preqin Research.