

## LEON M. METZGER

March 13, 2007

### By electronic mail

Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

**Re: Prohibition of Fraud by Advisers to Certain Pooled  
Investment Vehicles; Accredited Investors in Certain Private  
Investment Vehicles; S7-25-06**

Ladies and Gentlemen:

The opinions I express below are my own, and do not necessarily represent those of any institution with which I have been or am affiliated.<sup>1</sup>

In general, I support your proposal. I want to make three observations, however:

- The rules should treat “venture capital funds” similarly to “hedge funds,” with regard to the accredited natural person standard.
- The rules should not restrict knowledgeable employees, as appropriate, from investing in the funds that employ them.
- The general solicitation and general advertising rules should be relaxed, as appropriate.

If you have any questions, please feel free to contact me.

Respectfully submitted,

Leon M. Metzger

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<sup>1</sup> By way of reference, I am an adjunct professor at Columbia University and New York University, where I teach hedge fund seminars, and a consultant to the financial services industry. I was associated with Paloma Partners Management Company for 18 years, most recently as its vice chairman and chief administrative officer. I serve as an expert witness on hedge fund matters, and have developed and taught hedge fund courses at the Wharton School and Yale School of Management.