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March 9, 2007

via email (rule-comments@sec.gov)

Nancy M. Morris, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Re: Proposed Rules 216 and 508 Amending the Definition of Accredited Investor
for Certain Private Investment Vehicles (File No. S7-25-06)

Dear Ms. Morris:

We are pleased to respond to the request of the Securities and Exchange Commission (the "Commission") for comments on proposed new Rules 216 and 509 which would revise the definition of "accredited investor" for certain private investment vehicles which qualify for the exemption provided by Section 3(c)(1) of the Investment Company Act ("3(c)(1) Funds"). We want to respond to the observation in Release No. 33-8766 (the "Release") that the proposed new rules would not grandfather current accredited investors so that they could continue to make investments in investment pools in which they are currently invested.

We believe that the Commission's observation that current accredited investors would not be able to make additional investments in investment pools in which they are currently invested has created some confusion. Some 3(c)(1) Funds may provide their current investors with the opportunity to make additional investments in their funds by making new investment commitments. However, many 3(c)(1) Funds permit an investor to fund its initial investment commitment over time by responding to a series of "capital calls." In other words, for the convenience of their investors, many 3(c)(1) Funds do not require investors to make a one time, up-front payment of the full amount of the investors' subscription amount. Rather, each investor commits to purchase one or more units at a fixed purchase price per unit and only a portion of that purchase price is initially paid. The remaining balance of the purchase price (the "Unfunded Commitment") is made in one or more installments on an as-needed basis pursuant to capital calls as determined by the general partner or manager of the 3(c)(1) Fund. Some commentators have interpreted the Commission's proposal not to grandfather existing accredited investors to prohibit these additional capital calls for Unfunded Commitments.

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We believe that investors who qualify under the Commission's definition of an "accredited investor" at the time of their initial investment in a 3(c)(1) Fund should be permitted to continue to make investments in that fund. Otherwise, the Commission would be depriving those investors of benefits they may have anticipated at the time of their initial investment. Changing the rules for such investors after an initial investment has been made would deprive them of those benefits - benefits that may have been an important part of their investment decision.

If the Commission decides not to grandfather existing investors to allow them to make additional investments in investment pools in which they are currently invested, we believe that the Commission should make it clear that 3(c)(1) Funds can continue to enforce their investors' current funding commitments by making additional capital calls for Unfunded Commitments. If investors who satisfied the definition of "accredited investor" at the time they subscribed for units will not be permitted to satisfy capital calls for their Unfunded Commitment because they do not satisfy the Commission's proposed revised definition, many 3(c)(1) Funds would be deprived of the capital needed to accomplish their purposes and objectives. For example, a 3(c)(1) Fund could be prevented from satisfying its diversity or other investment objectives by limiting the capital necessary for further investments. In some cases, a 3(c)(1) Fund could be deprived of the ability to continue operating, to the extent additional capital was required for that purpose. This would have an adverse effect on all investors in the affected 3(c)(1) Funds and could create investment losses for the class of investors the Commission is seeking to protect.

We appreciate the opportunity to comment on the proposed rules, and we would be pleased to discuss any questions the Commission or its staff may have about this letter. Any questions concerning this letter may be directed to Steven W. Smith ((215) 665-3607) in our Philadelphia office.

Sincerely,

Buchanan Ingersoll & Rooney PC

By: 
Steven W. Smith, Shareholder