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November 18, 2010

Elizabeth M. Murphy, Esq.
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: Proposed Rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940
File Number S7-25-10

Dear Ms. Murphy:

We represent a number of single family offices. We are submitting this letter to express the views of a specific single family office on the rule that the Commission must adopt to implement the authority granted to it in Section 409 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") to define the term "family office." As you know, an entity that can comply with the rule will be excluded from the definition of "investment adviser" and will not be subject to registration or regulation under the Investment Advisers Act of 1940 (“Advisers Act”). Because Section 403 of the Dodd-Frank Act repeals Section 203(b)(3) of the Advisers Act on July 21, 2011, this specific single family office strongly supports the timely adoption of a rule under Section 202(a)(11)(G) of the Advisers Act that will exclude single family offices from the definition of "investment adviser."

This specific single family office also supports the analysis in the letter submitted by the Private Investor Coalition Inc. ("Coalition") regarding Proposed Rule 202(a)(11)(G)-1 ("Proposed Rule"); none of these additional comments set forth below is intended to contradict or take away from any of the positions expressed in the Coalition’s comment letter. Rather, these comments on behalf of one specific single family office are meant to clarify and provide specific examples to assist the Commission in having a factual basis for consideration of the amendments to the Proposed Rule that should be made in the process of adopting a final rule.

The concept of "founder" is critical to any analysis of a single family office. It is important for the Commission to recognize that the wealth creator is not always the creator of the family office. The patriarch of this specific family, who was the initial wealth creator, created several trusts for the benefit of his children and future generations of his descendants. The patriarch had four children, so trusts exist for each of the four "branches" of the family.[1] Believing strongly in family unity, the patriarch provided for common trustees of these several trusts to continue through the generations, and those trustee roles are still in place today.

Over the years, these complex irrevocable family trusts created by the patriarch divided further, but continued on for the four branches of the family and still are in existence today. The trust investments of each trust became more complex because of the division of assets and the inclusion of alternative investments. During the third generation of the family, the individual trustees of the now numerous and complex family trusts realized they could no longer manage the trusts without additional support, and created a single family office for the benefit of the patriarch's descendants. From a lineal standpoint, the family members of this third generation who created the family office are technically cousins, but are still direct descendants of the patriarch.

The key factor in determining whether a family office should be required to register as an investment adviser should <u>not</u> be based upon how the family office's ownership is organized or structured, or at what generational level the family office was created, but should instead turn on whether the family office truly serves a single family. In this situation, the existing single family office is wholly-owned by four trusts, each of which represents one of the four branches of the family. Although some family members may be acting as trustee of certain of the various trusts that own the family office, the individual members of the family do not own the family office in their individual capacities. If this specific family office had been formed directly by the members of the family during the second generation, the family office would be exempt from registration under the Proposed Rule. It is not at all clear why, as a policy matter, this single family office should not be considered a "family office" under the Proposed Rule solely because it was created at the third generation and was formed by trustees of trusts that benefit only the members of this family, rather than by the members of the family themselves. There are no other meaningful distinguishing characteristics that would make this single family office any less worthy of being exempted by the Proposed Rule than a single family office that was owned and controlled by solely by members of this very same family.

The manner in which this particular family office was created is, to the knowledge of the

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[1] The patriarch and each of his four children are now deceased.

members of the family and of the professional staff that serves the family, very typical within the family office community. It would be tragic indeed if this specific family office, and those organized like it, were required to file an individual exemptive application under Section 202(a)(11)(H) to seek an order exempting a single family office organized in this manner from all of the provisions of the Advisers Act. A family office formed in this manner must be within the group of family offices that are deemed to be a "family office" within the meaning of the Proposed Rule, or the Commission will have failed badly to fulfill the Congressional mandate in Section 409 of the Dodd-Frank Act.

Thank you for the opportunity to submit this comment on the Proposed Rule on behalf of this specific single family office client.

Sincerely,

Martin E. Lybecker