KIRKLAND & ELLIS LLP
AND AFFILIATED PARTNERSHIPS

300 North LaSalle Street
Chicago, Illinois 60654

Scott Moehrke
To Call Writer Directly:
(312) 862-2199
scott.moehrke@kirkland.com

(312) 862-2000

www.kirkland.com

Facsimile:
(312) 862-2200

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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 S-7-25-10

Dear Ms. Murphy:

We are submitting this letter (this "Letter") on behalf of our client, Sansome Partners, LLC and its affiliates ("Sansome"), regarding the rule that must be adopted by the Commission to implement the authority granted to it under Section 409 of the Dodd-Frank Act ("Section 409") to define the term "family office," and on Proposed Rule 202(a)(11)(G)-1 (the "Proposed Rule") as set forth in Investment Advisers Act Release No. 3098 (the "Proposing Release").

Specifically, we are writing this letter in support of the definition of the term "family office" set forth in the letter written to you on behalf of the Private Investors Coalition, Inc. (the "Coalition") by Martin E. Lybecker (the "Coalition Letter") and the Comments on SEC Proposed Rule Defining Family Offices by the American Bar Association, Section on Real Property, Trust and Estate Law (the "ABA Letter"), and to emphasize our belief that the definition of "family office" should be broadened to include an investment adviser that is not owned and controlled by a single family if it operates primarily for the benefit of a single family. We appreciate the opportunity to provide comments on the Proposing Release and applaud the Commission's efforts to promptly address the mandate of Section 409, which has provided family offices with substantial time between the adoption of any final rule and the effectiveness on July 21, 2011 of the repeal of Section 203(b)(3) of the Investment Advisers Act of 1940 (the "Advisers Act").

Sansome is a private investment firm founded in 1997 and located in San Francisco, California. It is controlled and primarily owned among four principals, and manages and invests the capital of a single family (the "Founder Family") and entities formed for the benefit of such family's members.[1]

[1] The remaining ownership interests of Sansome are held by members of such principals' families and a member of the Founder Family.

We are concerned that Sansome would not be included as a "family office" if the rule is adopted as drafted in the Proposing Release because it is not "wholly owned and controlled directly or indirectly by family members".[2] Consistent with the Coalition's view, we believe that the public policy basis for excluding a single family office from all provisions of the Advisers Act is that a family office is operated for the benefit of a single family (as opposed to investors requiring the protection of the Advisers Act), and that there are legitimate tax, estate planning, and adviser compensation arrangements which justify having an investment adviser that is not "owned and controlled" by the family, but was formed and operates primarily for the benefit of the family.[3] We also note that the prior exemptive orders granted by the Commission are unlikely to capture the range of *bona fide* family office arrangements, because prior to the upcoming repeal of the "fewer than fifteen" exemption of Section 203(b)(3) of the Advisers Act, many investment advisers operating primarily for the benefit of a single family could rely on the "fewer than fifteen" exemption rather than undertaking the exemptive order process.

Accordingly, we suggest that the Commission eliminate the "ownership and control" requirement and adopt the following language submitted by the Coalition: the term "family office" means a company "(i) owned directly or indirectly, (ii) controlled directly or indirectly, or (iii) *operated primarily* for the benefit of the family members."[4]

We also concur with the Commission's observations in its cost-benefit analysis of the Proposing Release that single family offices which cannot satisfy all of the conditions of any final rule will file an application for an exemptive order seeking relief based on that family office's unique circumstances. However, we believe that the final rule could be broadened to cover *bona fide* family offices in order to avoid the administrative burdens of the exemptive order process. Were the Proposed Rule adopted in its present form, for example, Sansome and the numerous family offices that were created primarily for the benefit of the members of a single family but are not "wholly owned and controlled" by the family members would need to seek exemptive relief under Section 202(a)(11)(H).

We thank you for the opportunity to comment on the Proposing Release. Please feel free to contact the undersigned or Omar Akbar at (312) 862-3444 if we can provide further information that would be of assistance.

Sincerely,

Scott A. Moehrke, P.C.

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2 Section 257.202(a)(11)(G)-1(b)(2).
3 Coalition Letter, pp. 10, fn. 15.
4 Coalition Letter, pp. 11.