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November 18, 2010

Securities and Exchange Commission
100 F. Street, N.E.
Washington, D.C. 20549-1090

RE: COMMENTS TO FILE NUMBER S7-25-10;
PROPOSED RULE 275.202(a)(11)(G)-1

Dear Commissioner:

This letter is in response to your request for public comments to proposed rule
275.202(a)(11)(G)-1 (the "Proposed Rule").

I. Background

We represent two sisters ("Sisters") who own 99% of a "family office" structured as a
corporation (the "Family Office"). The remaining 1.0% ownership interest in the Family Office
is owned by a public charity. The Family Office in turn provides investment advice to and
manages assets for a limited partnership (the "Partnership"). The Partnership is owned as
follows: an irrevocable trust for the benefit of a Sister and her descendants owns a 28.2% limited
partnership interest; another irrevocable trust for the benefit of the other Sister and her
descendants owns a 28.2% limited partnership interest; each Sister owns a 21.25% limited
partnership interest; and, the Family Office owns a 1.1% general partnership interest.

We have reviewed the comments to the Proposed Rule submitted by the Lowenstein
Sandler law firm pursuant to a letter dated November 12, 2010 (the "Lowenstein Letter"). We
agree with many of their arguments and reasoning in favor of amending certain provisions of the
Proposed Rule, specifically the arguments set forth on page 7 of such letter regarding the cost
and inconvenience factors associated with seeking exemptive relief from the Commission.
Accordingly, by way of reference thereto, we incorporate such arguments and reasoning set forth
in the Lowenstein Letter herein and urge you to again consider the same in reviewing our
comments as set forth below.

II. Exception to the Requirement of Wholly Owned By "Family Members"
Within the Family Office Context

The requirement that an entity be wholly owned by family members in order to meet the
definition of a family office and in turn qualify for the exemption under the Proposed Rule is too

restrictive. In many instances, an entity (e.g. a limited partnership or a limited liability company) may not be wholly owned and controlled by one or more family members such as when a public charity has received a gift of an ownership percentage in such entity as a donation. Such a gift may be held by the public charity for a short-term period or a long-term period and allows the public charity to benefit from the growth of the entity's assets during such holding period. In this scenario, the public charity would typically be one to which the family members are emotionally attached.

We strongly urge you to consider an exception that would allow the family office to, under certain circumstances, to be partially owned by non-family members. We recommend a twenty percent (20%) threshold for determining such exception, provided that such interests were obtained without any consideration (i.e., a gift). So long as (a) the non-family member owns less than a twenty percent (20%) interest in the family office, and (b) the family office is controlled completely by family members, such an ownership interest in the entity should not disqualify it from continuing to be defined as a family office for purposes of the Proposed Rule.

You note in your discussion of the Proposed Rule that the key to the Proposed Rule is that it was not designed to regulate the interactions of family members in the management of their own wealth, and without the inclusion of such an exception, many families will be unfairly penalized for simply managing their own wealth by including a public charity as a non-controlling owner of the family office entity.

Further, you note in your discussion that the requirement that the family office be wholly owned by family members is to assure that the family is in a position to protect its own interests and thus be less likely to need protections under the Federal securities laws. The proposed exception is structured in a way to retain that protection provided under the Proposed Rule by requiring that (a) the non-family member own less than a 20% interest, (b) the non-family member acquires such interest from the family without any consideration (i.e., a gift), and (c) the family office continues to be controlled by family members.

This exception also answers questions posed at the end of II.A.2 of your discussion of the Proposed Rule. First, the Proposed Rule should permit a minor ownership stake by non-family members for reasons, inter alia, discussed above. Second, the limitations imposed in the proposed revision to Section (b)(2) of the Proposed Rule, which include the ownership limitation, acquisition without consideration (i.e., gift) and lack of control, ensure, along with the other conditions in the rule, that the family office will not operate as a more typical commercial investment adviser.

Therefore, we propose the following:

Sample Proposed Revision to Section (b)(2) of the Proposed Rule:

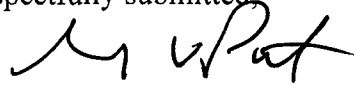
(iv) Is wholly owned and controlled (directly or indirectly) by one or more family members; provided that such company shall be

deemed wholly owned by one or more family members if at least eighty percent (80%) of such company is owned by one or more family members and the remaining interests are owned by one or more non-family members who received such interest without any consideration therefor (i.e., a gift).

III. Conclusion

We believe our proposed revisions to the Proposed Rule (as outlined above) will reduce the substantial fees and expenses to be incurred by a family office in connection with the exemptive order process where family offices are not excluded from the definition of an “investment adviser” under the Investment Advisers Act of 1940. In addition, such revisions should reduce the time and effort to be expended by the Commission in reviewing and responding to individual exemption requests.

Respectfully submitted



Gary V. Post