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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
IA – 3098
File Number S7-25-10

Dear Ms. Murphy:

This letter responds to a request by the Securities and Exchange Commission (the "Commission") for comments on proposed rule 202(a)(11)(G)-1 (the "Proposed Rule")[1] under the Investment Advisers Act of 1940[2] (as amended, the "Advisers Act"). This letter specifically responds to the question posed by the Commission in the release[3] accompanying the Proposed Rule (the "Release") as to whether multifamily offices should be permitted to operate under the "family office" exclusion from the Advisers Act.

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[1] Advisers Act Release No. IA-3098.

[2] 15 U.S.C. 80b.

[3] Advisers Act Release No. IA-3098 at 14.

Our firm represents a number of family offices, including a multifamily office. We have reviewed the letter submitted to the Commission by Lowenstein Sandler PC dated November 12, 2010 with respect to the treatment of multifamily offices contained in the Proposed Rule (the "Letter"). We strongly support the overall position taken by Lowenstein Sandler in the Letter.

The Commission noted in the Release that many multifamily offices are more similar to a typical commercial investment adviser appropriately subject to regulation under the Advisers Act. In our view, a multifamily office comprised of no more than three families that are joining for convenience and to achieve economies of scale bears no resemblance to a commercial investment adviser and should be included within the family office definition in the Proposed Rule.

Consistent with representations made in applications for exemptive relief granted by the Commission to family offices, a multifamily office excluded by the Proposed Rule would not be designed to generate a profit from the fees received for providing advisory services, recognizing that a multifamily office would compensate its employees and persons providing advisory services, which may include family members, for their services. Also, a multifamily office would not hold itself out to the public as an investment adviser.

We propose that each family that comprises the multifamily office have at least 20% of the total assets under management by the office. This threshold would provide each family with a substantial economic incentive to oversee the activities of the multifamily office. In support of the notion that the families should be united in a common venture, we propose that the governance of the adviser by each family should be equal. For example, if two families unite to form a family office, they would each have to agree on the hiring and firing of portfolio managers. Disagreements would be handled in state court or by arbitration or they would sever their relationship. Any fees charged would, in general, be charged to each family in proportion to the assets contributed by the family.[4] Expenses relating to an investment in which only one family invests or that are particular to that family would be borne by that family. This expense allocation eliminates a profit motive and removes the adviser from being a commercial venture. The governance structure and expense allocation methodology should minimize the ability of one family to overreach another family.

We would expect that the families would have a preexisting relationship with each other based upon which they feel comfortable in joining to have their assets managed. The three family maximum proposed in the Letter is small enough that the

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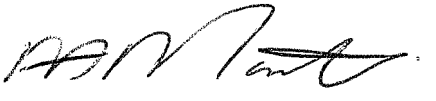
[4] The allocation may not be precise because, among other things, expenses may not be allocated to certain family foundations or family charities.

multifamily office adviser should not be viewed as commercial in nature. The purpose of regulation under the Advisers Act is to protect the public from fraudulent and unscrupulous asset managers. The protections provided by the Advisers Act are not needed for the multifamily office described herein and in the Letter. Each family would have full information as to the arrangement. The expense structure eliminates a profit motive from being part of the multifamily office (other than investment profits) and therefore should not be viewed as a "business" engaged in by the multifamily office. In summary, we do not believe that a multifamily office, limited to no more than three families, structured as described above, should be regulated as an investment adviser under the Advisers Act.

We would be pleased to respond to any inquiries regarding this letter. Please contact me at (212) 373-3034 or Philip Heimowitz at (212) 373-3518 with any questions relating to the above.

Very truly yours,



Marco V. Masotti