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November 18, 2010

Ms. 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 are writing on behalf of one of our single family office clients (“our client”) in support of the submission to the Commission by Martin Lybecker on behalf of The Private Investor Coalition, Inc. (the “Coalition”) commenting on Proposed Rule 202(a)(11)(G)-1 (the “Proposed Rule”).

In addition, we believe the Commission will find the background of our client’s establishment and its structure relevant in drafting of a comprehensive final rule that, as provided in Section 409 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, “recognizes the range of organizational ... structures and arrangements employed by family offices.”

## **Founder**

As pointed out in the Coalition’s submission, the Commission’s final rule must deal appropriately with the concept of “founder.” It is essential that the final rule recognize that a family’s initial wealth creator – the person who should be assigned the status of “founder” – is with some frequency not the person responsible for establishing the family office that serves his or her descendents. For example, our client was established by neither the initial wealth creator nor his children, but rather, as described further below, by trustees serving during the adulthood of the initial wealth creator’s grandchildren. We believe that a family should be given discretion to assign founder status to a specified patriarch or matriarch for purposes of defining family membership.

Our client views the initial wealth creator as the patriarch of the family. He died in the 1930s after creating several irrevocable trusts for the benefit of his children and future generations. The patriarch had four children (all now deceased), thereby giving rise to four “branches” of the family. Certain of the trusts have shared a common trustee since their inception. While for many years the trustees met monthly to discuss administration of the trusts and investment

matters, the third generation trustees reached the conclusion that the family needed a family office to assist the trustees and the family in the administration of the family's financial affairs.

The Proposed Rule poses a problem for our client because the members of the third generation are cousins, not siblings. If the patriarch or his children had founded our client's single family office, all of their descendents would qualify as family members. We do not believe it appropriate that our client would not be deemed to serve the same "single family" simply because trustees serving during the third generation established the family's family office. Our client respectfully requests that the Commission draft a final rule that would cover a large variety of single family office structures, including our client's structure.

### **Ownership and Control**

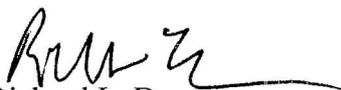
Also as stated in the Coalition's submission, the requirement for a single family office to be both wholly-owned and controlled (directly or indirectly) by family members eliminates a large number of existing family offices. The question as to whether a family office should register as an investment adviser should not be answered by how the family office's ownership is structured but rather if the family office truly serves its family.

In our client's situation, the family office is owned by four trusts, one from each of the four branches of the family. This is not an uncommon structure. Based upon the language in the Proposed Rule, a trust, although it may be a family client, is not a "family member." Accordingly, our client would be required to file an exemptive application with the Commission seeking a registration exemption. We do not believe that forcing a family office with this kind of structure to register as an investment adviser was what Congress intended.

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If you would like to discuss these comments, please call me at 312.984.7613 or email me at [rdees@mwe.com](mailto:rdees@mwe.com).

Cordially,

  
Richard L. Dees

RLD/rml