Abbott Capital Management, LLC

1211 AVENUE OF THE AMERICAS
SUITE 4300
NEW YORK, NY
10036-8701
212-757-2700 *tel*
212-757-0835 *fax*

ABBOTT CAPITAL

January 24, 2011

Via e-mail: rule-comments@sec.gov

Ms. Elizabeth M. Murphy
Secretary
United States Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

RE: File number S7-37-10

Dear Ms. Murphy,

Abbott Capital Management, LLC is a registered investment adviser with a 25-year history of investing in private equity and venture capital funds on behalf of institutional investors, including public pension plans, ERISA plans, foundations, endowments and other classes of institutional investors. As a member of the National Venture Capital Association ("NVCA"), we have been kept abreast of the efforts of the NVCA to assist the Securities and Exchange Commission ("the Commission") with its efforts to define "venture capital" in light of the recently enacted Dodd-Frank Bill. We have been advised by representatives of the NVCA that the Commission would find it helpful to receive input from institutional investors such as Abbott Capital on this topic. We previously provided comments to the Commission in a letter dated November 16, 2010.

We are pleased that the Commission's recent proposal was responsive to initial comments we and other industry participants submitted back in November, and are grateful for the high quality of the Commission's proposed Rule regarding the definition of a Venture Capital Fund ("VCF"). We are writing today to request that you give serious consideration to some additional clarifications in that definition that would better reflect the unique aspects of the venture capital industry and its vital role in the development of high-growth businesses that are essential to job creation and the vitality of the United States economy.

In particular, we are concerned that the proposed Rule would force a VCF to become a Registrant if at any time it has a disqualified activity in any amount. We strongly endorse the NVCA's suggestion that a modest 15% "bucket" for disqualified activities be created as a safe harbor for VCFs. We believe such a safe harbor reflects the diversity of the venture capital industry and would not sacrifice the intent of Congress or impose any systemic risk to the United States economy. We also strongly endorse the primary and technical comments submitted by the NVCA in their letter to you dated January 13, 2011, as we believe they are essential in distinguishing VCFs from hedge funds and allowing VCFs to operate with sufficient flexibility.

Abbott Capital Management is supportive of the VCF exemption under the Dodd-Frank Bill and appreciates the opportunity to provide input to the Commission on this important topic. We hope that our comments here will help the Commission clarify which firms should fall under the definition of VCFs under this bill. We remain at your disposal, and should you have any further questions please do not hesitate to contact Thad Gray (tgray@abbottcapital.com) or Mary Hornby (mhornby@abbottcapital.com).

Respectfully submitted,

Thaddeus I. Gray
Managing Director
Chief Investment Officer
Abbott Capital Management, LLC