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January 24, 2011

VIA EMAIL TO: rule-comments@sec.gov

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

RE: Comments to Proposed Rules – File No. S7-37-10

Dear Ms. Murphy:

On behalf of our clients, we write in response to the request for comments on Release No. IA-3110 (the "Implementation Release") and Release No. IA-3111 (the "Exemption Release" and together with the Implementation Release, the "Releases"), File No. S7-37-10. We appreciate the opportunity to comment on these proposed amendments (the "Proposed Rules") to the Investment Advisers Act of 1940 (the "Advisers Act") as a result of the mandates in Section 403 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act").

There exist certain closely-held U.S. entities ("Advisers") that provide investment management services to multiple investment funds ("Funds"). The Funds advised by these Advisers are managed by separate entities ("Managers"). These Managers utilize substantially the same investment strategy among the Funds, employ the same individuals, operate out of the same location, and are owned by the same individuals. Separate entities were set up to address certain legal and liability concerns raised by key investors. Under the Proposed Rules, these Advisers, who have been exempt from registration under the "private issuer exemption" in the current version of the Advisers Act, will now be required to register with the Commission. We respectfully request that the final version of the Proposed Rules (the "Final Rules") include a provision that explicitly allows the Advisers' registration to satisfy the registration requirement, if any, of their Managers.

The Releases contemplate the need for clarification and flexibility regarding situations in which advisers and subadvisers operate in tandem to serve clients, as the Commission has sought comment regarding a subadviser's ability to take advantage of registration exemptions if the subadviser's services to the primary adviser relate solely to funds covered by that exemption and if the other conditions for the exemptions are met.[1] Analogously, we believe that managers of funds under registered Advisers should not be required to register individually.

Not only do we believe that such treatment of Managers is consistent with the Commission's treatment of subadvisers of exempt advisers under the Proposed Rules, but we believe that requiring such managers of funds under registered Advisers to register individually would be an unnecessary hardship. The time and cost involved in registration process for the Managers outweigh the benefits to their clients and the investing public, given that the Advisers under whom they work will have provided the necessary disclosures in their registrations and no new information would be disclosed by the additional registration of the managers. In fact, the information would be identical to that of the information submitted for the Advisers, but the time and cost of the additional registrations could be substantial.

In the case of our clients, each of the funds for which they provide management services is smaller than $150 million and would qualify for a registration exemption if they were not aggregated as is required under the Proposed Rules. Additionally, the way the Proposed Rules are written, not only would the parent entity have to register, but each individual manager would have to register as well. These two requirements in the Proposed Rules are seemingly inconsistent: they impose the burden of aggregating assets under management for purposes of qualifying for an exemption, yet they do not allow the entities and managers under common ownership to then benefit from their parent entity's registration.

Further, allowing funds and managers under a common parent entity to submit only one registration would still serve the intended public purpose of investor protection. If the Final Rule were to include the changes as suggested above the parent entity would register and provide all of the required information. The information available to the Commission and to investors would not be any different, but the client would only have to register one entity, not five. For this reason, we do not see the public purpose served by the Proposed Rules in their present form.

The registration requirement for managers who manage funds under Advisers should be satisfied by the Advisers' registration with the Commission, and we respectfully request that the Commission make this clear when it adopts the Final Rules.

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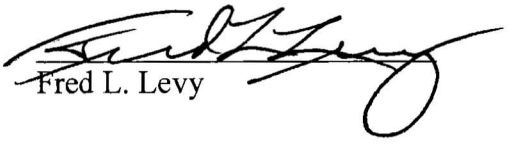
[1] Section IID of the Exemption Release.

We appreciate the Commission's time and attention to this matter.

Very truly yours,

BROWN RUDNICK LLP



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