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January 24, 2011

Via E-Mail

Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090  
[rule-comments@sec.gov](mailto:rule-comments@sec.gov)

Re: *Release No. IA-3111; File Number S7-37-10, Exemptions for Advisers to Venture Capital Funds, Private Fund Advisers With Less Than \$150 Million in Assets Under Management, and Foreign Private Advisers (the Proposed Rules)*

Dear Ms. Murphy:

Adams Street Partners, LLC ("Adams Street Partners") appreciates the opportunity to comment on the Proposed Rules and their impact on the venture capital industry.

Adams Street Partners is one of the oldest and largest venture capital investors in the world. We and our predecessors first began investing in venture capital in 1972. We are now one of the world's leading private equity investment management firms and manage over \$20 billion of assets.

We offer our comments from the perspective of a significant limited partner in hundreds of venture capital funds in the United States and abroad. Because Adams Street Partners is already an investment adviser registered under the Investment Advisers Act of 1940 (the "Advisers Act"), the Proposed Rules will not directly affect the issue of our own registration with the Securities and Exchange Commission. The Proposed Rules will, however, affect the venture capital firms in which we invest.

As a general matter, we will not benefit from required registration under the Advisers Act of any venture capital firm. In making a decision to invest in a venture capital fund, we conduct a level of due diligence that far exceeds the disclosure that would be required of a venture capital firm as a result of registration. We also demand a level of ongoing financial and operating

information from and access to venture capital firms that outstrips requirements set forth in the Advisers Act.

Beyond our concern that Advisers Act registration of venture capital firms will not yield meaningful informational benefits or enhanced protection for institutional investors in venture capital funds, Adams Street Partners firmly believes that successful investing by venture capitalists requires flexibility to adapt to evolving opportunity sets. As such, we would point you to and wholly support the comments contained in the letter to you dated January 13, 2011 from the National Venture Capital Association ("NVCA"). In particular, we support the NVCA's request that the Proposed Rules permit a certain level of non-qualifying activity. Our almost four decade history has taught us that the activity of investing in entrepreneurial transactions is similar to the entrepreneurial activity itself in one important respect: results are dependent upon both the foresight and the ability to capitalize on change. Without appropriate relief, the consequences to a venture capital firm of even a single non-qualifying investment would be draconian.

We would be pleased to provide further input. Please do not hesitate to contact me at 312-553-8480, or Adams Street Partners' General Counsel, Timothy Bryant, at 312-553-8488.

Very truly yours,

A handwritten signature in cursive script that reads "T. Bondurant French".

T. Bondurant French  
Chief Executive Officer