



950 W. Valley Road, Suite 2900, Wayne, PA 19087 P: (610) 971-9685

January 24, 2011

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

Dear Ms. Murphy:

RE: File #: S7-37-10

Proposed Rule: Exemptions for Certain Advisors: Title IV Provisions Dodd Frank

I manage a private equity fund family called Argosy Capital. We operate a group of funds, all under \$250 million in size, which invest in small, privately held manufacturing and service companies and real estate. These companies and real estate projects generate local jobs, in part because our investment strategy is to grow and improve these companies and properties.

Dodd Frank is written with an eye towards public securities; and those funds that invest in them. The rule change created by Dodd Frank were foisted upon the SEC without thoughtful consideration by Congress as to whether or not the SEC's existing registration/compliance/custodial process with which many private advisors were being instructed to comply were appropriate for private equity. Private equity fund groups like Argosy invest only in privately held businesses and real estate, not public securities.

We believe that the examination of private equity funds by the SEC will focus on the trading activity, trading reports, looking for clues of insider trading and safeguarding registered securities. Since our investments are not publicly traded this would not be a productive endeavor for an SEC auditor. However, compliance could be extremely time consuming and expensive. Given our total focus on small and privately held assets, we have no information useful at all to the public markets.

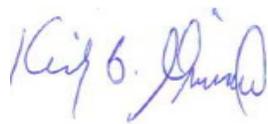
Under Section 206B of the Investors Advisor Act of 1940, the SEC has unqualified authority to grant exemption from registration. We request the SEC grant an exemption, to private equity and real estate funds managing under \$250 million per fund, or at a minimum grant a one year extension to register.

This is similar to the small company exemption granted under Sarbanes-Oxley. The time will allow the agency to learn more about private equity, venture funds and real estate investing in this non-liquid asset class. We think that this will give the SEC a chance to formulate appropriate requirements. This could avoid a large waste of money, and the associated jobs that money would support. A thoughtful look at this process would also benefit our industry's investors, pension funds and foundations that will see a decline in their returns as they ultimately pay this administrative charge.

In addition one requirement that needs to be dealt with right away is the requirement that when a fund is registered, it must produce audited statements 180 days after year end. For investment funds and funds of funds ("Indirect Funds "), this is virtually impossible. These Funds (sometimes invested in other funds of funds) do not receive many of the underlying financial statements until late in the summer. The only way to do this in 180 days is to do an extraordinary amount of excess work and make educated guesses and try to satisfy auditors. A result is the statements are even less accurate. Indirect funds can only produce accurate statements by September 15. Furthermore getting the attention of auditors by smaller funds within the first 180 days of year end is also extremely difficult and much more costly.

We would be happy to discuss any aspects of this with you or your staff, Granting this exemption by the end of February is needed as the July 1, 2011 registration schedule requires private equity and real estate funds to spend time this spring gearing up to provide the SEC with what we believe will be useless data.

Sincerely yours,



Kirk B. Griswold
Partner
(610) 971-0558