wellington
FINANCIAL

Bay Adelaide Centre
333 Bay Street, Suite 1620
Toronto, ON M5H 2R2

www.wellingtonfund.com

January 24, 2011

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

Re: File No S7-37-10

Dear Ms. Murphy:

I am the Vice-President, Finance, and am writing on behalf of, Wellington Financial LP ("Wellington Financial").

Wellington Financial

Wellington Financial is a Toronto, Canada based privately held specialty finance firm in the "venture debt" segment of the venture capital arena, providing operating lines of credit, term, venture and amortizing loans from $2 million to $10 million. Wellington Financial is currently deploying a $450 million investment program via its third fund and has led or participated in over $340 million of transactions since inception, making it one of the most active funds of its kind in Canada. We have had a U.S. presence in Santa Monica, California since November 2009. Our limited partners include several of Canada's largest institutional investors, crown corporations, financial institutions and pension funds and no U.S. investors.

Comments

Venture Capital Fund ("VCF") definition

> *SEC: Should our definition of venture capital fund include funds that invest in debt, or certain types of debt, issued by qualifying portfolio companies, or make certain types of loans to qualifying portfolio companies?*

We believe the VCF definition should include private funds that invest in debt securities of private companies in order to provide operating and business expansion capital. Venture debt provides an important source of capital to early stage companies and a venture debt investment is at its core fundamentally similar, for purposes of the rationale for exemption, to a venture equity investment. Both typically involve elements of "managerial involvement" such as board representation, contractual restrictions and vetoes, participation rights in future financings, monitoring tools and a direct two-way contractual relationship with the portfolio company in question. Structurally, too, venture debt capital is similar in relevant respects with venture equity capital - both generally have priorities relative to founder, friends and family and other earlier stage capital (though venture debt is less dilutive, by nature, to that group), both typically have

contractual rights to facilitate active control (a loan agreement or similar in a debt scenario, a shareholders agreement or share attributes in an equity or preferred share context), and both typically assume a significant degree of involvement. The fact that the security interest of the instrument held may be different is not a meaningful distinction, and does not provide a basis to favor one over the other, for purposes of applying the venture capital exemption.

The relatively small size of venture debt investments should mitigate concerns for systematic risk that could arise from these investments. In order to ensure safety of capital deployed, venture debt investments generally represent a smaller portion of the capital structure of portfolio companies compared to venture equity investments.

Private Fund Adviser Exemption

Generally we agree with this exemption as it has been drafted. The jurisdictional approach to only considering U.S. activities for non-U.S. advisors is prudent as it focuses on what causes systematic risks to the U.S. For the methodology to calculate the value of all assets managed in the United States, the Commission should consider allowing the advisor to use the methodology used to report to its investors. The calculation of fair value would be subjective especially for non-U.S. advisors and could create a burden on advisors that are intended to be exempt from registration.

We thank you for the opportunity to comment. If you have any questions or comments, please feel free to contact me at the address above.

Respectfully,

AR

Amit Rajput
Vice-President, Finance
Wellington Financial LP