



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

VL DIVISION OF
ASSET MANAGEMENT

August 10, 1994

David R. Sawyer, Esq.
Sidley & Austin
One First National Plaza
Chicago, Illinois 60603

Re: Glenwood Investment Corp.

Dear Mr. Sawyer:

The Division of Corporation Finance has referred your letter, dated July 1, 1994, to this Office for consideration. In your letter you "inform [the Division of Corporation Finance] that Glenwood has now determined to proceed to produce a very limited circulation 'Hedge Fund Directory.'" You then briefly describe the Hedge Fund Directory. You close by stating that you would "appreciate any input or comments you [the Division of Corporation Finance] may have, as Glenwood . . . has no interest whatsoever at this point in inaugurating a program which is in violation of either the letter or the spirit of the relevant private placement exemptions." We are not aware of any prior requests submitted to this Office on behalf of Glenwood Investment Corp. to produce a Hedge Fund Directory.

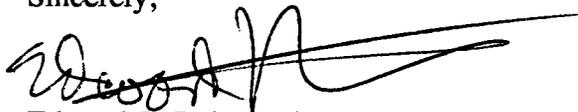
We decline to respond to your request for comments. First, if you seek comment on your transaction, you must submit your request in the form of a no-action or interpretive request. Such a request must contain adequate facts and legal analysis to enable us to consider the request. The request should not only give your opinion of the matter, but also the legal basis of that opinion. The request should discuss the reasons why you think the transaction warrants resolution through the no-action or interpretive process. The request should discuss (and not merely cite) all relevant precedent, both pro and con.¹ Your request should also explain the extent to which the proposed transaction is beyond the scope of relief previously granted. Your letter should also compare recent precedent to the proposed transaction, and identify and discuss any differences between your proposal and the relevant precedent. See Investment Company Act Release No. 6330 (Jan. 25, 1971) (setting forth the appropriate procedure to be followed for no-action requests).

Second, you state that Glenwood has determined to proceed with its Hedge Fund Directory. As a matter of policy, the staff does not grant retroactive no-action relief. See, e.g., Laifer, Inc. (pub. avail. Jan. 5, 1993).

¹ In this connection, you should note that the staff's position has been that whether an offering is public under Section 3(c)(1) of the Investment Company Act of 1940 is a factual determination that the issuer is in the best position to make. See, e.g., Stars & Stripes GNMA Funding Corporation (pub. avail. Apr. 17, 1986). Further, we have taken the position that if an offer is public for purposes of the Securities Act of 1933, it would be public for purposes of Section 3(c)(1) of the Investment Company Act. See, e.g., Gerard Rizzuti (pub. avail. Jun. 7, 1983).

Finally, please be advised that, absent no-action relief, your client may take no comfort with respect to the staff's view of a hedge fund included in the Hedge Fund Directory continuing to rely on Section 3(c)(1) of the Investment Company Act, or of such fund's compliance with any other provision of the federal securities laws.

Sincerely,

A handwritten signature in black ink, appearing to read 'Edward J. Rubenstein', with a long horizontal flourish extending to the right.

Edward J. Rubenstein
Senior Attorney
Office of Chief Counsel

SIDLEY & AUSTIN
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

LOS ANGELES
NEW YORK
WASHINGTON, D.C.

ONE FIRST NATIONAL PLAZA
CHICAGO, ILLINOIS 60603
TELEPHONE 312: 853-7000
TELEX 25-4364
FACSIMILE 312: 853-7036

LONDON
SINGAPORE
TOKYO

FOUNDED 1866

WRITER'S DIRECT NUMBER

(312) 853-7261

July 1, 1994

Ms. Abigail Arms
Division of Corporate Finance
Stop 3-3, Room 3021
Securities and Exchange Commission
450 5th Street, N.W.
Washington, D.C. 20549

Ms. Cecilia Blye ^{Y 2925}
Division of Corporate Finance
Stop 3-3, Room 3033
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

ACK _____ TCA
SECTION _____ 3(c)(1)
RULE _____
PUBLIC _____
AVAILABILITY _____ 8/10/94

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OFFICE OF CHIEF COUNSEL
CORPORATION FINANCE
94 JUL -5 AM 9:10

Re: Glenwood Investment Corp. ("Glenwood")

Dear Ms. Arms and Blye:

Following up on our discussions of some months ago, we thought it appropriate to inform you that Glenwood has now determined to proceed to produce a very limited circulation "Hedge Fund Directory." Glenwood's decision to do so has been influenced to a substantial extent by the recent proliferation of similar directories which are distributed on a much more public basis than Glenwood intends for its product. However, due to the uncertainty of the law in this area — i.e., at what point does inclusion in a directory preclude a hedge fund from relying on the "private investment company" exemption of Section 3(c)1 of the Investment Company Act of 1940 — Glenwood has asked us, out of an abundance of caution, to inform the Commission of the nature of Glenwood's proposal; we also advised Glenwood that it should do so in view of our previous discussions with the Commission on the subject.

Glenwood does not intend to publicly distribute its Hedge Fund Directory in the manner of a "MAR Hedge" publication. Rather, Glenwood proposes to establish a "members-only"

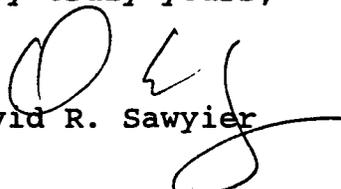
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Ms. Cecilia Blye
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association of hedge fund investors — each of whom will be very high net worth and sophisticated investors. These investors will submit information to Glenwood regarding the hedge funds in which they are invested, Glenwood will compile the information received and circulate the compilation as a "Hedge Fund Directory" among the various hedge fund investors which are members of the "Association." No hedge fund will provide any financial support whatsoever to the project, participation will be entirely voluntary and all persons who receive the publication will necessarily be persons who are suitable to themselves invest in hedge funds — a very rarefied group of sophisticated investors. Glenwood will collect subscription payments from the investors, who will undertake not themselves to reproduce or otherwise distribute the Directory. The maximum circulation is not, given the rigorous standards for membership in the "Association," expected to exceed several hundred persons, and Glenwood will review each subscription application to confirm the prospective subscriber's suitability.

We believe that the foregoing proposal is consistent with the principles embodied in Section 3(c)1 as well as in Rule 502(c) under the Securities Act of 1933. Certainly, we have no doubt that Glenwood's procedures are materially more consistent with these provisions than the procedures of a number of other hedge fund directory services (which we have previously brought to the attention of the Commission). We would, of course, very much appreciate any input or comments you may have, as Glenwood — having put off its Hedge Fund Directory project for over ten years due to 3(c)1 considerations — has no interest whatsoever at this point in inaugurating a program which is in violation of either the letter or the spirit of the relevant private placement exemptions.

Please do not hesitate to call me if you have any questions at (312) 853-7261.

Very truly yours,


David R. Sawyer

DRS/cd