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April 2, 2025

Vanessa A. Countryman, Secretary
U.S. Securities and Exchange Commission
100 F Street
NE Washington, DC 20549-1090
VIA ELECTRONIC MAIL: Secretarys-Office@SEC.GOV

Re: Petition to Amend Rules 13f-1 and 14Ad-1 Under the Securities Exchange Act of 1934

Dear Ms. Countryman:

We are writing to petition for rulemaking to amend Rule 13f-1[1] and Rule 14Ad-1[2] under the Securities Exchange Act of 1934 ("Exchange Act"). The requested amendments would relieve an institutional investment manager from certain Form 13F and Form N-PX filing obligations following the sale of substantially all of the institutional investment manager's assets, upon the completion of a merger in which the institutional investment manager ceases to exist, or, with respect to managers which are registered investment advisers, upon any other event that results in the manager's cessation of its advisory practice.

RIA Lawyers LLC is a law firm that was founded in January 2022 and has five lawyers located throughout New Jersey, Pennsylvania, Ohio, and Mississippi. Before founding RIA Lawyers LLC, our attorneys practiced law and gained compliance experience in-house, at a self-regulatory organization, at a Fortune 100 financial services company, at an independent investment adviser managing several billions of dollars in capital, at a top 10 AMLaw global law firm, and at a large regional law firm. These comments, while informed by our experience representing our clients, represent our own views and are not intended to reflect the views of any particular investment adviser that we represent.

I. Background

Under Rule 13f-1, institutional investment managers exercising investment discretion over accounts holding more than $100 million in Section 13(f) securities (the "Reporting Threshold") must file Form 13F with the SEC on a quarterly basis. Similarly, Rule 14Ad-1 requires institutional investment managers to report their proxy voting records on Form N-PX or make certain notice filings even if they do not vote proxies and have a clearly disclosed policy of not voting proxies.

For example, assume that an investment adviser registered with the SEC ("XYZ Capital Management") crosses the Reporting Threshold as of the last trading day of any month during 2024. XYZ Capital Management enters into an asset purchase agreement or merger agreement with another institutional investment manager ("123 Wealth") after crossing the Reporting Threshold. That agreement requires the transaction to close on March 31, 2025. 123 Wealth will begin managing all of the assets of XYZ Capital Management upon the close of the transaction.

An initial Form 13F filing is due within 45 days after the end of the fourth quarter of the calendar year, i.e., the quarter ending December 31 of the same calendar year that an investment adviser meets the $100 million filing threshold. The filing is due within 45 days after December 31, or, stated differently, by February 14 of the subsequent calendar year. Rule 13f-1(a)(1) also requires that an investment adviser submit three additional Form

[1] 17 C.F.R. § 240.13f-1
[2] 17 C.F.R. § 240.14Ad-1

13F filings during the subsequent calendar year."[3]

Under this hypothetical fact pattern, XYZ Capital Management would be required to file its initial Form 13F on February 14, 2025. It would have to file at least three additional Form 13F filings during the subsequent calendar year. Specifically, it would be subject to filing a Form 13F for the first, second, and third quarter of 2025 on May 15, 2025, August 14, 2025, and November 14, 2025.

Further, if XYZ Capital Management continued to exceed the Reporting Threshold as of the end of any calendar month during 2025 prior to March 31, 2025, it would be required to continue making quarterly Form 13F filings until November 14, 2026. However, as of March 31, 2025, XYZ Capital Management would no longer be in business as an institutional investment manager and may not even exist as a legal entity. Consequently, of the eight Form 13F filings that would be required of XYZ Capital Management under this fact pattern, only the February 14, 2025 filing may contain any substantive information about its discretionary securities holdings.

With respect to Form N-PX, according to General Instruction F of Form N-PX, "[a]n Institutional Manager is not required to file a report on Form N-PX for the 12-month period ending June 30 of the calendar year in which the manager's initial filing on Form 13F is due pursuant to Rule 13f-1 under the Exchange Act." In our hypothetical fact pattern, XYZ Capital Management would not be required to file an initial Form N-PX for the 12-month period ending June 30, 2025. Its initial filing of Form N-PX would be due August 31, 2026, covering the period of July 1, 2025–June 30, 2026, the entirety of which took place after XYZ Capital Management last managed any assets.

XYZ Capital Management would also be subject to a final Form N-PX filing, covering the period of August 1, 2026–September 30, 2026.[4] This final filing would be due on March 1, 2027, almost two full years from the closing date. Crucially, each of the Form N-PX filings required to be made by XYZ Capital Management would cover reporting periods ***after*** the close of the XYZ Capital Management transaction.

Rule 13f-1 and Rule 14Ad-1 and the instructions to Form 13F and Form N-PX do not address these situations and do not provide a clear exemption or termination process. This results in undue administrative burdens, regulatory obligations for managers that no longer exercise investment discretion over relevant securities, and enforcement risk in non-compliance.

II. Proposed Amendments

To address this issue, we propose amending Form 13F and Form N-PX so that each form has a process where an institutional investment manager can signify that they are terminating their filing obligations due to the occurrence of a qualifying event, such as:

1. The sale of substantially all assets of an institutional investment manager to another entity,
2. A merger or consolidation in which the institutional investment manager ceases to exist as a separate entity, or
3. Any other event that effectively causes and investment adviser to cease conducting business (i.e., the death of the only employee/owner of an investment adviser).

Thereafter, the institutional investment manager's filing obligations under Rule 13f-1 and Rule 14Ad-1 would terminate.

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[3] Frequently Asked Questions About Form 13F (May 25, 2023), available at https://www.sec.gov/rules-regulations/staff-guidance/division-investment-management-frequently-asked-questions/frequently-asked-questions-about-form-13f.
[4] Rule 14Ad-1(c); General Instruction F to amended Form N-PX.

III. Rationale

The current rules do not account for situations where a manager no longer exercises investment discretion due to a sale or merger. Requiring continued filings in these circumstances imposes unnecessary compliance costs, creates confusion, and does not provide meaningful disclosure to investors or the Commission. Other federal securities rules recognize similar termination events, and aligning Rule 13f-1 and Rule 14Ad-1 with these principles would enhance regulatory efficiency without undermining transparency.

IV. Conclusion

For the foregoing reasons, we respectfully request that the Commission initiate rulemaking to amend Rules 13f-1 and 14Ad-1 to relieve institutional investment managers from their filing obligations following the sale of substantially all their assets or upon the completion of a merger in which they cease to exist.

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We appreciate the Commission's consideration of this petition and welcome the opportunity to further discuss this proposal. We are uniquely positioned as a voice of smaller and mid-sized investment advisers and would be happy to meet with the Commission or its staff to discuss our proposal. Please feel free to contact us at Max@RIALawyers.com for any additional information.

Yours truly,

RIA Lawyers LLC
Max Schatzow & Ryan Walter