File No. _____

UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

In the matter of
BROWN ADVISORY LLC

901 South Bond Street, Suite 400
Baltimore, MD 21231

APPLICATION FOR AN ORDER PURSUANT TO SECTION 206A OF THE INVESTMENT ADVISERS ACT OF 1940, AS AMENDED, AND RULE 206(4)-5(e) THEREUNDER, EXEMPTING BROWN ADVISORY LLC FROM RULE 206(4)-5(a)(1) UNDER THE INVESTMENT ADVISERS ACT OF 1940

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This Application, including Exhibits, consists of 25 pages
Exhibit Index appears on page 17

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I. PRELIMINARY STATEMENT AND INTRODUCTION

Brown Advisory LLC (the "Adviser" or the "Applicant") hereby applies to the Securities and Exchange Commission (the "Commission") for an order pursuant to Section 206A of the Investment Advisers Act of 1940, as amended (the "Act"), and Rule 206(4)-5(e), exempting the Adviser from the two-year prohibition on compensation imposed by Rule 206(4)-5(a)(1) under the Act for investment advisory services provided to seven government entities following a contribution by a covered associate to a candidate for state office as described in this Application, subject to the representations set forth herein (the "Application").

Section 206A of the Act authorizes the Commission to "conditionally or unconditionally exempt any person or transaction … from any provision or provisions of [the Act] or of any rule or regulation thereunder, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of [the Act]."

Section 206(4) of the Act prohibits investment advisers from engaging in any act, practice, or course of business which is fraudulent, deceptive, or manipulative and directs

the Commission to adopt such rules and regulations, define, and prescribe means reasonably designed to prevent, such acts, practices or courses of business. Under this authority, the Commission adopted Rule 206(4)-5 (the "Rule") which prohibits a registered investment adviser from providing "investment advisory services for compensation to a government entity within two years after a contribution to an official of the government entity is made by the investment adviser or any covered associate of the investment adviser."

The term "government entity" is defined in Rule 206(4)-5(f)(5)(ii) as including a pool of assets sponsored or established by a State or political subdivision, or any agency, authority or instrumentality thereof, including a defined benefit plan. The definition of an "official" of such government entity in Rule 206(4)-5(f)(6)(ii) includes any candidate for an elective office with authority to appoint a person directly or indirectly able to influence the outcome of the government entity's hiring of an investment adviser. The "covered associates" of an investment adviser are defined in Rule 206(4)-5(f)(2)(i) as including its managing member, executive officer, or other individuals with similar status or function as well as any employee who solicits a government entity on behalf of an investment adviser.

Rule 206(4)-5(b) provides certain exceptions from the two-year prohibition under Rule 206(4)-5(a)(1). Should no exception be available, Rule 206(4)-5(e) permits an investment adviser to apply for, and the Commission to conditionally or unconditionally grant, an exemption from the Rule 206(4)-5(a)(1) prohibition on compensation.

In determining whether to grant an exemption, the Rule contemplates that the Commission will consider, among other things, (i) whether the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act; (ii) whether the investment adviser, (A) before the contribution resulting in the prohibition was made, adopted and implemented policies and procedures reasonably designed to prevent violations of the Rule; (B) before or at the time the contribution which resulted in such prohibition was made, had no actual knowledge of the contribution; and (C) after learning of the contribution, (1) has taken all available steps to cause the contributor involved in

making the contribution which resulted in such prohibition to obtain a return of the contribution; and (2) has taken such other remedial or preventive measures as may be appropriate under the circumstances; (iii) whether, at the time of the contribution, the contributor was a covered associate or otherwise an employee of the investment adviser, or was seeking such employment; (iv) the timing and amount of the contribution which resulted in the prohibition; (v) the nature of the election (*e.g.,* federal, state, or local); and (vi) the contributor's apparent intent or motive in making the contribution that resulted in the prohibition, as evidenced by the facts and circumstances surrounding such contribution.

Based on these considerations and the facts described in this Application, the Applicant respectfully submits that the relief requested herein is appropriate in the public interest and is consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Accordingly, the Applicant requests an order exempting it to the extent described herein from the prohibition under Rule 206(4)-5(a)(1) to permit it to receive compensation for investment advisory services provided to seven government entities within the two-year period following the contribution identified herein to an official of such government entities by a covered associate of the Applicant.

II. STATEMENT OF FACTS

A. The Applicant

The Adviser, Brown Advisory LLC, is a Maryland limited liability company registered with the Commission as an investment adviser under the Act. The Applicant provides discretionary investment advisory services to individuals and institutions and has aggregate regulatory assets under management of approximately $41.9 billion as of December 31, 2015.

B. The Contribution

1. *The Contributor.*

The individual who made the campaign contribution to a state-level candidate that triggered the two-year compensation ban (the "Contribution") is Douglas Godine (the

"Contributor"). The Contributor is the head of business development for the Adviser's private client team and has been with the Adviser for five years. The Contributor's role focuses on business development for the private client team, as opposed to institutional clients such as government entities. The Contributor does not hold a managing member, executive officer, or similar role at the Adviser. As discussed in detail below, the Contributor failed to appreciate that his contribution to a Maryland gubernatorial candidate made at an event sponsored by a friend would trigger the prohibition on compensation under the Rule, and was prohibited by the Applicant's Political Contributions Policy (the "Policy"). The Contributor has pre-cleared prior contemplated political contributions in accordance with the Policy.

2. *The Government Entity.*

Seven of the Adviser's clients are agencies, authorities, or instrumentalities of the State of Maryland. Throughout the application, the clients are referred to as the "Clients."

3. *The Official.*

The recipient of the Contribution was Larry Hogan (the "Candidate"), who, at the time of the Contribution was the governor-elect of Maryland, and at the time of this Application is Maryland's Governor. The Maryland Governor is the chief executive of the state and can influence investment decisions for the state and for other entities that are overseen by boards composed of individuals appointed by the Maryland Governor ("Gubernatorial Appointees"). Due to his office and the power of appointment, the Maryland Governor is an "official" of the Clients.[1] None of the Gubernatorial Appointees serving at the time of the Contribution were appointed by the Candidate, who had not yet taken office. Rather, each board member serving in the positions reserved for appointment by the Governor was appointed by the Candidate's predecessors.

The Candidate was elected on November 4, 2014, and took office on January 21, 2015.

[1] The term "official" for purposes of the Rule includes "an incumbent, candidate or successful candidate for elective office of a government entity." *Political Contributions By Certain Investment Advisers*, Advisers Act Release No. 3043 (Jul. 1, 2010).

4. *The Contribution.*

The Contribution was recorded on January 12, 2015, for the amount of $1,000 made out to "Larry Hogan for Governor." The contribution was made by the Contributor for purely personal reasons, separate and apart from the Contributor's role with the Adviser. The Contribution exceeded the permissible *de minimis* contribution by $650.

The Contribution was made at the request of a family friend with whom the Contributor has been friends for about a decade. The Contributor and his friend are active together in their local sports community, and they have been active participants together in their children's sports teams. In the past, the Contributor has provided support for other causes at the request of the friend, including monetary support. The friend invited the Contributor to a dinner at a restaurant in Annapolis for members of the local community. The Contributor was unaware the event was a fundraiser for the Candidate until he attended the event. The Contributor had no prior contact, affiliation with, or intention to contribute to the Candidate. The Contributor fulfilled the commitment made to his friend and attended the dinner with his friend and many acquaintances. At the event, a request for donations was made, and the Contributor completed the paperwork and wrote a $1,000 check that evening.

The Contributor did not seek out or initiate contact with the Candidate. He was briefly introduced to the Candidate at the event, but at no time was there any mention of the Adviser or the Clients. The Contributor never informed the Clients or the Clients' relationship manager at the Adviser about the Contribution. At no time did any employee of the Adviser other than the Contributor have any knowledge that the Contribution had been made before its discovery by the Adviser in June 2016. In addition, the Contributor did not appreciate the regulatory significance of the Contribution until June 2016.

5. *The Investments of the Clients with the Adviser.*

The Clients' decisions to invest with the Adviser occurred long before the Candidate commenced his campaign for office in January 2014, before the Candidate was elected in November 2014, and before the Contribution was made in January 2015. The earliest of the Clients made a commitment to invest with the Adviser in 2004, and the most recent Client did so in 2012. None of the Clients have materially increased the

amounts of assets managed by the Adviser, initiated new investment mandates, or opened new accounts with the Adviser since the Contribution was made.

The Contributor has had no interaction with the Clients, with any representative of the Clients, or with the Clients' boards.

C. The Adviser's Discovery of the Error and Response

The Adviser became aware of the Contribution when, consistent with the Policy, the Adviser conducted a check of campaign contribution disclosures on June 8, 2016. The Adviser notified outside counsel of the Contribution that same day. Within one week, the Contributor requested the return of the full Contribution from the Candidate. This request was granted and a check refunding the full Contribution was received on July 15, 2016. The Adviser's general counsel then directed a comprehensive search of federal and state campaign contribution databases for each jurisdiction where a government entity with assets invested with the Adviser or any of its affiliates is located to determine whether any other contributions had been made by any covered person. The results were consistent with the Policy.

After identifying the Contribution, the Adviser took steps beginning on June 8, 2016 to establish an escrow account, and the Adviser has deposited an amount equal to the sum of all fees paid to the Adviser and its affiliates, directly or indirectly, with respect to the Clients since the date of the Contribution, January 12, 2015. Additional fees or other compensation accruing in favor of the Adviser and its affiliates will continue to be deposited into the escrow account or will not be collected from the Clients until it is determined whether exemptive relief will be granted to the Adviser.

To prevent other employees from making a mistake similar to the Contributor's, the Adviser reviewed the Policy. The Policy has always applied to contributions made by all employees and their spouses and certain immediate family members. The Adviser's employees are required to pre-clear ***all*** campaign contributions, including contributions to local, state, and federal campaigns, and political parties and committees. The Adviser believes that imposing the policy on all employees and including a pre-clearance requirement for all political contributions reinforces employees' understanding of the

Adviser's regulatory obligations. The Adviser's annual mandatory company-wide training emphasizes the Policy to ensure that each employee is well-informed of the applicable restrictions. The Adviser also reminds employees of the Policy through periodic e-mails.

After learning of the Contribution, the Adviser confirmed that the Contributor had no contact with any representative of the Clients and will have no contact with any representative of the Clients for the duration of the two-year period beginning January 12, 2015.

D. The Policy

The Policy was adopted and published in January 2011, before the Rule's compliance date and long before the Contribution was made.

At all times, the Policy has conformed to the requirements of the Rule and has been even broader than what was contemplated by the Rule. All contributions by employees to federal, state, and local office incumbents and candidates are subject to pre-clearance, not post-contribution reporting, under the Policy. There is no *de minimis* exception from pre-clearance for small contributions. All employees of the Adviser are subject to the Policy; its application is not limited to the Adviser's managing members, executive officers, and other "covered associates" under the Rule. Each employee's spouse is subject to the Policy. The Adviser also provides comprehensive training for all employees of the Adviser to describe and answer questions regarding the Policy's requirements.

Since the Rule's implementation, the Adviser has conducted a series of compliance training sessions that included a discussion of the Policy, including reiterating the need to pre-clear all political contributions. The Policy has been incorporated into the Adviser's Code of Business Conduct and its annual compliance training together with an annual policy compliance attestation by all employees. The Adviser also circulates periodic reminders of the Policy to employees. The compliance testing conducted by the Adviser includes periodic searches of campaign contribution databases for the names of employees, such as the search that identified the Contribution.

The Adviser has enhanced its procedures to increase the frequency of its periodic contribution searches. The Adviser believes that increasing its regular searches will limit the opportunity for a violation of the Policy to remain undetected.

III. STANDARD FOR GRANTING AN EXEMPTION

In determining whether to grant an exemption, Rule 206(4)-5(e) states that the Commission will consider, among other things, (i) whether the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act; (ii) whether the investment adviser, (A) before the contribution resulting in the prohibition was made, adopted and implemented policies and procedures reasonably designed to prevent violations of the Rule; (B) before or at the time the contribution which resulted in such prohibition was made, had no actual knowledge of the contribution; and (C) after learning of the contribution, (1) has taken all available steps to cause the contributor involved in making the contribution which resulted in such prohibition to obtain a return of the contribution; and (2) has taken such other remedial or preventive measures as may be appropriate under the circumstances; (iii) whether, at the time of the contribution, the contributor was a covered associate or otherwise an employee of the investment adviser, or was seeking such employment; (iv) the timing and amount of the contribution which resulted in the prohibition; (v) the nature of the election (*e.g.,* federal, state, or local); and (vi) the contributor's apparent intent or motive in making the contribution which resulted in the prohibition, as evidenced by the facts and circumstances surrounding such contribution. Each of these factors weighs in favor of granting the relief requested in this Application.

IV. STATEMENT IN SUPPORT OF EXEMPTIVE RELIEF

The Applicant submits that an exemption from the two-year prohibition on compensation is necessary and appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. The Clients determined to invest with the Applicant and established those advisory relationships on an arms' length basis free from any improper influence as a result of the Contribution. In support of that conclusion, the Applicant notes that the

relationships with the Clients significantly pre-date the Contribution, and all initial Client decisions to invest with the Adviser similarly pre-date the Contribution. Applicant also notes that at the time of the Contribution, the Candidate had neither exercised nor even obtained the appointment power reserved to his office. Rather, all of the Clients' board members serving in positions reserved for appointment by the Maryland Governor were appointed by the Candidate's predecessors.

Given the nature of the Rule violation, and the lack of any evidence that the Adviser or the Contributor intended to, or actually did, interfere with any client's merit-based process for the selection or retention of advisory services, the interests of the Clients are best served by allowing the Adviser and its Clients to continue their relationship uninterrupted. Causing the Adviser to serve without compensation for a two-year period could result in a financial loss that is more than 1,949 times the amount of the contribution that exceeded the *de minimis* threshold. The policy underlying the Rule is served by ensuring that no improper influence is exercised over investment decisions by governmental entities as a result of campaign contributions and not by withholding compensation as a result of unintentional violations.

The other factors suggested for the Commission's consideration in Rule 206(4)-5(e) similarly weigh in favor of granting an exemption to avoid consequences disproportionate to the violation.

Policies and Procedures Before the Contribution. The Adviser adopted and implemented the Policy, which has at all times been in compliance with the Rule, and broader than the Rule's requirements, before the Rule's initial compliance date. The Adviser also implemented compliance training and annually conducts such training, together with an annual policy compliance attestation by all employees.

Actual Knowledge of the Contribution. Actual knowledge of the Contribution at the time it was made cannot be imputed to the Adviser, given that the Contributor is not an officer of the Adviser. At no time did any employee of the Adviser other than the Contributor have any knowledge that the Contribution had been made before its discovery by the Adviser in June 2016.

Adviser's Response After the Contribution. After learning of the Contribution, the Adviser and the Contributor promptly took steps to obtain a return of the Contribution and to implement additional measures to prevent future error. Within one week of discovering the Contribution, the Contributor had formally requested the return of the full Contribution. The full amount was returned on July 15, 2016. The Adviser took steps beginning on June 8, 2016 to establish an escrow account for all fees or other compensation paid to the Adviser by the Clients for the two-year period beginning January 12, 2015. These fees will be returned immediately to each Client should an exemptive order not be granted. Additional fees or other compensation accruing in favor of the Adviser and its affiliates from the Clients will continue to be deposited in the escrow account or will not be collected from the Clients until the two-year post-Contribution period has ended. Finally, the Adviser has reviewed the Policy and is providing supplemental training to all employees on the Policy to ensure that other employees fully understand the Policy and do not make the same mistake as the Contributor. The Adviser has also revised its procedures to increase the frequency of its periodic contribution searches.

Status of the Contributor. The Contributor is, and has been at all relevant times, a covered associate of the Adviser. After learning of the Contribution, the Adviser confirmed that the Contributor has had no contact with any representative of the Clients or any member of the Clients' boards and informed the Contributor that he could have no contact with any representative of the Clients during the two-year period starting January 12, 2015.

Timing and Amount of the Contribution. As noted above, the Clients' relationships with the Adviser predate the Contribution by periods ranging from two to eleven years. The Contributor was also permitted to vote in the election and could make a *de minimis* contribution up to $350, such that the Contribution exceeded the permissible amount under the Rule only by $650.

Nature of the Election and Other Facts and Circumstances. The nature of the election and other facts and circumstances surrounding the Contribution indicate that the Contributor's intent in making the Contribution was not to influence the selection or

retention of the Adviser. The Contributor is a longtime Maryland resident and voter, and the Contributor also had a legitimate personal interest in fulfilling a social commitment to an acquaintance. That commitment was initially made without knowledge that it would involve a political campaign contribution. The Contributor felt compelled to attend the event to support a family friend and made a decision to make the Contribution during that event.

The Contributor's violation of the Policy and the Rule resulted from the Contributor's failure to appreciate the regulatory significance of the Contribution, which was intended as a friendly gesture toward a social acquaintance. The Contributor was aware of and had been trained regarding the Policy, and had complied with the policy in the context of earlier contemplated political contributions. He simply did not connect the personal motivation driving the Contribution with the requirements of the Rule. The Contributor never spoke with the Candidate or to anyone else about the authority of the Maryland Governor over investment decisions by the Clients. In fact, the Contributor never mentioned the Clients, their relationship to the Adviser, or any other existing or prospective investors to the Candidate.

The Contributor has had no contact with the campaign or the Candidate, other than a handshake greeting with the Candidate at the event and a letter to his campaign in June 2016 to request that the Contribution be returned. The Contributor never told any prospective or existing investor (including the Clients) or any relationship manager at the Adviser about the Contribution.

Moreover, no investment decisions have been made while the Candidate has had appointment authority over a government entity. At the time of the Contribution, the Candidate had not exercised or even obtained the appointment power reserved to his future office. Rather, all of the board members serving in the positions reserved for appointment by the Maryland Governor were appointed by the Candidate's predecessors.

Given the difficulty of proving a *quid pro quo* arrangement, the Applicant understands that adoption of a regulatory regime with a default of strict liability, like the Rule, is necessary. However, the Applicant appreciates the availability of exemptive relief at the Commission's discretion where imposition of the two-year prohibition on

compensation does not achieve the Rule's purposes or would result in consequences disproportionate to the mistake that was made. The Applicant respectfully submits that such is the case with the Contribution. Neither the Adviser nor the Contributor sought to interfere with the Clients' merit-based selection process for advisory services, nor did they seek to negotiate higher fees or greater ancillary benefits than would be achieved in arms' length transactions. There was no violation of the Adviser's fiduciary duty to deal fairly or disclose material conflicts given the absence of any intent or action by the Adviser or the Contributor to influence the selection process. The Applicant has no reason to believe the Contribution undermined the integrity of the market for advisory services or resulted in a violation of the public trust in the process for awarding contracts.

V. PRECEDENT

The Applicant notes that the Commission has granted nine exemptions similar to that requested herein with respect to relief from Section 206A of the Act and Rule 206(4)-5(e), including: Davidson Kempner Capital Management LLC, Investment Advisers Act Release Nos. 3693 (October 17, 2013) (notice) and 3715 (November 13, 2013) (order) (the "Davidson Kempner Application"), Ares Real Estate Management Holdings, LLC, Investment Advisers Act Release Nos. 3957 (October 22, 2014) (notice) and 3969 (November 18, 2014) (order) (the "Ares Application"), Crestview Advisors, L.L.C., Investment Advisers Act Release Nos. 3987 (December 19, 2014) (notice) and 3997 (January 14, 2015) (order), T. Rowe Price Associates, Inc. and T. Rowe Price International Ltd, Investment Advisers Act Release Nos. 4046 (March 12, 2015) (notice) and 4058 (April 8, 2015) (order) (the "T. Rowe Application"), Crescent Capital Group, LP, Investment Advisers Act Release Nos. 4140 (July 14, 2015) (notice) and 4172 (August 14, 2015) (order), Starwood Capital Group Management, LLC, Investment Advisers Act Release Nos. 4182 (August 26, 2015) (notice) and 4203 (September 22, 2015) (order), Fidelity Management & Research Company and FMR Co., Inc., Investment Advisers Act Release Nos. 4220 (October 8, 2015) (notice) and 4254 (November 3, 2015) (order), Brookfield Asset Management Private Institutional Capital Adviser US, LLC et al., Investment Advisers Act Release Nos. 4337 (February 22, 2016) (notice) and 4355 (March 21, 2016) (order), and Angelo, Gordon & Co., L.P., Investment

Advisers Act Release Nos. 4418 (June 10, 2016) (notice) and 4444 (July 6, 2016) (order) (collectively, the "Granted Applications"). The facts and representations made in this Application are, in many respects, largely consistent with the Granted Applications. This Application contains certain similarities to the T. Rowe Application that are particularly relevant. The Applicant believes that there are also key differences between this Application and the Davidson Kempner Application and the Ares Application that further weigh in favor of granting the exemption requested herein.

Nature of the Election and Other Facts and Circumstances. In the T. Rowe Application, the contributor had made prior contributions that had been pre-cleared consistent with the applicant's policies. The contribution at issue in the T. Rowe Application was made in an impassioned moment, during which the contributor failed to recognize the regulatory implications of his actions. The Contributor here made his donation to support a friend and again without recognizing its regulatory impact. In each instance, the relevant contributor had a history of compliance with the policies of his employer, and the circumstances surrounding the contribution induced the Contributor's failure to comply with the Policy.

Interactions with the Official. In the Davidson Kempner Application, the contributor's contact with the Ohio State Treasurer (the "Davidson Kempner Official") concerning campaign contributions included a lunch meeting, a brief exchange of e-mails later that same afternoon, and possibly a subsequent phone call confirming the contributor's intent to contribute. In contrast, the Contributor here met the Candidate once for a few moments and had no other contact with the Candidate or his campaign.

Interactions with the Clients. In the Davidson Kempner Application and the Ares Application, the contributor had made a substantive presentation regarding investment strategy to representatives of the relevant clients after making the contribution. In contrast, the Contributor in this Application has had no contact with the Clients, and is in a position with the Adviser that involves no interaction with institutional investors similar to the Clients.

Knowledge of the Contribution. In the Davidson Kempner Application, the contributor informed the applicant's executive managing member of his interest in the

Davidson Kempner Official and his intention to meet with the Davidson Kempner Official. In contrast, the Contributor here did not inform any officer or employee of the Applicant of his brief meeting with the Candidate either before or after it occurred. Moreover, none of the Applicant's officers or employees, other than the Contributor, had any knowledge that the Contribution had been made until June 2016.

Status of the Officials. In the Davidson Kempner Application and the Ares Application, at the time of the contribution, the recipients of the subject contributions had the power to appoint one or more members of the boards vested with decision-making power regarding the government entities' investments. In contrast, the Candidate at issue in this Application did not have any appointment authority at the time of the Contribution. Specifically, at the time of the Contribution, he had not yet taken office.

The Applicant believes that the same policies and considerations that led the Commission to grant relief in the Granted Applications are present here. In each instance, the imposition of the Rule would result in consequences vastly disproportionate to the mistake that was made. Moreover, the differences between this Application and the Davidson Kempner Application and the Ares Application weigh even further in favor of granting the relief requested herein.

VI. REQUEST FOR ORDER

The Applicant seeks an order pursuant to Section 206A of the Act, and Rule 206(4)-5(e) thereunder, exempting it, to the extent described herein, from the two-year prohibition on compensation required by Rule 206(4)-5(a)(1) under the Act, to permit the Applicant to receive compensation for investment advisory services provided to government entities (the Clients) within the two-year period following the Contribution identified herein to an official of such government entities by a covered associate of the Applicant.

VII. CONCLUSION

For the foregoing reasons, the Applicant submits that the proposed exemptive relief, granted subject to the representations set forth above, would be fair and reasonable,

would not involve overreaching, and would be consistent with the general purposes of the Act.

VIII. PROCEDURAL MATTERS

Pursuant to Rule 0-4 of the rules and regulations under the Act, a form of proposed notice for the order of exemption requested by this Application is set forth as Exhibit C to this Application. In addition, a form of proposed order of exemption requested by this Application is set forth as Exhibit D to this Application.

On the basis of the foregoing, the Applicant submits that all the requirements contained in Rule 0-4 under the Act relating to the signing and filing of this Application have been complied with and that the Applicant, which has signed and filed this Application, is fully authorized to do so.

The Applicant requests that the Commission issue an order without a hearing pursuant to Rule 0-5 under the Act.

Dated: July 15, 2016

Respectfully submitted,

Brown Advisory LLC

By: 

Brett Rogers
General Counsel

Exhibit Index

Exhibit A

Authorization

The undersigned hereby certifies that he is the General Counsel of Brown Advisory LLC (the "Applicant"); that, with respect to the attached application for exemption from a certain provision of the Investment Advisers Act of 1940, as amended (the "Application"), all actions necessary to authorize the execution and filing of this Application under the respective limited liability company agreements have been taken, and the person signing and filing the Application on behalf of the Applicant is fully authorized to do so by the applicable limited liability company agreements.

Brown Advisory LLC

By: _____
Brett Rogers
General Counsel

Exhibit B

Verification

STATE OF MARYLAND)
)
COUNTY OF Baltimore)

The undersigned, being duly sworn, deposes and says that he has duly executed the attached Application ("Application") dated July 15, 2016, for and on behalf of Brown Advisory LLC (the "Company"); that he is the General Counsel of the Company; and that all actions necessary to authorize deponent to execute and file such Application have been taken. Deponent further says that he is familiar with the instrument, and the contents thereof, and that the facts set forth therein are true to the best of his knowledge, information, and belief.

Brown Advisory LLC

By: Brett D Rogers
Brett Rogers
General Counsel

Subscribed and sworn to before me, a Notary Public, this 15th day of July, 2016.

Nina C. Millman

NINA C. MILLMAN NOTARY PUBLIC BALTIMORE COUNTY, MD

Official Seal

My Commission expires May 11, 2019

Exhibit C

Proposed Notice for the Order of Exemption

Agency: Securities and Exchange Commission (the "SEC" or "Commission").

Action: Notice of application for an exemptive order under Section 206A of the Investment Advisers Act of 1940 (the "Advisers Act") and Rule 206(4)-5(e).

Applicant: Brown Advisory LLC ("Adviser" or "Applicant").

Relevant Advisers Act Sections: Exemption requested under Section 206A of the Advisers Act and Rule 206(4)-5(e) from Rule 206(4)-5(a)(1) under the Advisers Act.

Summary of Application: Applicant requests that the Commission issue an order under section 206A of the Advisers Act and Rule 206(4)-5(e) exempting it from Rule 206(4)-5(a)(1) under the Advisers Act to permit Applicant to receive compensation from a government entity for investment advisory services provided to the government entity within the two-year period following a contribution by an individual to an official of the government entity.

Filing Date: The application was filed on July __, 2016.

Hearing or Notification of Hearing: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving Applicant with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on [ ], 2016, and should be accompanied by proof of service on Applicant, in the form of an affidavit or, for lawyers, a certificate of service. Pursuant to Rule 0-5 under the Advisers Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the Commission's Secretary.

Addresses: Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090. Applicant, c/o Brett Rogers, 901 South Bond Street, Suite 400, Baltimore, MD 21231.

For Further Information Contact: [ ], Branch Chief, at (202) 551-[ ], (Division of Investment Management, Investment Adviser Regulation Office).

Supplementary Information: The following is a summary of the application. The complete application may be obtained via the Commission's website at http://www.sec.gov/rules/iareleases.shtml or by calling (202) 551-8090.

The Applicant's Representations:

1. Applicant is a Maryland limited liability company registered with the Commission as an investment adviser under the Advisers Act. Applicant provides investment management services to individuals and institutions.

2. Seven of the Applicant's clients are agencies, authorities, or instrumentalities of the State of Maryland (the "Clients"). The investment decisions for the Clients are overseen by boards composed of individuals appointed by the Maryland Governor. Due to his office and the power of appointment, the Maryland Governor is an "official" of each Client.

3. A contribution was made to the Maryland gubernatorial campaign of Larry Hogan (the "Candidate"), by the Adviser's head of new business development for the Adviser's private client business, Douglas Godine (the "Contributor"), on January 12, 2015, in the amount of $1,000 (the "Contribution"). Other than greeting the Candidate at an event and a letter to his campaign in June 2016 to request that the Contribution be returned, the Contributor has had no contact with the campaign or the Candidate. Moreover, the Contributor did not solicit any persons to make contributions to the Candidate's campaign and did not arrange any introductions to potential supporters.

4. The Clients' decisions to invest with the Adviser occurred years before the Candidate ran for office and years before the Contribution was made. The Contributor has had no contact with the Clients and no contact with any member of a Client's board. Moreover, at the time of the Contribution, no member of a Client's board had ever been appointed by the Candidate, who had yet to take office; the gubernatorial appointees were all appointed by the Candidate's predecessors. At no time did any employee of the Adviser other than the Contributor have any knowledge of the Contribution before its discovery by the Adviser in June 2016.

5. The Adviser became aware of the Contribution when the Adviser conducted a check of campaign contribution disclosures and discovered the Contribution on June 8, 2016; the Adviser notified outside counsel that same day. Within a week, the Contributor requested a refund of the Contribution. The Adviser has established an escrow account for the Clients and deposited an amount equal to the sum of all fees paid to the Adviser and its affiliates, directly or indirectly, with respect to the Clients since January 12, 2015. Additional fees or other compensation accruing in favor of the Adviser and its affiliates will continue to be deposited in the escrow account or will not be collected from the Clients until it is determined whether exemptive relief will be granted to the Adviser.

6. The Adviser's Political Contributions Policy (the "Policy") was initially adopted and published in January 2011, before the compliance date for Rule 206(4)-5. At all times, the Policy has been fully compliant with the Rule and more rigorous than the Rule's requirements. The Policy is applicable to all employees and spouses, broadens the scope of contributions covered, and provides advance opportunities for the Adviser to ensure political contributions are permissible under the Rule. The Adviser also has

trained all employees on the Policy and requires annual compliance training. The Contributor's violation of the Policy and the Rule resulted from his mistake in failing to connect his personal motivations driving a modest political contribution and the requirements of the Policy and Rule.

The Applicant's Legal Analysis:

1. Rule 206(4)-5(a)(1) prohibits a registered investment adviser from providing investment advisory services for compensation to a government entity within two years after a contribution to an official of the government entity is made by the investment adviser or any covered associate of the investment adviser. Each of the Clients is a "government entity," as defined in Rule 206(4)-5(f)(5), the Contributor is a "covered associate" as defined in Rule 206(4)-5(f)(2), and the Candidate is an "official" as defined in Rule 206(4)-5(f)(6).

2. Section 206A of the Advisers Act grants the Commission the authority to "conditionally or unconditionally exempt any person or transaction … from any provision or provisions of [the Advisers Act] or of any rule or regulation thereunder, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of [the Advisers Act]."

3. Rule 206(4)-5(e) provides that the Commission may exempt an investment adviser from the prohibition under Rule 206(4)-5(a)(1) upon consideration of the factors listed below, among others:

> (1) Whether the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Advisers Act;
>
> (2) Whether the investment adviser: (i) before the contribution resulting in the prohibition was made, adopted and implemented policies and procedures reasonably designed to prevent violations of the rule; and (ii) before or at the time the contribution which resulted in such prohibition was made, had no actual knowledge of the contribution; and (iii) after learning of the contribution, (1) has taken all available steps to cause the contributor involved in making the contribution which resulted in such prohibition to obtain a return of the contribution, and (2) has taken such other remedial or preventive measures as may be appropriate under the circumstances;
>
> (3) Whether, at the time of the contribution, the contributor was a covered associate or otherwise an employee of the investment adviser, or was seeking such employment;
>
> (4) The timing and amount of the contribution which resulted in the prohibition;
>
> (5) The nature of the election (*e.g.*, federal, state, or local); and