

File No. _____

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

APPLICATION FOR AN ORDER UNDER SECTION 202(a)(11)(H) OF THE
INVESTMENT ADVISERS ACT OF 1940 (“ADVISERS ACT”)
DECLARING THE APPLICANT TO BE A
PERSON NOT WITHIN THE INTENT OF THE ADVISERS ACT

KATAHDIN ASSET MANAGEMENT LLC
100 East Broad Street
Suite 1700
Columbus, Ohio 43215

All communications, notices and orders to:

Dan L. Jaffe, Esq.
Vorys, Sater, Seymour and Pease LLP
52 East Gay Street
Columbus, Ohio 43215
(614) 464-5650 (phone)
(614) 719-4779 (fax)

With copies to:

Kenneth J. Berman, Esq.
Debevoise & Plimpton LLP
801 Pennsylvania Avenue, N.W., Suite 500
Washington, D.C. 20004
(202) 383-8050 (phone)
(202) 383-8118 (fax)

This Application (including Exhibits) consists of 19 pages.

(“units”) are owned by TJC as the managing member, with the remaining units being owned by trusts for descendants of J.A. Jeffrey. In other words, 100% of the units are owned directly or indirectly by trusts for descendants of J.A. Jeffrey.

J.A. Jeffrey created the Joseph A. Jeffrey Trust (the “Trust”) on May 6, 1914, for the benefit of his descendants, and transferred virtually all of the TJC shares to the Trust. TJC was founded to manufacture the world’s first coal-mining machines. Success in this endeavor led TJC to manufacture related products such as crushers, conveyor belts, industrial chains and electric mine locomotives. With the acquisition of Galion Iron Works in 1929, TJC became a manufacturer of steamrollers, road graders and other road-building equipment. By the middle of the 20th century, TJC, through its operating subsidiaries, was a diversified manufacturer with several thousand employees and offices throughout the world. TJC sold its operating assets to Dresser Industries in 1974 and became a pure investment enterprise.

In 2002, the Trust was divided into separate trusts, one for each current income beneficiary (each an “Individual Trust”), but still operated pursuant to the terms of the instrument establishing the Trust. In 2009, in connection with the formation of Jeffrey LLC, TJC contributed marketable securities to Jeffrey LLC in exchange for 100% of the units and immediately distributed the non-managing member units to TJC’s shareholders. In 2010 and then again in 2011, TJC distributed marketable securities to its shareholders, who in turn contributed those securities to Jeffrey LLC in exchange for additional units.

TJC will contribute to Jeffrey LLC, as of December 31, 2016, 100% of TJC’s marketable securities and other assets (excluding its managing member units and any assets associated with TJC’s deferred compensation plans) in exchange for additional managing member units. The number of additional units to be issued to TJC as of December 31, 2016 will be based on relative fair market value at the time, which Jeffrey LLC anticipates will be approximately 50% of the outstanding units at that time. As a result of this contribution, Jeffrey LLC, on a going-forward basis, will hold essentially all of the family enterprise’s investment assets.

On January 17, 2017, the Trust will terminate pursuant to its terms, and the assets of each Individual Trust (substantially all of which consist of units and shares of TJC) will become distributable to the then-current income beneficiary of such Individual Trust, after all outstanding expenses and claims are satisfied. Upon the distribution of such assets, Jeffrey LLC will be owned entirely by descendants of J.A. Jeffrey, either directly or through TJC.²

Jeffrey LLC currently relies on an exception from the definition of investment company pursuant to Section 3(c)(1) of the Investment Company Act of 1940, as amended (the “ICA”). After Trust termination, Jeffrey LLC will limit its security holders

² A few current income beneficiaries have contributed their beneficial interests in their respective Individual Trusts to grantor retained annuity trusts (“GRATs”) for the benefit of their respective children. For a brief period after Trust termination, it is possible that these GRATs will own units and/or shares in TJC. Upon termination of these GRATs, such units and/or shares will be transferred to their respective grantors and/or such children. All beneficiaries of these GRATs are, and will be, Family Members.

to Family Clients. Jeffrey LLC would like to offer to additional Family Clients the opportunity to invest in Jeffrey LLC (subject to securities law compliance, including complying with applicable federal and state exemptions from the registration of its securities). The 100 beneficial owner limitation of Section 3(c)(1) of the ICA, however, potentially would cause family friction by denying to many Family Clients the opportunity to invest in Jeffrey LLC; as of the date of this Application, there are approximately 350 Family Members. Accordingly, on March 11, 2016, Jeffrey LLC filed an application with the Commission pursuant to Section 6(c) of the ICA requesting an exemption from all of the provisions of the ICA and all rules and regulations thereunder. Such exemption would permit Jeffrey LLC to allow all Family Clients the opportunity to invest in Jeffrey LLC without imposing on Jeffrey LLC the costs of registering under, and complying with, the ICA.

Units have not been, and will not be, offered or sold to the public. Furthermore, under Jeffrey LLC's limited liability company agreement, sales or other transfers of units for value to any purchaser, other than to Jeffrey LLC itself, are prohibited. Even transfers for value to existing members or other Family Clients are prohibited.³ Thus, a "market" never will develop for units. The only exit strategies available to a Family Client will be to surrender units for redemption by Jeffrey LLC at fair market value or to gift or contribute units to other Family Clients. Investors are permitted to redeem their units quarterly, at the end of each calendar quarter.

TJC also currently relies on an exception from the definition of investment company pursuant to Section 3(c)(1) of the ICA. After December 31, 2016, virtually all of TJC's assets will consist of managing member units of Jeffrey LLC, which Jeffrey LLC has determined are not securities. Thus, TJC no longer will be required to rely on Section 3(c)(1) of the ICA and will not require an exemption from the provisions of the ICA.

Neither Jeffrey LLC nor TJC has employees of its own. The Office provides a wide array of services to, and conducts the day-to-day operations of, Jeffrey LLC and TJC with the Office's own employees, subject to the direction of the Board. The services provided include investment advisory services; determining strategies for the implementation of the policies, directives and goals for Jeffrey LLC and TJC; establishing and maintaining a system of financial controls and reporting for Jeffrey LLC and TJC; establishing and maintaining information technology systems and services, telecommunications systems and services, and human resource capabilities sufficient for the provision of the Office's management services; and developing and implementing communications to and with the members of Jeffrey LLC and the shareholders of TJC.

³ Jeffrey LLC allows a very limited exception for estate planning transfers for value, such as installment sales to a grantor trust. Any such transfers will be made only to Family Clients. Additionally, investors are permitted to *pledge* units as collateral for a loan, but only if the pledge documents require, in lieu of foreclosure or other enforcement action in the event of a default, that the pledged units be redeemed by Jeffrey LLC prior to any transfer of economic or voting rights. In the event that units are pledged, the party to which such units are pledged shall not receive direct economic benefit from the units nor can such party directly or indirectly vote the units.

The Office is wholly owned and controlled by the same individual who is TJC's chief executive officer, and who also is a Family Member. Because the Office's owner is both a Family Member and a current income beneficiary of an Individual Trust, the Office's interests are aligned with those of fellow owners of Jeffrey LLC and TJC.

In addition to the Office, each of Jeffrey LLC and TJC relies on Commission-registered investment advisers in managing its investments, subject to the oversight of the Board. Currently, substantially all of the assets of Jeffrey LLC and TJC (including cash) are managed by six unrelated investment advisers, all of which are registered with the Commission. Substantially all of the assets of Jeffrey LLC and TJC are liquid, diversified, publicly traded securities, representing over 700 discrete holdings.

II. REQUEST FOR AN ORDER

Section 202(a)(11) of the Advisers Act defines the term "investment adviser" to mean "any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities"

As of the date of this Application, the Office qualifies as a Family Office under the Family Office Rule, and thus the Office is not considered to be an "investment adviser" under Section 202(a)(11) of the Advisers Act. The Office currently complies with the three general conditions of the Family Office Rule, specifically (i) the Office has no clients other than Family Clients as required by paragraph (b)(1) of the Family Office Rule, (ii) the Office is owned and controlled in a manner that complies in all respects with paragraph (b)(2) of the Family Office Rule and (iii) the Office does not hold itself out to the public as an investment adviser as required by paragraph (b)(3) of the Family Office Rule.

However, in the event that Jeffrey LLC were to exceed the 100 beneficial owner limitation of Section 3(c)(1) of the ICA and thereby no longer be excepted from the definition of "investment company" under the ICA, the Office technically would not comply with the Family Office Rule exclusion from the term "investment adviser" because the Office would have a client (i.e., Jeffrey LLC) that would not qualify as a Family Client.⁴

The Office does not qualify for any of the exemptions from registration as an investment adviser set forth in Section 203(b) of the Advisers Act and, because the Office has regulatory assets under management of more than \$100 million, the Office is not prohibited from registering under Section 203A(a) of the Advisers Act. Therefore, absent relief from being subject to the provisions of the Advisers Act in the event that Jeffrey

⁴ Paragraph (d)(4)(xi) of the Family Office Rule defines a Family Client to include "any company wholly owned (directly or indirectly) exclusively by, and operated for the sole benefit of, one or more family clients; provided that if any such entity is a pooled investment vehicle, it is excepted from the definition of 'investment company' under the Investment Company Act of 1940."

LLC were to exceed the 100 beneficial owner limitation, the Office would be required to register under Section 203(a) of the Advisers Act, notwithstanding that the Office would continue to offer its services only to Jeffrey LLC and TJC (and possibly other Family Clients) and not hold itself out to the public as an investment adviser. The Office, therefore, requests that the Commission issue an Order pursuant to Section 202(a)(11)(H) of the Advisers Act declaring the Office not to be a person within the intent of the Advisers Act.

III. DISCUSSION

A. Relationship with Jeffrey LLC If it Were to Exceed 100 Beneficial Owners Would Not Change the Nature of the Office into that of a Commercial Advisory Firm

In the Proposing Release for the Family Office Rule, the Commission stated as follows:

“We viewed the typical single family office as not the sort of arrangement that Congress designed the Advisers Act to regulate. We also were concerned that application of the Advisers Act would intrude on the privacy of family members. . . . As a consequence, disputes among family members concerning the operation of the family office could be resolved within the family unit or, if necessary, through state courts under laws specifically designed to govern family disputes, but without the involvement of the Commission. . . . The Act was not designed to regulate the interactions of family members in the management of their own wealth.”⁵

The Adopting Release clarified that the Advisers Act was not designed to regulate private advisory offices, and that the Family Office Rule was designed “to prevent circumvention of the Advisers Act’s protections by firms that are operating as commercial investment advisory firms.”⁶

The Office believes that its circumstances are consistent with the rationale for the Family Office Rule described in the Proposing Release and the Adopting Release. In requesting this Order, the Office is not attempting to expand its operations or engage in any level of commercial activity to which the Advisers Act is designed to apply. Its clients are Jeffrey LLC and TJC, each of which is a Family Client. If Jeffrey LLC were to exceed 100 beneficial owners, units of Jeffrey LLC would continue to be held entirely by Family Clients. Transfers of the units by unitholders (with the exception of redemptions and certain narrowly defined estate planning transfers) would continue to be

⁵ SEC, *Family Offices*, Investment Advisers Act Release No. 3098 (Oct. 12, 2010) (“Proposing Release”), at pages 4, 5 and 8. This policy was reaffirmed in the adopting release. Investment Advisers Act Release No. 3220 (June 22, 2011) (“Adopting Release”), at page 4 (“As we discussed in the Proposing Release, our orders have provided an exclusion for family offices because we viewed them as not the sort of arrangement that the Advisers Act was designed to regulate.”).

⁶ Adopting Release, at page 37.

prohibited. Jeffrey LLC would continue to be managed and controlled by TJC, which in turn is managed by the Board, a majority of the members of which are Family Members. The Office believes that none of the concerns the Commission mentioned in the Proposing Release and the Adopting Release regarding an overly broad application of the Family Office Rule would materialize if Jeffrey LLC were to exceed the 100 beneficial owner limitation of Section 3(c)(1) of the ICA.

B. There Is No Public Interest in Requiring the Office to Be Registered Under the Advisers Act

The Office is a private organization that was formed to be the “family office” for descendants of J.A. Jeffrey. The Office’s clients are Jeffrey LLC and TJC. The Office has no clients other than Family Clients. Indeed, the Office’s services are specifically and exclusively tailored to the needs of Jeffrey LLC and TJC. Those services would not change or be affected in the event Jeffrey LLC were to exceed the 100 beneficial owner limitation of Section 3(c)(1) of the ICA, and such an event should not create any public interest concern that would require the Office to be registered under the Advisers Act.

IV. PRECEDENT

The Commission issued “family office” orders before the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act⁷ and the adoption of the Family Office Rule.⁸ The Commission did not, however, rescind those orders upon adoption of the Family Office Rule,⁹ and the Office believes that those orders may provide guidance on matters that were not addressed by, do not contradict and are consistent with the policies and goals of, the Family Office Rule.¹⁰ The Office believes that the following precedent is relevant for the reasons discussed below.

In In the Matter of WLD Enterprises, Inc., Investment Advisers Act Release 2807 (November 14, 2008), the Commission’s order declared that a single-family office was not within the intent of Section 202(a)(11) of the Advisers Act, where such family office was organized to provide a wide array of services, including investment advisory services, to the family and pooled investment vehicles that had been created exclusively

⁷ Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, 124 Stat. 1376 (2010).

⁸ See, e.g., *WLD Enterprises, Inc.*, Investment Advisers Act Release Nos. 2804 (Oct. 17, 2008) [73 FR 63218 (Oct. 23, 2008)] (notice) and 2807 (Nov. 14, 2008) (order); *Parkland Management Company, LLC*, Investment Advisers Act Release Nos. 2362 (Feb. 24, 2005) [70 FR 10155 (Mar. 2, 2005)] (notice) and 2369 (Mar. 22, 2005) (order); *Longview Management Group LLC*, Investment Advisers Act Release Nos. 2008 (Jan. 3, 2002) [67 PR 1251 (Jan. 9, 2002)] (notice) and 2013 (Feb. 7, 2002) (order).

⁹ See Adopting Release, at Section II.B.

¹⁰ The Office notes that the Commission has stated that certain issues would be more appropriately addressed through an application seeking an exemptive order than through a rule of general applicability. See Adopting Release, at n.34; see also Proposing Release, at Section II (as a rule of general applicability, the definition of “family office” could not match the exact representations, conditions or terms contained in every exemptive order that had been issued because each of those orders necessarily varied to accommodate the particular circumstances of each applicant).

for the benefit of, and were wholly owned by, family members (although certain key employees were permitted to invest in these pooled investment vehicles). The Commission's order was issued based on certain conditions, including that the pooled investment vehicles be excepted from the definition of "investment company" under Section 3(c)(1) or Section 3(c)(7) of the ICA. This condition was essentially codified by the Commission in paragraph (d)(4)(xi) of the Family Office Rule.

Like the family office in WLD Enterprises, the Office provides a wide array of services to Family Clients, specifically Jeffrey LLC and TJC, each of which is a pooled investment vehicle created exclusively for the benefit of and wholly owned by Family Clients and that, as of the date of this Application, is excepted from the definition of "investment company" under Section 3(c)(1) of the ICA. The Office respectfully submits that, if Jeffrey LLC receives from the Commission an order exempting Jeffrey LLC from all of the provisions of the ICA and all rules and regulations thereunder, there is no practical difference from a regulatory standpoint between (i) a pooled investment vehicle created exclusively for the benefit of and wholly owned by Family Clients that is "excepted from the definition" of "investment company" under the ICA, and (ii) such a pooled investment vehicle that is, by virtue of a Commission order, exempt from all the provisions of the ICA and all rules and regulations thereunder.

Although the Family Office Rule largely codified the exemptive orders that the Commission previously had issued to family offices, the Commission recognized in proposing the rule that the exact representations, conditions or terms contained in every exemptive order could not be captured in a rule of general applicability. In proposing the Family Office Rule, the Commission stated with respect to the definition of who is considered a "family client" that "[w]e have not included every type of individual or entity that has been included in a prior exemptive order based on specific facts and circumstances," and noted that family offices would remain free to seek a Commission exemptive order to advise an individual or entity that did not meet the proposed "family client" definition.¹¹

The Commission also has issued orders subsequent to the adoption of the Family Office Rule.¹² Each of those orders treated the applicant as a Family Office even though the applicant was providing advisory services to persons who technically did not fall within the definition of "Family Client." Those orders recognized unusual circumstances in which an entity provided services to such persons while remaining focused on a single family's needs. The Office believes that its unusual circumstances – providing services to an entity that currently qualifies as a Family Client because it is excepted from the definition of "investment company" under the ICA but would not be so excepted if it were to exceed 100 beneficial owners – would not change the nature of the Office's operations to that of a commercial advisory business holding itself out to the public as an

¹¹ See Proposing Release, at Section II.A.

¹² See *D-W Investments LLC*, Investment Advisers Act Release Nos. 4066 (Apr. 24, 2015) (notice) and 4090 (May 19, 2015) (order); *Duncan Family Office*, Investment Advisers Act Release Nos. 3867 (July 1, 2014) (notice) and 3882 (July 29, 2014) (order); *Gruss & Co., Inc.*, Investment Advisers Act Release Nos. 3866 (July 7, 2014) (notice) and 3883 (July 29, 2014) (order).

investment adviser, and that an exemptive Order is appropriate based on the Office's specific facts and circumstances.

V. PROCEDURAL MATTERS

Pursuant to Rule 0-4(f) under the Advisers Act, the Office states that its name and address is indicated on the first page of this Application. The Office further states that all written or oral communications concerning this Application should be directed to:

Dan L. Jaffe, Esq.
Vorys, Sater, Seymour and Pease LLP
52 East Gay Street
Columbus, Ohio 43215
(614) 464-5650

All requirements for the execution and filing of this Application on behalf of the Office have been complied with and are in accordance with the Limited Liability Company Agreement of the Office, and the undersigned, acting as the sole member of the Office, is fully authorized to execute this Application. The Verifications required by Rule 0-4(d) under the Advisers Act are attached as Exhibit A and the Proposed Notice of the proceeding initiated by the filing of this Application, required by Rule 0-4(g) under the Advisers Act, is attached as Exhibit B.

VI. REQUEST FOR ORDER OF EXEMPTION

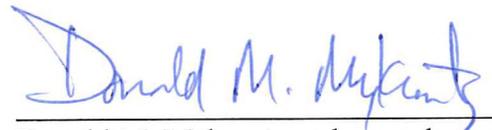
For the foregoing reasons, the Office requests that the Commission issue an Order under Section 202(a)(11)(H) of the Advisers Act declaring the Office not to be a person within the intent of the Advisers Act, provided that the Office complies with the following conditions:

1. The Office will offer and provide services only to Jeffrey LLC and TJC (and possibly other Family Clients).
2. The Office at all times will be wholly owned by Family Clients and exclusively controlled (directly or indirectly) by one or more Family Members and/or Family Entities as defined in paragraph (d)(5) of the Family Office Rule.
3. The Office will comply with all the terms for exclusion from the definition of "investment adviser" under the Advisers Act set forth in the Family Office Rule except for the limited technical exception requested by this Application.

The Office submits that the Order is necessary and appropriate, in the public interest, consistent with the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Advisers Act.

The Office states that, pursuant to the authority granted to the Office's sole member under Section 5.1(b) of the Limited Liability Company Agreement of Katahdin Asset Management LLC, the undersigned, being such sole member and who has signed and filed this Application on behalf of the Office, is fully authorized to do so.

Dated: September 2, 2016



Donald M. Mykrantz, sole member
of, and on behalf of, Katahdin Asset
Management LLC

DECLARATION OF APPLICANT

STATE OF OHIO)
) SS:
COUNTY OF FRANKLIN)

The undersigned being duly sworn deposes and says that he has duly executed the attached Application dated September 2, 2016, for an Order under Section 202(a)(11)(H) of the Investment Advisers Act of 1940 (“Advisers Act”) Declaring the Applicant to be a Person Not Within the Intent of the Advisers Act for and on behalf of Katahdin Asset Management LLC (the “Office”); that he is the sole member of the Office; and that all action necessary to authorize deponent to execute and file such instrument has been taken. Deponent further says that he is familiar with such instrument, and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.


Donald M. Mykrantz

Subscribed and sworn to before me, a Notary Public, this 1st day of September 2016.

My commission expires _____.



JEAN M. BAUER
Notary Public, State of Ohio
My Commission Expires 02-08-2019

SECURITIES AND EXCHANGE COMMISSION

[Release No. IA- ____ ; File No. ____ - _____]

Katahdin Asset Management LLC; Notice of Application

[Date]

Agency: Securities and Exchange Commission (“SEC” or “Commission”).

Action: Notice of Application for Exemption under the Investment Advisers Act of 1940 (“Advisers Act”).

Applicant: Katahdin Asset Management LLC (the “Applicant”).

Relevant Advisers Act Sections: Exemption requested under Section 202(a)(11)(H) of the Advisers Act to be excluded from the definition of “investment adviser” set forth in Section 202(a)(11) of the Advisers Act.

Summary of Application: The Applicant requests that the Commission issue an order declaring the Applicant to be a person not within the intent of Section 202(a)(11) of the Advisers Act, which defines the term “investment adviser.”

Filing Dates: The application was filed on September 2, 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 the 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 the 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 in this matter, 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, N.E., Washington, D.C. 20549. Applicant, Katahdin Asset Management LLC, c/o Dan L. Jaffe, Vorys, Sater, Seymour and Pease LLP, 52 East Gay Street, Columbus, Ohio 43215.

For Further Information Contact: _____, Senior Counsel, at (202) 551-____ (Division of Investment Management, Chief Counsel's Office).

Supplementary Information: The following is a summary of the application. The complete application may be obtained via the Commission's website either at <http://www.sec.gov/rules/iareleases.shtml> or by searching for the file number, or for an applicant using the Company name box, at <http://www.sec.gov/search/search.htm>, or by calling (202) 551-8090.

Applicant's Representations:

1. The Applicant is a multi-generational single-family office that provides services to Jeffrey LLC, a Delaware limited liability company, and to The Jeffrey Company, an Ohio corporation ("TJC"). The securities of each of Jeffrey LLC and TJC are 100% owned directly or indirectly by the descendants of Joseph A. Jeffrey (1836-1928) ("J.A. Jeffrey"). The managing member of Jeffrey LLC is TJC. TJC is managed by a board of directors, a majority of the members of which are Family Members as defined in paragraph (d)(6) of Rule 202(a)(11)(G)-1 (the "Family Office Rule") (with J.A. Jeffrey being the "common ancestor" for this purpose). Capitalized terms used herein have the same meaning as defined in the Family Office Rule. The Applicant is a

Delaware limited liability company that is wholly owned and controlled by the same individual who is TJC's chief executive officer, and who also is a Family Member.

2. The Applicant provides a wide array of services to Jeffrey LLC and TJC, including investment advisory services.

3. The Applicant represents that, as of the date of this Release, the Applicant is excluded from the definition of an "investment adviser" under Section 202(a)(11) of the Advisers Act because it qualifies as a Family Office meeting the three general conditions of the Family Office Rule, specifically, (i) the Applicant has no clients other than Family Clients as required by paragraph (b)(1) of the Family Office Rule, (ii) the Applicant is owned and controlled in a manner that complies in all respects with paragraph (b)(2) of the Family Office Rule and (iii) the Applicant does not hold itself out to the public as an investment adviser as required by paragraph (b)(3) of the Family Office Rule.

4. The Applicant represents that Jeffrey LLC, as of the date of this Release, relies on an exception from the definition of investment company pursuant to Section 3(c)(1) of the Investment Company Act of 1940, as amended (the "ICA"), and qualifies as a Family Client under paragraph (d)(4)(xi) of the Family Office Rule. Jeffrey LLC, however, would like to offer to additional Family Clients the opportunity to invest in Jeffrey LLC (subject to securities law compliance). The 100 beneficial owner limitation of Section 3(c)(1) of the ICA would cause family friction by denying to many Family Clients the opportunity to invest in Jeffrey LLC; as of the date of this Release, there are approximately 350 Family Members. Accordingly, on March 11, 2016, Jeffrey LLC filed an application with the Commission pursuant to Section 6(c) of the ICA requesting an exemption from all of the provisions of the ICA and all rules and regulations thereunder.

Such exemption would permit Jeffrey LLC to allow all Family Clients the opportunity to invest in Jeffrey LLC without imposing on Jeffrey LLC the costs of registering under, and complying with, the ICA.

5. The Applicant represents that, in the event Jeffrey LLC were to exceed the 100 beneficial owner limitation of Section 3(c)(1) of the ICA, the Applicant would continue to meet the three general conditions of the Family Office Rule set forth in item 3 above, with the exception that Jeffrey LLC would not qualify as a Family Client, as more fully described below.

Applicant's Legal Analysis:

1. Section 202(a)(11) of the Advisers Act defines the term “investment adviser” to mean “any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities”

2. As of the date of this Release, the Applicant qualifies as a Family Office under the Family Office Rule, and thus the Applicant is not considered to be an “investment adviser” under Section 202(a)(11) of the Advisers Act. The Applicant complies with the Family Office Rule, in part, because Jeffrey LLC qualifies as a Family Client under paragraph (d)(4)(xi) of the Family Office Rule, as of the date of this Release, because Jeffrey LLC is excepted from the definition of “investment company” under the ICA pursuant to Section 3(c)(1) of the ICA.

3. However, in the event Jeffrey LLC were to exceed the 100 beneficial owner limitation of Section 3(c)(1) of the ICA, Jeffrey LLC no longer would be excepted from the definition of “investment company” under the ICA and qualify as a Family Client under paragraph (d)(4)(xi) of the Family Office Rule, resulting in the Applicant no longer being able to rely on the Family Office Rule exclusion from the term “investment adviser.” The Applicant does not qualify for any of the exemptions from registration as an investment adviser set forth in Section 203(b) of the Advisers Act and, because the Applicant has regulatory assets under management of more than \$100 million, the Applicant is not prohibited from registering with the Commission under Section 203A(a) of the Advisers Act. Therefore, absent relief, the Applicant would be required to register as an investment adviser under Section 203(a) of the Advisers Act.

4. The Applicant submits that, in the event Jeffrey LLC were to exceed the 100 beneficial owner limitation of Section 3(c)(1) of the ICA, the Applicant should continue not to be considered an investment adviser under the Advisers Act. In support of this argument, the Applicant notes that, in the event Jeffrey LLC were to have more than 100 beneficial owners, the Applicant would continue to be wholly owned and exclusively controlled by a Family Member, the Applicant’s clients would continue to be only Jeffrey LLC and TJC (and possibly other Family Clients), and the Applicant would continue not to hold itself out to the public as an investment adviser. Further, in the event Jeffrey LLC receives from the Commission an order exempting Jeffrey LLC from all of the provisions of the ICA and all rules and regulations thereunder, the Applicant submits that there is no practical difference from a regulatory standpoint between Jeffrey LLC being “excepted

from the definition” of “investment company” under the ICA and Jeffrey LLC being exempt from all of the provisions of the ICA pursuant to an SEC order.

5. The Applicant also submits that there is no public interest in requiring the Applicant to be registered under the Advisers Act. The Applicant states that, in requesting the order, the Applicant is not attempting to expand its operations or engage in any level of commercial activity to which the Advisers Act is designed to apply. The Applicant is a private organization that was formed to be the “family office” for descendants of J.A. Jeffrey and provides services that are specifically and exclusively tailored to the needs of Jeffrey LLC and TJC. In the event Jeffrey LLC were to exceed 100 beneficial owners, the Applicant’s clients would continue to be only Jeffrey LLC and TJC (and possibly other Family Clients), and the Applicant would continue to be focused solely on the needs of Jeffrey LLC and TJC (and possibly other Family Clients).

6. The Applicant submits that, although the Family Office Rule largely codified the exemptive orders that the Commission had previously issued before the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Commission recognized in proposing the Family Office Rule that the exact representations, conditions or terms contained in every exemptive order could not be captured in a rule of general applicability. The Commission noted that family offices would remain free to seek a Commission exemptive order to advise an individual or entity that did not meet the proposed “family client” definition, and that certain situations may raise unique conflicts and issues that are more appropriately addressed through an exemptive order process, where the Commission can consider the specific facts and circumstances, than through a rule of general applicability. The Applicant notes that the Commission has issued orders

subsequent to the adoption of the Family Office Rule, and that those orders treated each applicant as a Family Office even though the applicant was providing services to persons who technically did not fall within the definition of “Family Client.” The Applicant submits that those orders recognized unusual circumstances in which an entity provided services to such persons while remaining focused on a single family’s needs. The Applicant maintains that its unusual circumstances – Jeffrey LLC currently qualifying as a Family Client, but not so qualifying if it were to exceed 100 beneficial owners – would not change the nature of the Applicant’s operations into that of a commercial advisory business, and that an exemptive order is appropriate based on the Applicant’s facts and circumstances.

7. For the foregoing reasons, the Applicant requests an order declaring it to be a person not within the intent of Section 202(a)(11) of the Advisers Act. The Applicant submits that the order is necessary and appropriate, in the public interest, consistent with the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Advisers Act.

Applicant’s Conditions:

1. The Applicant will offer and provide services only to Jeffrey LLC and TJC (and possibly other Family Clients).

2. The Applicant at all times will be wholly owned by Family Clients and exclusively controlled (directly or indirectly) by one or more Family Members and/or Family Entities as defined in paragraph (d)(5) of the Family Office Rule.

3. The Applicant will comply with all the terms for exclusion from the definition of “investment adviser” under the Advisers Act set forth in the Family Office Rule except for the limited technical exception requested by the application.

For the Commission, by the Division of Investment Management, under delegated authority.

Secretary