

TANNENBAUM HELPERN SYRACUSE & HIRSCHTRITT LLP

900 THIRD AVENUE

NEW YORK, NEW YORK 10022-4775

(212) 508-6700

FACSIMILE: (212) 371-1084

August 5, 2015

VIA ELECTRONIC MAIL

Ms. Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: Release No. IA-4091, File No. S7-09-15: Amendments to Form ADV and
Investment Advisers Act Rules; Comment re Umbrella Registration

Dear Ms. Murphy:

We respectfully submit this comment letter in response to the request made by the Securities and Exchange Commission (the "Commission") with respect to certain proposed amendments to Form ADV and Investment Advisers Act Rules in its Release No. IA-4091, File No. S7-09-15, dated May 20, 2015, respectively, the "Proposed Rules" and the "Release." For ease of reference, we refer to the Investment Advisers Act of 1940, as amended, and rules promulgated thereunder, as the "Advisers Act" and to those investment advisers that are registered with the Commission as such under the Advisers Act as "RIAs" and each as an "RIA." We appreciate the opportunity to comment on the issues discussed in the Release.

While we concur with the Commission's desire to simplify the RIA registration process by way of implementing certain new and established umbrella registration procedures, we confine our comment to two aspects of the Proposed Rules, each of which relates to these proposed procedures.

The Commission has requested comment on its implementation of changes to the rules of the Advisers Act which would allow two or more affiliated entities that are separate legal

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entities but are operationally integrated to submit one Form ADV in what is known as an umbrella registration.

A. Single Advisory Business Requirement

The issue we raise relates to the nature of the operations of each of the affiliates and we seek clarification with respect to one characterization of a single advisory business, namely the Release's reference that to qualify the affiliates under the umbrella, the accounts managed by the relying or filing adviser as the case may be, "pursue investment objectives and strategies that are *substantially similar or otherwise related* to those private funds." (Our emphasis).¹ We would urge the Commission to reconsider the need reflected by the italicized language. To be sure, there are many RIAs that operate as a single integrated business insofar as compliance and operations but whose investment strategies differ and are clearly not "substantially similar." We refer to businesses that operate multi-strategy platforms, funds of funds or independently managed accounts with strategies tailored to client needs, each of which would certainly benefit from the umbrella registration.

We note that that the Release uses the phrase "otherwise related" in this context and perhaps it is intended to address the concern we express. We understand this to mean that the Commission will consider characteristics other than whether or not the filing adviser or the relying adviser(s) pursue similar investment strategies or objectives. If so, we suggest that the matter be clarified in the Final Rules so as to avoid any confusion.²

B. Qualified Client Requirement.

In order to be eligible for umbrella registration, the Commission has proposed that the filing adviser and each relying adviser must only advise private funds and clients that are "qualified clients" as defined in Rule 205-3 of the Advisers Act.³ The qualified client standard

¹ See Release, Section II.A, p. 29.

² See Id.

³ See Id., p. 29.

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was put into place as a condition to a RIA being entitled to charge an incentive or performance based fee. Needless to say, there are many rules that are followed by RIAs, Rule 205-3 being just one of them. The potential benefits of umbrella registration bear little relation to the rules and requirements pertaining to incentive fees. In fact, many RIAs charge management fees only and forego incentive based compensation and accordingly, we believe that this requirement unnecessarily restricts many RIAs from benefitting from umbrella registration. We would urge the Commission to omit the qualified client requirement in the Final Rules.

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We would be happy to meet with the Commission staff to discuss this further if requested to do so.

Respectfully submitted,



Tannenbaum Helpern
Syracuse & Hirschtritt LLP

cc: Michael G. Tannenbaum
Daniel Altabef