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August 10, 2015

Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

**Re: Comments Submitted on Rule Proposal: Amendments to Form ADV and Investment Advisers Act Rules (File No. S7-09-15)**

Dear Ladies and Gentlemen:

Thank you for the opportunity to comment on the proposed amendments to Form ADV. Our firm has experience evaluating compliance programs of investment advisers of all sizes and utilizes Form ADV information extensively along with a firm's compliance program, website disclosure and client (and prospective) client information. We work with Chief Compliance Officers ("CCO's") as well as senior management with compliance responsibilities. The undersigned does not currently serve as an "outsourced CCO", but has served as an "independent CCO" working primarily with boards of directors/trustees and assists many CCOs with their annual reviews.

**FORM ADV**

Form ADV generally serves as the principal disclosure document for all registered investment advisers both with the U.S. Securities and Exchange Commission and the states. As such, Form ADV serves as a critical document that links registered investment advisers with the regulatory agency that is charged with primary oversight of those investment advisers. Maintaining clarity, integrity and ease of use, should trump data collection efforts of regulators and third parties. In fact, data collection efforts should utilize different forms – of which Form PF, Form NSAR, Form D, Form NPX, Form NCSR, are all examples of forms designed for data collection efforts, rather than principal use as a public disclosure document. The SEC should recognize the difference between forms used for data collection and forms used for public disclosures and amend accordingly.

The vast number of changes proposed by the SEC over the last ten years have been to strengthen efforts of firms to provide better clarity, integrity and ease of use. For example, the plain English rules for mutual fund prospectuses and statements of additional information, the amendments to Form ADV which included the new form for ADV Part 2 have all gone a long way to help the investing public understand the firms that they are working with and/or investing in. This rule as proposed represents a dramatic departure from those efforts and goes in the direction of confusion, vaguely defined terms and legalese. It is the undersigned's view that clear disclosure benefits investors and data collection does not offer benefits to investors.

The detailed information requested through these rule proposals does not appear to serve a useful purpose and involves extensive risk for firms that complete their own Form ADV on an annual basis. The likelihood that an answer would be wrong through miscalculation and/or a lack of understanding of the request would far outweigh the benefit of obtaining this information on a grand scale. The proposal appears to give advisers of pooled products (funds and private funds) a distinct advantage over any adviser that manages separate accounts for clients and could cause a fundamental shift in the way that firms need to do business in the future – to avoid the regulatory issues presented with these requested disclosures. Changes to business should not be driven by the regulator or regulation – changes should be driven by innovation and benefits to investors.

**Compliance Programs of Investment Advisers**

It is our view that compliance programs and annual reviews are the *opportunity* of the registered investment adviser to highlight their attention to safety and preservation of assets. Generally, investment advisers that hire outside compliance experts to review their programs are proactive, risk adverse and diligent in maintaining the best possible compliance program. In our experience, firms that make this effort certainly reduce regulatory risk inherently present in their businesses and should be treated differently than firms that do not engage independent reviewers. While firms that hire experienced in-house compliance people also demonstrate their commitment to compliance, independent reviews offer firms the best opportunity to benchmark their compliance program and to provide third parties with additional confidence when selecting an investment adviser.

In fact, over the last ten years that the compliance rule has been in effect, the single most detrimental aspect of the rule has been the fact that the rule does not require Rule 206(4)-7 reviews to be in writing. This lack of writing requirement lulls advisers into believing that they are not "required to have a written report," yet enforcement cases in recent years have included violations of the annual review requirement of Rule 206(4)-7. This is a critical missed step and should be corrected.

To accomplish the goals that the SEC has set forth in this rule proposal, alternative suggestions are the following:

- Amend Rule 206(4)-7 to require annual compliance reports to be in writing and/or require registered investment advisers to submit an annual assessment (much like the NFA's Annual Compliance Questionnaire) to be submitted, signed and dated, and/or request discussions of the separate account information to be included in the annual 206(4)-7 review;

- Amend Form ADV Part 1 to allow for identification/disclosure of use of a third party compliance reviewer, much like the disclosure for a fund administration in the private fund context but not require providing a providers' tax id information and other details of the provider (in our view that information crosses the line between disclosure and data collection, which we generally oppose for Form ADV Parts 1 and 2);
- Amend Form PF to request additional information that the staff seeks and/or create a new Form SA to request data regarding separate accounts;
- Modify the SEC's current oversight program by putting enhancements on the IARD system to identify filings with clear mistakes, for example advisers filing an ADV Part 2 that has not been updated for the current year's filing. Using the current form, the SEC could do much more to make use of the information that it already has, rather requesting additional information that has no use to the investing public; and
- Amend ADV, Part 2 disclosure to require more detail on use of derivatives in a firm's investment strategy.

While these recommendations are a mere sampling of alternatives, the theme of this comment letter is to ask the SEC not to approve these proposed amendments to Form ADV. Data collection is better used through other SEC forms that are data collection filings and not in the primary disclosure document used by nearly all SEC and state registered investment advisers. The comments reflected herein represent solely the views, comments and concerns of the undersigned and do not necessarily represent the views of the undersigned's firm or the clients of firms. I would be happy to meet with the staff to discuss at their convenience.

Very truly yours,
/s/ Debra Brown

Debra M. Brown
Brown & Associates LLC