



June 24, 2015

Via E-Mail to: rule-comments@sec.gov

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

Attn: Brent J. Fields, Secretary

**Re: Release No. IA-4091; File No. S7-09-15
Amendment to Form ADV and Investment Advisers Rules**

Dear Mr. Fields:

JAG Capital Management appreciates the opportunity to comment on the Securities and Exchange Commission's ("SEC") proposed rule. We support disclosure that provides transparency into our firm and our investment practices. We do have concern that a check the box approach may cloud, rather than enhance, clarity.

On page 9, you propose to require advisers to report the approximate percentage of separately managed account regulatory assets under management invested in ten broad asset categories, such as exchange-traded equity securities and U.S. government/agency bonds. Many advisors buy convertible debt securities for equity exposure. As such they treat the securities as equities in their portfolio accounting systems. This is done to adequately monitor equity allocations and exposure. Could you please address if the reporting of convertible debt as equity is appropriate in those circumstances?

On page 15 you asked about derivatives. We believe that it would be more appropriate and beneficial to combine these with the 10 categories for reporting regulatory AUM discussed above. You ask if the term "derivative" should be defined broadly to include instruments whose price is dependent on or derives from one or more underlying assets? We are unsure what would fall under a narrow definition as opposed to a broad definition. For example: would TIPS, ETFs, and convertible bonds now be categorized as derivatives? Is an index considered an asset?

Second, on Page 10 you propose to require advisers with at least \$150 million in regulatory assets under management attributable to separately managed accounts to report information on the use of borrowings and derivatives in those accounts. This appears duplicative of the reporting of margin by Broker dealer custodians, who are required to report this data to FINRA on a daily basis.

Customers use margin for various non-investment purposes; many of these have nothing to do with the advisor's investment strategy. It would provide meaningful disclosure to ask if the advisor uses leverage as a part of their investment strategy. If yes, then ask the advisor to provide details.

The SEC asked "Should we require advisers to report information about the use of securities lending and repurchase agreements in separately managed accounts?" (pg. 15). I believe this is more for the custodians to answer. Generally, we do not have information, and are not a party to these types of arrangements.

Would the proposed social media information be useful to investors? Why or why not? If investors are curious if we have a LinkedIn page, as a practical matter they will search LinkedIn. Form ADV is probably the last place they would look.

In reference to compensation for client referrals, "Proposed Item 8.H.(2) would cover compensation to employees, in addition to employees' regular salaries, for obtaining clients for the firm" (pg. 41), we believe the current version of the form ADV 2B document adequately discloses how employees are compensated.

In 2008 the commission released the RAND Study of the investment adviser and broker-dealer industries, and the nature of their relationships with customers. One of the findings of that study was the majority of interviewees expressed the opinion that disclosures do not help protect or inform the investor, primarily because few investors actually read the disclosures. Many participants said they think the disclosures themselves are the root of the problem. Our point is that increasing the volume of disclosure does not benefit the client. The greater the volume of paper, the less it tends to be read. We do not believe any of the additional information requested would be meaningful to retail investors, and it may not even be read by the majority of them.

If you have any questions regarding this letter, please contact the undersigned at [REDACTED].

Sincerely;



Charles E Dodson
Vice President /CCO