BRG Fund Management Services, LLC
810 Seventh Avenue | Suite 4100
New York, NY 10019
O 212.782.1400
F 212.782.1478
thinkbrg.com

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Mr. Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Registered Investment Adviser Business Continuity and Transition Plans Proposal (File No. S7-13-16)

Dear Mr. Fields

BRG Fund Management Services, LLC ("BRG FMS") thanks the SEC for providing the opportunity to respond and comment on the SEC's proposal that would require Registered Investment Advisers ("RIAs") to implement business continuity and transition plans.

About BRG FMS

BRG FMS provides fund transition services for RIAs and their investors, serving as replacement asset managers, fiduciaries, trustees, and/or independent directors. Our professionals have served as fund management and fiduciaries in a variety of fund transition and wind-down situations. Our work involves close liaison with general partners, fund directors, legal advisers, and investors in the development and execution of the selected strategy for the transition and wind-down management of funds. For more information on BRG FMS, please visit our website at: http://www.thinkbrg.com/expertise-fund-management-fiduciary-services.html.

Summary of BRG FMS Views on the SEC's Proposals

In general, we are supportive of the view that transition plans: (i) should be tailored to a manager's individual business and circumstances, (ii) should not be prescriptive, and (iii) should include an annual assessment by the manager allowing for modification to reflect changes in the manager's business or circumstances.

Further, we believe the maintenance of an appropriate and relevant manager transition plan may help lower investment risk for Limited Partners ("LPs") allowing them to respond with potentially longer and larger investment commitments.

Based on our experience in transition planning and winding down managers, we have addressed below certain of the SEC's questions relating to transition planning. In addition, in the enclosed appendix we have included some suggestions as to potential facets of a transition plan's components that, from our experience, we believe will be effectual. Our transition plan component suggestions consider items we encounter in manager transitions that address: (i) the transfer of

key fund level data and knowledge, which in some circumstances may include certain critical operations and certain staff of the existing manager, (ii) the development of a checklist of relevant client information that would be important for the orderly transition to a successor manager, (iii) consideration of potential financial resources available to the manager to ensure an orderly client asset transition or manager wind–down, (iv) the identification of material contract terms that may be triggered upon a manager transition or wind-down. Our suggestions are informed and tempered by our view on how managers would appreciate some clarity and specificity to assist in the ease of compliance with this new rule.

Responses to Proposal's Questions

- ***Should we require all SEC-registered advisers to adopt and implement business continuity and transition plans? Or should we identify only a subset of SEC-registered advisers that must implement such plans? Which advisers should be in such a subset (e.g., large advisers with assets under management over a specific threshold, advisers affiliated with financial institutions, etc.) and why?***

  We agree that all managers would benefit, in the event of a needed transition or wind-down, from a transition plan that is tailored to the specific circumstances and risks of the manager's organization.

  Not all managers are the same. For example, there are adviser-client relationships where the clients have dominion over their assets. In addition, there are many managers of funds holding liquid assets which may be monetized with relative ease and limited price impact. In those circumstances, an appropriate transition plan may be a simplified treatment of the components identified by the SEC, such as a checklist of the necessary steps required to transfer assets to a successor manager, or where applicable, to monetize investments and return client capital.

  However, we believe it would be appropriate for managers who oversee meaningful portfolios of illiquid investments and/or those RIAs that have limited redundancies within their organization to have a transition plan that specifically considers the factors involved in transitioning client assets to a successor manager. We would therefore suggest that, in rolling out a requirement for all RIA's to develop transition planning protocols, the SEC give consideration to a risk-weighted approach with an emphasis on managers of illiquid assets and those managers with limited available redundancies.

- ***Should we require business continuity and transition plans to include each of the proposed components? Alternatively, should the rule require advisers to have a business continuity and transition plan, and specify certain components of a plan in the form of a safe harbor provision? Or, should the rule not specify required components of a plan and instead allow advisers to determine the appropriate components of their plans? Are there any components we should remove from the proposed list of required components? Are there any components we should add or expand upon? For example, with respect to a pre-arranged alternate physical location(s) of the adviser's office(s) and/or employees, should we require that an adviser's business continuity and transition plan include an alternate location at a specified distance away from its primary location? Should we require an adviser's communication plan to extend to investors in certain types of pooled investment vehicles? If so, which specific types of pooled investment vehicles and how should the term "investors" be defined for each type of pooled investment vehicle? Should we require an adviser to have policies and procedures that address the identification, assessment, and review of critical third-party vendors that the adviser arranges or oversees for its clients?***

  We agree that managers should address each of the transition plan components to the extent relevant to that manager's business and if not, document why such transition plan component is not relevant. Additionally, we believe that providing a framework through the provision of safe harbor components is helpful and necessary as this will ensure that key topics are addressed in drafting the transition plan document. Please refer to the appendix for suggested considerations under the five transition plan components.

- ***Are each of the proposed components of a business continuity and transition plan clear or should we provide additional information and/or definitions for any of the components? If so, what additional information or definitions are needed? For example, should we provide a definition of "significant business disruption," "unable to continue providing investment advisory services," or "pooled investment vehicle"? Alternatively, should we require investment advisers to define certain terms, like "significant business disruption" or "unable to continue providing investment advisory services," within their plans?***

  With regard to the transition plan components, we believe the SEC should provide additional guidance on the factors to be considered under each of the five transition plan components (see the appendix for suggested considerations under each of the five components), beyond these basic safe harbor factors, we believe the interpretation of the applicability of such factors should be left to the manager to determine, based on the specific circumstances of the manager's business.

- ***With respect to each of the proposed components of a business continuity and transition plan, we have provided information as to the items and/or actions that we believe generally should be encompassed within a particular component. Is there additional information that we should provide, or any information that we should exclude or modify, regarding any of the proposed components of a plan? Alternatively, instead of permitting advisers the flexibility to draft their plans based on the complexity of their businesses, should we require advisers to address each component in a prescriptive manner by requiring specific mechanisms for addressing particular risks?***

  Beyond a set of principles and basic safe harbor factors identified at the transition plan component level, we believe the interpretation of the applicability of such factors should be left to the manager to determine, based on the specific circumstances of the manager's business.

- ***Should we adopt a more prescriptive rule that calls for a more specific transition plan similar to the "Living Wills" required by the Federal Reserve Board and the FDIC for large banks and systemically important non-bank entities? If so why, and what specifically should the rule require?***

  At this time a more prescriptive rule calling for a more specific transition plan (similar to the "Living Wills" required by the Federal Reserve Board) may not be of practical assistance to RIA's service of its clients. We do note that the Financial Conduct Authority "FCA" in the United Kingdom requires investment managers to have/consider appropriate capital reserves to deal with a manager's potential financial distress and wind-down. In recent times we have heard mention by LPs and their legal advisers that LP clients might want to work such reserve capital concepts into upcoming Limited Partner Agreement ("LPA") negotiations, with several even considering the naming of a backup manager for the general partner in the event of the manager's financial distress or wind-down.

- ***As part of the proposed rule, should we require advisers to provide disclosure to their clients about their business continuity and transition plans? If so, what should be the format of such disclosure (e.g., summary of plan, copy of plan)? When or how frequently should this disclosure be provided? Should we require advisers to disclose to their clients incidents where they relied on or activated their business continuity and transition plans? If so, what should be the format of such disclosure? What types of incidents should be disclosed or not disclosed?***

  We would suggest that the SEC allow advisers provide voluntary disclosure to their investors and investor prospects at the adviser's discretion. We believe that, over time, advisers who will be more proactive in disclosing their transition plans may gain a competitive advantage over their peers. As disclosure of transition plans becomes more established, other advisers will follow suit and the level of disclosure may increase to the appropriate level ultimately driven by market forces.

- ***Should we require advisers to file their business continuity and transition plans, or a summary thereof, with the Commission? Should these filings be made available to the public? Why or why not? Are business continuity and transition plans considered proprietary to an adviser such that disclosing its plan to the public (either through a Commission filing or through disclosure to a client) creates additional risk exposure to the adviser?***

  We agree with the position that certain information in a manager's transition plan may include details on the manager's business and organization that may be proprietary to that manager and thus would suggest such information remain inaccessible to the public and competitors.

- ***Should we require that business continuity and transition plans be reviewed at least annually, as proposed? Should we expressly require reviews of business continuity and transition plans to be documented in writing? Should we require more frequent or less frequent review of business continuity and transition plans? In addition to annual review, should we require that advisers review their plans when specific events occur? For example, should we require plans be reviewed when an adviser has an event that causes it to rely on its plan? Should we require plans be reviewed based on changes to the adviser's operations or processes, changes in the ownership or business structure of the adviser, compliance or audit recommendations, lessons learned from testing or disruption events, and/or regulatory developments?***

  It would be reasonable and prudent to review the transition plan annually and, in particular, upon the occurrence of an event that has caused a manager to rely on its plan. We would suggest that the annual review should be undertaken by a responsible officer of the manager and documented, at a minimum, with a statement that a responsible officer has undertaken the review. We think it would also be prudent for an adviser to review the transition plan upon a material event, although we would recommend that it should be up to the adviser to determine what it considers to be a material event necessitating such a review. The following are suggested examples of material events triggering such a transition plan review: The merger of the investment adviser's business; a sale of a significant portion of the investment adviser's business; a material change in asset management strategy; the addition of new fund; the expansion of investments into a new foreign jurisdiction; a material change in assets under management; the occurrence of a market stress event material to assets under management; and the loss of key employee(s).

- ***Should we require advisers to keep any records documenting their annual review of their business continuity and transition plans, as proposed?***

  Yes, we would suggest documenting that a responsible officer has considered the plans at least annually.

Transition Plan Components
Included in the appendix are some suggested considerations under the transition plan components that from our experience we believe may be relevant to certain managers in the development of their transition plan. Our suggestions, which are in the form of a potential item checklist to be considered under each of the five transition plan components, are situation-specific to a RIA's business and while not meant to be exhaustive, give consideration to some of the issues certain managers typically encounter in transition or wind down situations.

BRG FMS appreciates the opportunity to provide our perspective and comments on the SEC's proposal. If you have any questions regarding our comments or would like further information please contact Finbarr O'Connor at [redacted] or Eric Miller at [redacted].

Yours sincerely,

BRG Fund Management Services, LLC

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cc:

Zeena Abdul-Rahman, Senior Counsel, Division of Investment Management ("IM")
John Foley, Senior Counsel, IM
Kathleen Joaquin, Senior Financial Analyst, IM
Alpa Patel, Branch Chief, IM
Michael Athanason, Managing Director; Berkeley Research Group

Appendix
Transition Plan Components – Suggested Considerations
(Referencing *275.206(4)-4 Investment adviser business continuity and transition plan)*

(2) (v): Plan of transition that accounts for the possible winding down of the investment adviser's business or the transition of the investment adviser's business to others in the event the investment adviser is unable to continue providing investment advisory services, that includes the following:

(A) Policies and procedures intended to safeguard, transfer and/or distribute client assets during transition

Consideration should be given to planning for the transition of key fund investment level data and knowledge, particularly for illiquid, non-publicly traded, or proprietary assets where publicly available information is scarce. Such information may include investment files relating to individual portfolio assets, investment transaction/deal contacts, investment data access (e.g. electronic data rooms), steps to transfer board seats or advisory roles for portfolio assets, and details on portfolio company level managerial responsibilities or obligations.

Consideration should also be given, particularly for manager-administered funds, to policies and procedures for the transfer of fund and/or fund asset books and records.

(B) Policies and procedures facilitating the prompt generation of any client-specific information necessary to transition each client account

Each adviser should develop a checklist and provide the sources of critical client information that would need to be transferred. Potential client information that an adviser may include are client databases, investor accounts and holdings, waterfall calculations, net asset value files by investor, side letters, and co-investment and managed files.

(C) Information regarding the corporate governance structure of the adviser

We would suggest this component include information on the adviser sufficient to provide an uninformed third party, (such as a successor manager) with an understanding of the corporate governance structure of the adviser (including entities and key personnel and associated contact details) and material relationships (affiliates and individuals) thereto.

(D) Identification of any material financial resources available to the adviser

In identifying and assessing the ongoing sufficiency of the financial resources available to the manager to fund the transition of the management of the portfolio to a replacement manager or to wind-down the existing manager, we would suggest that the adviser determine and document potential financial resources available to the manager under a transition/wind down

scenario. To the extent the financial resources available to the manager materially changes we would suggest such changes should be reflected in the annual review of this component.

(E) An assessment of the applicable law and contractual obligations governing the adviser and its clients, including pooled investment vehicles, implicated by the adviser's transition:

We would suggest that such an assessment also include the identification and evaluation of investments with contractual implications in the event of a change in manager or a manager wind-down/insolvency (e.g. derivatives contracts, co-investments, joint venture investments and private equity) where there may be an impact to value under a triggering event. In such circumstances, we suggest that managers maintain a list of investments and contracts that include such contractual clauses, so in the event of a transition it is possible to more easily evaluate the change of manager/insolvency implications to determine the steps to address a breach.

We would suggest under this component, where relevant, that managers maintain a checklist of the consent requirements, such as director approval, and investor consent, to transition the management of the fund to a successor manager.