SVB›Financial Group

January 24, 2010

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Re: Exemptions for Advisers to Venture Capital Funds

File No. S7-37-10
Release No. IA-3111 (the "*Release*")

Dear Ms. Murphy:

SVB Financial Group ("*SVB*") is pleased to submit these comments in response to the Securities and Exchange Commission (the "*Commission*") request for comment on proposed rule 275.203(l)-1 (the "*Proposed Rule*") under the Investment Advisers Act of 1940 (the "*Advisers Act*"). The proposed rule would define the term "venture capital fund" for purposes of Section 203(b)(l) of the Advisers Act, which was enacted as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "*Dodd-Frank Act*").

It is critical that the Commission define venture capital funds accurately. If the definition is too broad, it may allow funds that pose systemic risk to our financial system to avoid registration. If too narrow, it would put an unnecessary financial burden on venture capital funds and the start-up companies they support, and encourage them to make business decisions that would stifle job creation, innovation and global competitiveness. Additionally, we believe that this definition may be used beyond investment adviser registration requirements. Any mistakes could have unintended consequences with broad-reaching effects.

We appreciate the Commission's thoughtfulness in creating the proposed rules; however there are several aspects that we believe need to be revised or clarified to avoid the unintended consequences mentioned above. All of these revisions will allow venture capital funds more flexibility to provide funding for small, growing business without contributing to any systemic risk. Specifically, we encourage the Commission to:

1. Revise the definition of qualifying portfolio companies to recognize that venture capital funds invest in other venture capital funds, and such investments are consistent with the policies underlying Section 203(b)(l). This can be accomplished by changing "any company" to "any entity" in section (c)(4), and adding the phrase "unless it is a venture capital fund under this section 275.203(l)-1" at the end of section (c)(4)(iv);

2. Revise the definition to recognize that venture capital funds buy shares from founders and other shareholders before or without buying shares directly from the issuing

portfolio company. This can be accomplished by revising section (a)(2)(i) to delete the phrase "of each qualifying portfolio company" prior to "owned by the fund";

3. Expand section (a)(2) to include funds that make loans to qualifying portfolio companies;

4. Revise section (a)(4) of the definition to allow venture capital funds to guaranty portfolio company debt without a 120 day time limit;

5. Clarify the term "in connection with..." in section (c)(4); and

6. Recognize that venture capital funds use capital call lines of credit and that an undrawn line of credit is not borrowing or debt.

BACKGROUND ON SVB FINANCIAL GROUP

SVB is a bank holding company and a financial holding company. Our principal subsidiary, Silicon Valley Bank, is a California-chartered bank and a member of the Federal Reserve System. As of December 31, 2010, SVB had total assets of $17.5 billion.

We are the premier provider of financial services for companies in the technology, life science, venture capital and premium wine industries. Since we began serving the technology and life science markets in 1983, we have become the most respected bank serving the technology industry and have developed a comprehensive array of banking products and services specifically tailored to meet our clients' needs at every stage of their growth.

Today, we serve more than 13,000 clients through 26 U.S. offices and through international offices located in China, India, Israel and the United Kingdom. We earn the vast majority of our income by providing banking and financial services to our clients. In addition to our core banking business, however, SVB (the holding company) also has sponsored venture capital funds, through our SVB Capital division, and made investments in certain third-party venture funds. Our regulators, the Federal Reserve Board and the California Department of Financial Institutions, regularly examine our funds business to ensure that it is being conducted in accordance with all applicable rules and regulations.

Our sponsored funds, managed by SVB Capital, are predominantly made up of third-party capital. We manage this capital for our fund investors, which include pension plans, charitable foundations and university endowments. We currently manage nine "funds-of-funds" that invest exclusively in venture capital funds managed by third-parties and five "direct investment funds" that invest directly into operating companies. Our direct investment funds, and the funds in which our funds of funds invest, make long-term investments in privately held companies in the information technology, life science and cleantech sectors.

Due to our multi-faceted role as banker, lender, investor and/or advisor to our nation's start-up companies, venture capital fund managers and their limited partner investors, SVB is uniquely positioned to see how changes in laws and regulations may affect this vibrant but increasingly challenged ecosystem, and we are deeply concerned about the potential for unintended consequences.

DISCUSSION

I. VENTURE CAPITAL FUNDS INVEST IN OTHER FUNDS

We believe that the definition of a venture capital fund should reflect Congress's perception of the purposes that venture capital funds serve in the overall economy. We agree with the Commission's characterization of this purpose:

> As a general matter, venture capital funds are long term investors in early-stage or small companies that are privately held, as distinguished from other types of private equity funds, which may invest in businesses at various stages of development including mature, publicly held companies. Testimony received by Congress characterized venture capital funds as typically contributing substantial capital to early-stage companies and generally not leveraged, and thus not contributing to systemic risk, a factor that appears significant to Congress' determination to exempt these advisers.

75 Fed. Reg. 77,190, 77,192 (Dec. 10, 2010) (footnotes omitted).

Congress' decision to exempt venture capital funds from the obligation to register with the Commission is part of a broader trend to differentiate venture capital from other types of private equity funds. There are two policy reasons driving this change. First, venture capital funds provide capital to early-stage companies that are creating jobs, curing diseases, and developing new technologies that improve the lives of millions of Americans. Second, venture capital funds do not pose any systemic risk to our financial system. [1]

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[1] In light of this broader policy shift, it is possible that the Commission's definition of a venture capital fund will be used not only for determining which funds must register under the Investment Adviser's Act, but for other purposes as well. *See* Financial Stability Oversight Council, Study & Recommendations on Prohibitions on Proprietary Trading & Certain Relationships with Hedge Funds and Private Equity Funds, p. 62 (January 2011), which stated:

> "[A] number of commenters suggested that venture capital funds should be excluded from the Volcker Rule's definition of hedge funds and private equity funds because the nature of venture capital funds is fundamentally different from such other funds and because they promote innovation. The Council believes that the issue raised by commenters in this respect is significant.... The Council recommends that Agencies carefully evaluate the range of funds and other legal vehicles that rely on the exclusions contained in section 3(c)(1) or 3(c)(7) and consider whether it is appropriate to narrow the statutory definition by rule in some cases."

The Council specifically mentioned the Commission's current rulemaking as a potential approach for defining venture capital funds under the Volcker Rule. We believe the Commission should consider the broader range of potential uses in adopting a final definition of "venture capital fund" in this proceeding. At the same time, we believe the Commission should acknowledge in its final Order that the definition adopted in this proceeding is intended to be used for investment adviser registration

Venture capital funds provide capital to early-stage companies through one of two equally important paths: one, by investing directly into companies, and two, by investing through other venture capital funds. Funds use the second approach for a variety of reasons. For example, many venture capital funds invest a portion of their assets in "seed" or "angel" funds to help them identify new technologies, companies and entrepreneurs. Others invest through intermediate partnerships or other entities to comply with international regulations or to benefit specific tax-exempt investors such as charitable foundations. And still others invest primarily or exclusively via other venture capital funds because they believe it is the most effective way to deploy their clients' funds. In all of these cases, the funds provide capital to the same early-stage companies: they simply do so through a different path.[2]

All of these investment strategies are consistent with the objectives cited in the Release. They all provide capital to early-stage or small companies that are privately held, without creating any systemic risk. There is no reason to exclude venture capital funds that make their investments indirectly through other venture funds from the proposed definition.

In the Release, the Commission states that there is no indication that Congress intended the venture capital exemption to apply to funds of funds. *See* 75 Fed. Reg. at 77,199. However, there is no indication that Congress intended to exclude such funds from the definition, and at least one other federal regulatory agency – the Federal Reserve Board – has indicated that a fund of funds should be included in definitions that apply to the underlying funds in which it invests.[3]

If a fund of funds invests only in funds that separately qualify as venture capital funds – and not in any other type of fund – it *is* a venture capital fund, and there is no policy reason to exclude it from the Commission's definition. Like other venture capital funds, venture capital funds of funds contribute substantial capital to early-stage companies; generally not leveraged; and do not contribute to systemic risk. (And if a venture capital fund of funds chose to use debt,

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purposes, and may not be suitable for all purposes. This would be consistent with the approach used by the Commission and other regulatory bodies in other cases. For example, the Commission and other agencies have adopted different definitions for terms such as "affiliate" and "control" under different regulations, in light of the different purposes of those regulations.

2 SVB, through its SVB Capital managed funds of funds, has invested in dozens of top-tier venture capital firms since 2000. Approximately 40% of those firms have venture capital funds that have invested in other venture capital funds, managed by separate venture capital firms, and the trend appears to be increasing.

3 *See* Federal Reserve, Conformance Period for Entities Engaged in Prohibited Proprietary Trading or Private Equity Fund or Hedge Fund Activities, 75 Fed. Reg. 72,741, 72,744 (Nov. 26, 2010) (proposing to define an illiquid fund as a fund that invests not only directly in illiquid assets but also "in other hedge funds or private equity funds" that also invest in illiquid assets); *see also* Financial Stability Oversight Council, Study & Recommendations on Prohibitions on Proprietary Trading & Certain Relationships with Hedge Funds and Private Equity Funds, pp. 57-58 (January 2011) (citing testimony of Paul Volcker before the Senate Banking Committee that "funds of funds" should remain permissible under the Volcker Rule because they are a means of efficiently providing customers with access to independent hedge funds or private equity funds).

it would be bound by the same rules that restrict the amount and type of debt a venture fund may use without forfeiting its exemption under the registration rules.)

In fact, there are strong policy reasons *for* including venture capital funds of funds in the definition. Venture capital funds of funds are a critical, stable source of funding for the venture capital funds and the portfolio companies in which they invest. They are part of the same venture capital/emerging company/innovation/job creation ecosystem and should not be treated differently from other venture capital funds.

To accomplish the change that we propose, the Commission should revise section (c)(4)(iv) to include investments in other venture capital funds as "qualifying portfolio companies." Otherwise the rule will unnecessarily discriminate between different types of venture capital investment strategies and discourage investments that create jobs, foster innovation and enhance our county's global competitiveness. Other sections of the definition properly define venture capital funds and protect against advisers to other funds from trying to improperly avail themselves of the venture capital exemption.

II. THE DEFINITION SHOULD NOT PROHIBIT STAND-ALONE SECONDARY PURCHASES

The Commission correctly recognized that most venture capital funds acquire most of their portfolio company securities directly from the company, rather than from existing shareholders in so-called "secondary" transactions. However, there are some very important exceptions to this generalization. As a result, the proposed rule, as drafted, will have an unintended and adverse outcome.

Many venture capital funds make secondary investments as an entry into a company, as part of a strategy to boost returns for their investors (because such shares can often be purchased at a discount), as a way to provide liquidity to members of the management team, or as a way to increase their ownership without increasing overall dilution, typically when another investor is unwilling or unable to maintain their investment. A secondary purchase in a privately held, emerging company is just as much a venture capital investment as a primary purchase.

Secondary purchases by venture funds, however, are fundamentally different from "buyout" transactions. The industry meaning of a buyout is buying all or effectively all of a company's shares and taking control of all management decisions, not purchasing a minority interest in a private company from an existing shareholder and engaging in the other types of long term, growth-enhancing engagement that typifies venture capital investors.

Allowing venture capital funds to make secondary purchases is also important in preserving capital flows to startups and other high growth companies. As noted above, there may be times in a company's evolution when an existing investor wants to reduce or eliminate their holding, or a member of the management team wants to gain liquidity before the company goes public or is acquired. This is particularly true as the time it takes to nurture a startup to an "exit" has lengthened over the past decade. If venture firms cannot purchase these secondary investments without forfeiting their status under the registration rules, companies will find it more difficult to manage through these situations.

For these reasons, the Commission should modify its approach in Section (a)(2)(i). The Commission should retain the concept that, across a portfolio, a venture fund will be predominately made up of primary investments (i.e., of shares acquired directly from the issuing company). The Commission, however, should eliminate the requirement that at least 80 percent[4] of the shares of *each* portfolio company must be primary investments and the concept that secondary investments, to be permitted, must be tied to primary investments in the same company. Specifically, the Commission should delete the phrase "of each qualifying portfolio company" in section (a)(2)(i), so that the percentage limit applies to the overall fund and all of its investments, not on a company-by-company basis.

III. FUNDS THAT MAKE LOANS TO QUALIFYING PORTFOLIO COMPANIES SHOULD BE INCLUDED IN THE DEFINITION OF A VENTURE CAPITAL FUND

One of the main purposes of the venture capital exemption is to avoid restricting the flow capital to technology start-up companies, which create jobs and foster innovation. Whether a fund provides this capital by making a loan or an equity investment is irrelevant. Both provide capital to technology start-up companies, and loans do not create any more systemic risk than equity investments. As long as the venture capital fund provides capital to qualifying portfolio companies, does not use significant leverage, does not make significant investments in public markets and does not allow its investors to redeem their interests in the ordinary course, it should be governed by the same policy. The fact that a fund provides capital in the form of debt (making loans) rather than equity (buying stock) does not make it any less critical to job creation, innovation and global competitiveness or any more likely to create systemic risk.

In the Release, the Commission asks whether the definition of a venture capital fund should "include funds that invest in debt, or certain types of debt, issued by qualifying portfolio companies, or make certain types of loans to qualifying portfolio companies." See 75 Fed. Reg. at 77,196. The answer is yes. So long as the loans are made to qualifying portfolio companies and the fund itself otherwise qualifies as a venture capital fund, this would not allow other types of fund advisers to avail themselves of the venture capital exemption from registration.

This can be accomplished by changing "equity securities" to "securities" in section (a)(2), replacing the equity securities definition in section (c)(2) with a customary definition of "securities" and clarifying the term "in connection with" as discussed in Section V, below.

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4 Many venture capital funds invest more than 20% of their capital via secondary investments. Some invest in technology startups primarily or exclusively through secondary purchases. We believe the definition should focus on other factors that more effectively differentiate a venture capital fund from other funds, such as the lack of leverage and focus on investments in technology start-up companies. *See* SVB Financial Group Comments to Financial Stability Oversight Council, dated November 5, 2010, File No.2010-25320, pp. 7-8. To the extent the Commission believes a threshold on primary or secondary investments is needed, we encourage the Commission to make it as flexible as possible.

IV. VENTURE CAPITAL FUNDS SHOULD BE ALLOWED TO GUARANTY PORTFOLIO COMPANY DEBT FOR LONGER THAN 120 DAYS

The proposed rule would prohibit a venture capital fund from guaranteeing the debt of its portfolio companies for longer than 120 days. (*See* Section (a)(4)). This restriction is unnecessary and would make it more difficult, if not impossible, for some start-up companies to obtain credit for working capital.

A bank will often require a guaranty for new loans or to extend existing loans to start-up companies that are not performing to plan. A venture capital fund may provide such a guaranty to allow its portfolio company to continue operations while it attempts to find a buyer (a "bridge-to-sale" loan) or conduct an orderly wind-down that protects the company's intellectual property assets. This often takes longer than 120 days.[5] Limiting such guarantees would only make it more difficult for such companies to obtain credit, and in some cases force the closure of portfolio companies with a resulting loss of jobs.

Extending or removing the time limitation for guarantees would not allow venture capital funds to use extensive leverage. Qualified portfolio companies would still be prohibited from borrowing to fund or finance the venture capital fund's investment in the company.

V. THE COMMISSION SHOULD CLARIFY THE MEANING OF "IN CONNECTION WITH"

The proposed rule prohibits qualifying portfolio companies from borrowing "in connection with" the fund's investment in the company. The term "in connection with" is vague. According to the Release, this provision is meant to prevent a typical leveraged buyout transaction where the portfolio company incurs debt to finance a private equity fund's acquisition of the company. *See* 75 Fed. Reg. at 77,197-98. We agree this is an important consideration, but alternative language would accomplish this objective more effectively, and provide certainty to venture-backed companies looking to borrow for working capital or other needs that do not involve financing a fund's investment in the company.

Banks commonly consider the equity investments made (or expected to be made) by a venture backed company's investors in evaluating the company's creditworthiness. This is because most of these companies are not yet profitable – some do not even have revenues or a fully-developed product. Therefore, one could infer that many loans to venture-backed start-up companies are in some way "in connection with" the fund's equity investment.

Although we do not think this is the Commission's intended meaning of "in connection with the private fund's investment," using more specific language would provide greater certainty for early-stage venture-backed companies seeking to borrow for working capital purposes. Using the terms "to finance," "to fund," or "to leverage" the private fund's

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5 SVB has received guarantees from venture capital investors that have been in effect for as long as 3 years, which allowed those companies to stay in existence, preserve valuable intellectual property and delay job losses.

investment would help ensure that venture backed start-ups do not lose access to credit and avoid other unintended consequences.

In the Release, the Commission asks whether the test for a qualifying portfolio company should be whether the company currently intends to borrow at the time of the fund's investment. *See* 75 Fed. Reg. at 77,198. It should not. Such a definition would be extremely difficult to interpret in practice, and would fail to recognize that the purpose of the test is to exclude companies that are incurring debt to finance the fund's equity investment, not to exclude companies that borrow in the ordinary course of their business and to balance in an appropriate way the mix of debt and equity in their overall capital structure. *See* 75 Fed. Reg. at 77,198-99.

A test that depends on how the portfolio company uses the proceeds of borrowing would be more appropriate. For example, the test could exclude borrowings the proceeds of which will be distributed to the venture capital fund or to any selling shareholder. Excluding only companies that use such proceeds to return capital to the fund or to allow the fund to acquire a controlling majority stake in the company using debt at the company level to fund its purchase would be a more effective approach. *See* 75 Fed. Reg. at 77,199.

VI. VENTURE CAPITAL FUNDS USE CAPITAL CALL LINES OF CREDIT

In the Release, the Commission asks whether venture capital funds use lines of credit repeatedly but pay the outstanding balance amounts in full before drawing down additional credit. They do. *See* 75 Fed. Reg. at 77,201.

Venture capital funds use a capital call line of credit to address the issues of certainty and expediency. Too often, investments do not close as timely as expected or the exact amount of cash needed changes on short notice. There are two solutions to the inherent uncertainty of when and how the "closing" of a venture capital financing will occur.

One is that a fund can call capital from its limited partners sooner, and in a greater amount, than it expects to need. The problem with this approach is that it forces the venture capital fund to hold excess cash, which sits unused and lowers the returns a fund can provide to its investors.

The second solution is a capital call line of credit. Using the line of credit, the fund can always draw exactly what is required and exactly when it is required. The capital call line can be quickly repaid by calling capital from limited partners immediately after the closing of the investment. Additionally, for small investments and for the collection of management fees, a fund may want to delay capital calls to lessen the administrative burden that frequent calls place on a pension fund, foundation or endowment. Therefore, many funds prefer to use a capital call line to aggregate their needs into one quarterly or in some cases bi-annual capital call.

It appears that the Commission's proposed 120 day debt limit would cover any amounts under a line that remain outstanding for more than 120 days. We encourage the Commission to increase this time limit to 180 days, to allow venture capital funds that prefer to make bi-annual capital calls to continue to do so. We also believe the 15 percent limitation should not apply to capital call lines or the limit should be increased to allow venture capital more flexibility in managing their cash flows and maximizing returns for investors. So long as only capital call lines of credit were exempt from the limitation, this would not pose any added systemic risk to our financial system. A 180-day limit alone would sufficiently prevent such risk. *See* 75 Fed. Reg. at 77,202.[6]

Finally, we urge the Commission to refrain from anything that would restrict a venture capital fund's ability to have an open *undrawn* line of credit for as long as needed by the fund. An undrawn line of credit is not leverage, it is simply access to credit, and poses no systemic risk whatsoever.

VII. ADDITIONAL COMMENTS

The Commission asks additional questions in the Release that we address here.

A. *Public Companies*

The Commission asks whether the definition should exclude a venture capital fund that holds shares in their portfolio companies after those companies have gone public – or impose a time limit on how long a fund can hold such securities. *See* 75 Fed. Reg. at 77,195. It should not. Creating such a restriction would force funds to sell shares prematurely, potentially flooding the market and depressing the share price of newly public companies. This could make it more difficult for newly public companies to raise follow-on rounds of capital in the public markets, and could create a transfer of wealth from the pension funds, charitable foundations, university endowments and other venture capital investors to hedge funds, private equity funds or other public-market traders. Conversely, it could harm public shareholders by making it difficult or impossible to obtain a lock-up agreement with pre-existing private investors.

Additionally, such a restriction could require venture capital fund managers to prematurely resign from the boards of their newly public portfolio companies, depriving those companies of valuable management advice. This is in the interest of neither the company nor its new investors, and could have the perverse effect of making it even more difficult for companies to go public in the United States and to perform strongly as newly public companies.

If any modifications are appropriate in this area, it would be to allow venture capital funds to invest a percentage of their capital in public companies, perhaps limited to companies in which the fund has an existing investment. This would allow the fund to continue to support its portfolio company after an IPO, which is common for venture capital funds that invest in more capital-intensive industries such as biotechnology and clean energy technology.

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[6] Capital call lines do not present excessive risk to the funds or lenders, and in no way create any systemic risk. They are backed by the fund's legal right to call capital from limited partners, who face serious financial and reputational consequences if they fail to meet the call. Silicon Valley Bank has a large portfolio of capital call lines to venture capital and private equity funds, and has engaged in this type of lending for an extended period. Our loss experience with these loans is close to zero – even during the recent financial crisis.

B. *Equity Securities*

In the Release, the Commission asks whether it should consider a more limited definition of equity security. *See* 75 Fed. Reg. at 77,196. It should not. As discussed above, the definition should be expanded to include funds that hold debt securities (i.e., loan money) to qualifying portfolio companies. In addition, venture capital funds often invest in partnerships, limited liability companies and other forms of entities, so it would not be appropriate to restrict the form of entity in which a fund invests.

C. *U.S. Treasuries and Cash Holdings*

The Commission asks whether the proposed rule's provisions related to investments in U.S. Treasuries should specify a shorter or longer maturity period and whether the provision for cash holdings is too broad or too narrow. *See* 75 Fed. Reg. at 77,197. Investments in U.S. Treasuries and cash holdings pose no systemic risk whatsoever. There is absolutely no reason to make these provisions more restrictive and every reason to make them as flexible as possible to avoid any unintended consequences.

D. *Funds Subject to Non-U.S. laws and Investments in Non-U.S. Companies*

In the Release, the Commission asks whether the definition of a venture capital fund should be limited to funds formed under U.S. law, funds that invest exclusively or primarily in the U.S. or funds that invest only companies operating in non-financial sectors. *See* 75 Fed. Reg. at 77,197. The answer is no. None of these activities pose systemic risk issues and, as recognized by the Commission, there is no indication that Congress intended such restrictions or would support them.

E. *Portfolio Company Use of Capital*

In the Release, the Commission asks whether focusing on a portfolio company's use of capital received from a venture capital fund imposes any unnecessary burdens on a company's operations or business. *See* 75 Fed. Reg. at 77,199. It most certainly could. Companies need to be able to repurchase shares from departing employees and to exercise rights of first refusal to prevent shareholders from selling to competitors or expanding the Company's shareholder base to the point of becoming a de-facto public company.

F. *Managerial Assistance*

The Commission asks whether the rule should specify that a fund or its adviser actually provide managerial assistance, rather than only offer assistance. *See* 75 Fed. Reg. at 77,201. It should not. In some instances, a technology start-up company may need only funding and not want managerial assistance. Effectively prohibiting this type of investment would not further the policy of reducing financial and administrative burdens on advisers who provide capital exclusively to technology start-up companies in a manner that poses no systemic risk. In fact, any requirement related to managerial assistance is unnecessary and fails to differentiate venture capital funds from many other types of investment funds, which also provide managerial assistance to the companies in which they invest.

G. ***"Retail" Investors***

The rule should not specify that venture capital funds do not have "retail" investors. *See* 75 Fed. Reg. at 77,205. While true – if "retail" investor means non-accredited investors or investors from the general public – it would not differentiate venture capital funds from many other types of funds and would create a confusing and unnecessary additional rule. Effective limitations related to accredited investor requirements are already contained in existing securities laws.

H. ***Redemption***

We agree with the way the Commission has addressed redemption rights. In the Release, the Commission asks whether the phrase "extraordinary circumstances" is sufficiently clear to distinguish the way redemptions work in a venture capital fund from a hedge fund. *See* 75 Fed. Reg. at 77,203-04. It is. Redemptions from venture capital funds are usually limited to legal or regulatory restrictions that are specific to certain types of investors, such as those that are subject to ERISA or bank holding company regulations. The rule should not define a minimum investment period, because these regulatory issues – either due to changes in the law or changes specific to the investor – can happen at any time.

Additionally, the Commission should not impose a limitation on the amount of capital that can be redeemed, because it may prevent investors from complying with regulatory requirements or limit venture capital funds ability to accept investments from pension funds and other investors subject to ERISA or other regulations.

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We thank the Commission for the opportunity to comment on the Proposed Rule. If you have any questions, please do not hesitate to call Mary Dent at 650.320.1119.

Sincerely,

Mary Dent	Jason Doren	Sven Weber
General Counsel	General Counsel	President
SVB Financial Group	SVB Capital	SVB Capital