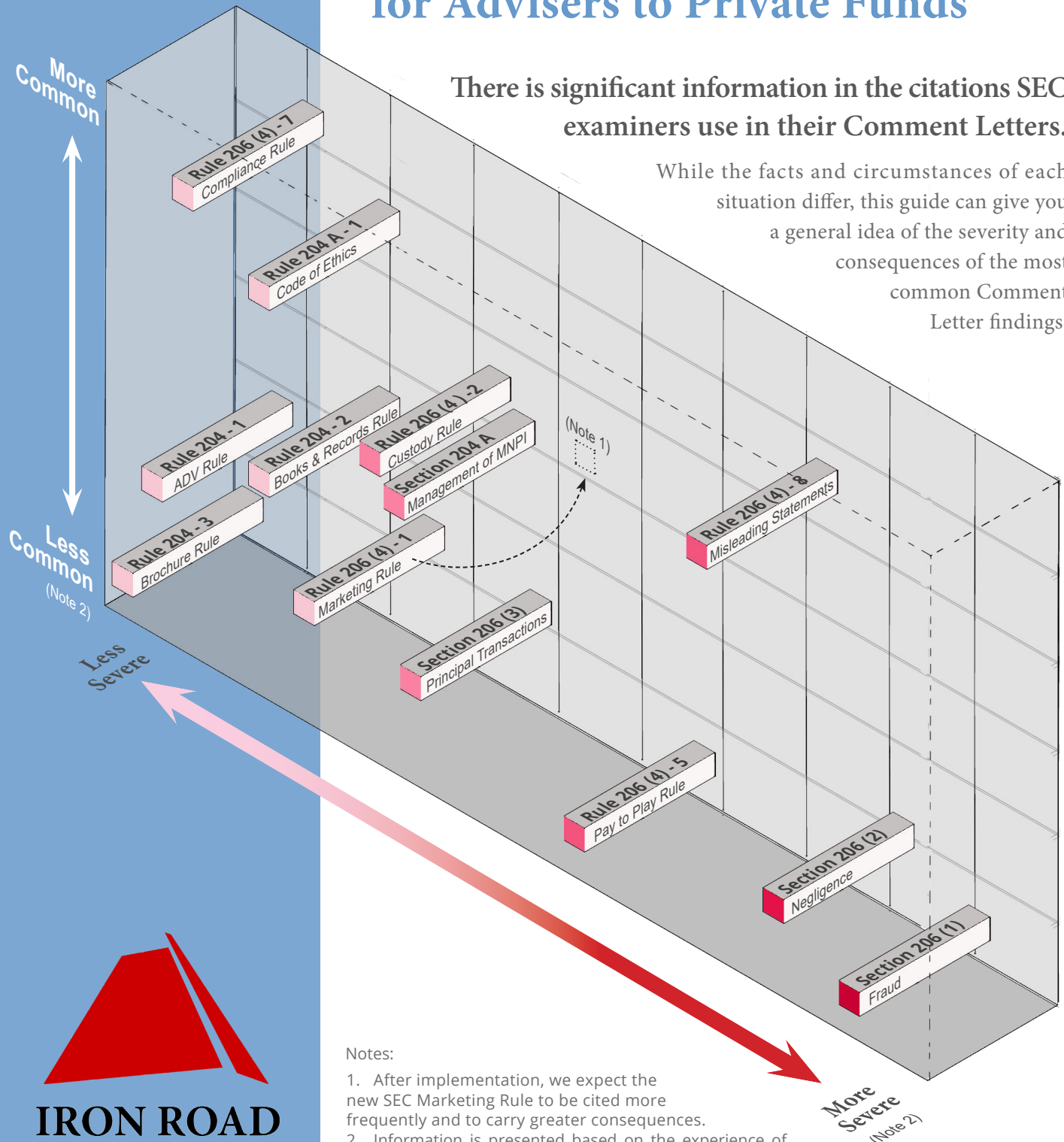


Interpreting SEC Comment Letters for Advisers to Private Funds

There is significant information in the citations SEC examiners use in their Comment Letters.

While the facts and circumstances of each situation differ, this guide can give you a general idea of the severity and consequences of the most common Comment Letter findings.



Notes:

1. After implementation, we expect the new SEC Marketing Rule to be cited more frequently and to carry greater consequences.
2. Information is presented based on the experience of Iron Road Partners and is not based on actual examination data.



Deficiency Overview

Citation		Description	Summary
Rule 204-1		ADV Rule	Requirements around filing forms ADV and CRS.
Rule 204-3		Brochure Rule	Rule requiring the delivery of a plain English brochure to clients.
Rule 204-2		Books and Records Rule	Rule detailing which records are required to be retained by the manager.
Rule 204A-1		Code of Ethics	Requires the implementation of a Code of Ethics focused on the reporting and management of personal investing, outside business activities, and conflicts of interest.
Rule 206(4)-7		Compliance Rule	Requires the adoption of written policies and procedures reasonably designed to prevent violation of the Advisers Act.
Rule 206(4)-1		Marketing	Rule governing marketing and advertising.
Rule 206(4)-2		Custody Rule	Proscriptive rule designed to ensure safekeeping of client assets.
Section 204A		Management of MNPI	Requires managers to establish, maintain, and enforce written policies and procedures reasonably designed to prevent the misuse of material nonpublic information.
Section 206(3)		Principal Transactions	Requirements having to do with completing transactions with entities in which the manager has a significant ownership stake.
Rule 206(4)-8		Misleading Statements in Pooled Investment Vehicles	Rule designed to prevent omissions or misleading statements being made to fund investors.
Rule 206(4)-5		Pay to Play Rule	Rule designed to govern campaign contributions to government officials.
Section 206(2)		Negligence	Prohibits engaging in any transaction which may operate as a fraud on a client even if the fraudulent conduct is unintentional.
Section 206(1)		Fraud	Prohibits employing a scheme to defraud a client.

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