

ACG PRESENTS: SEC Task Force Survey Results



October 2, 2014

In partnership with Venable LLP

ACG[®]

- Brief Background on ACG
- Description of the Task Force
- The Plight of the CFO/CCO
- Results of the Survey
- Next Steps
- Q&A
- Getting Involved

Today's Speakers



[Gary LaBranche, FASAE, CAE](#)
President & CEO
Association for Corporate Growth



[Pam Hendrickson](#)
Chief Operating Officer
The Riverside Company



[Blinn M. Cirella](#)
Chief Financial Officer
Saw Mill Capital LLC



[Richard Jaffe](#)
Partner
Duane Morris LLP



[Scott Gluck](#)
Counsel
Venable LLP





ACG's SEC Task Force was formed to help PE fund professionals contend with regulatory challenges:

- Investment Adviser Act Compliance
- SEC Examinations
- Fees and Expenses
- Valuations
- Potential Broker-Dealer Registration
- Federal Legislation
- JOBS Act/General Solicitations
- Conflicts of Interest
- Use of Placement Agents
- Cybersecurity

- Advocate before Congress and Federal Regulators;
- Educate Private Equity Professionals on Regulatory Issues;
- Facilitate Communication Amongst Fund Professionals;
and

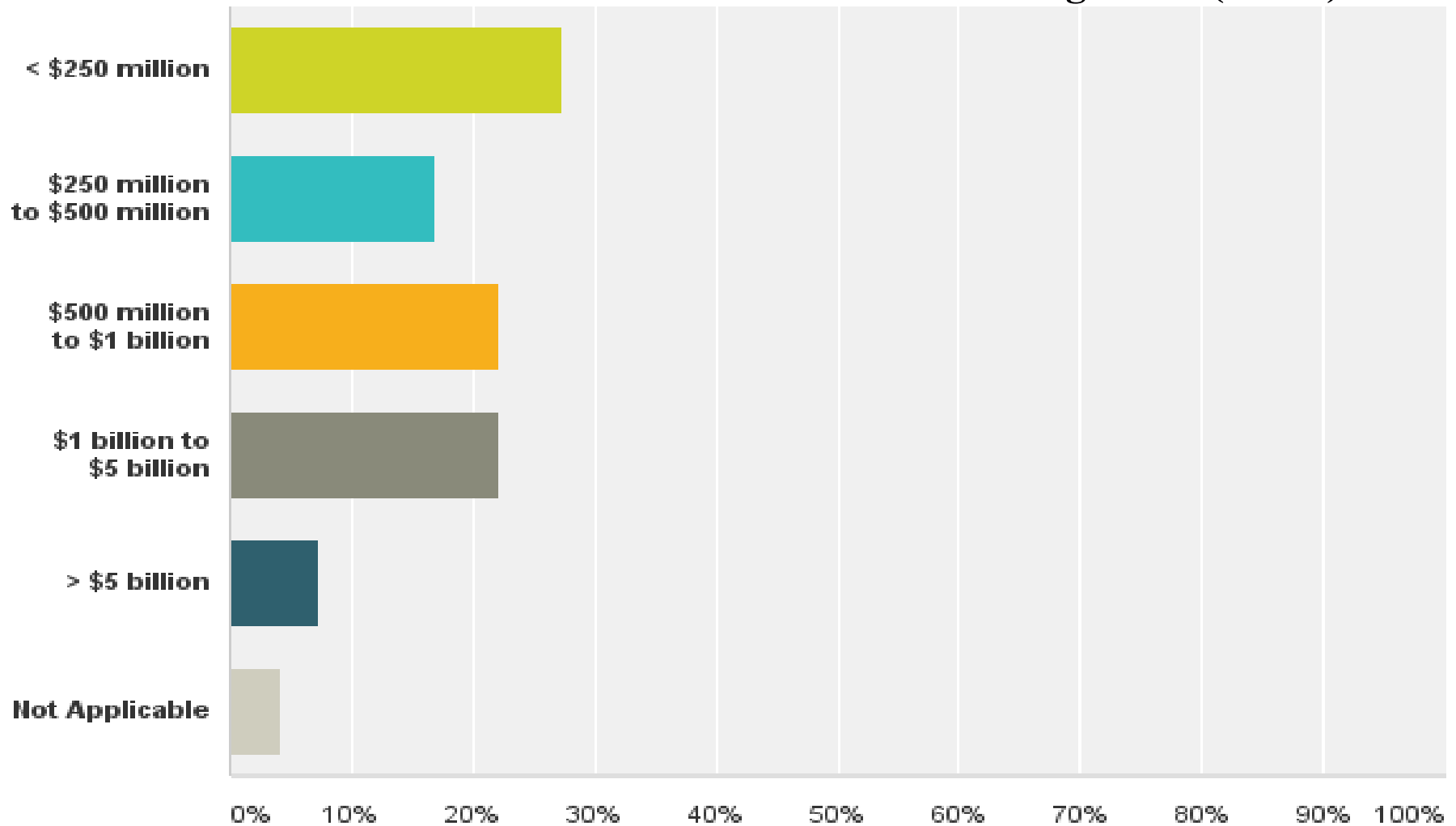
In the last year, ACG's SEC Task Force has:

- Had multiple meetings with senior SEC staff
 - OCIE
 - SEC's private fund unit co-heads
 - Divisions of Trading and Markets, Investment Management and Corporate Finance
- Hosted webinars with SEC staff
 - Best practices for an SEC presence exam
 - No Action Letter on M&A brokers:
- SEC staff has spoken at key events
- Upcoming event with Igor Rozenblit on October 23

Four Key Findings:

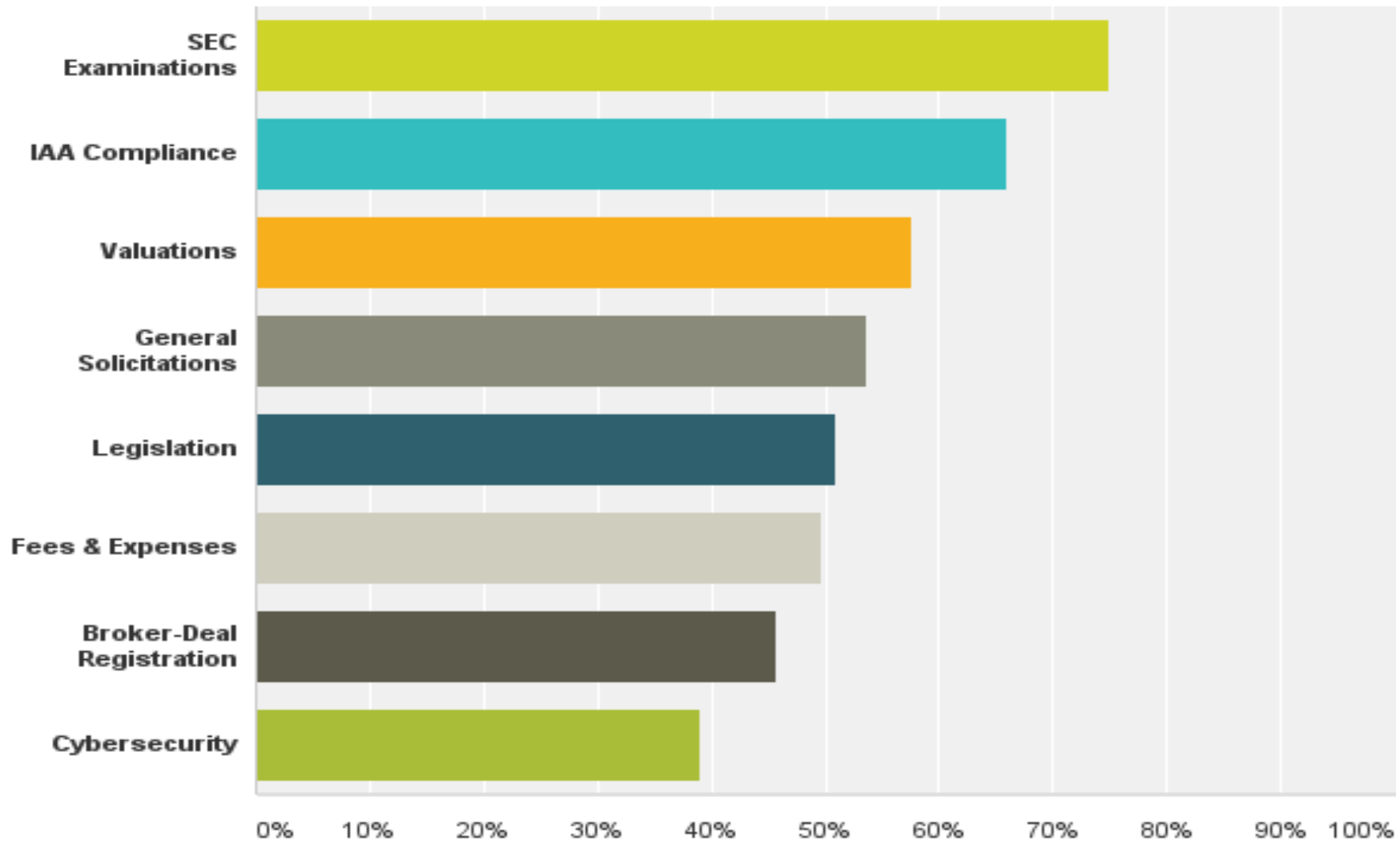
1. Middle-Market Private Equity Officers Are Concerned With A Broad Range of Issues
2. SEC Presence Exams Appear to Have Improved Over Time
3. The SEC Could Adopt Measures to Improve its Outreach to the Middle Market PE Industry
4. Respondents Want the ACG SEC Task Force to Carry Out a Broad Range of Activities

Which Best Describes Your Firm's Total Assets Under Management (AUM)?

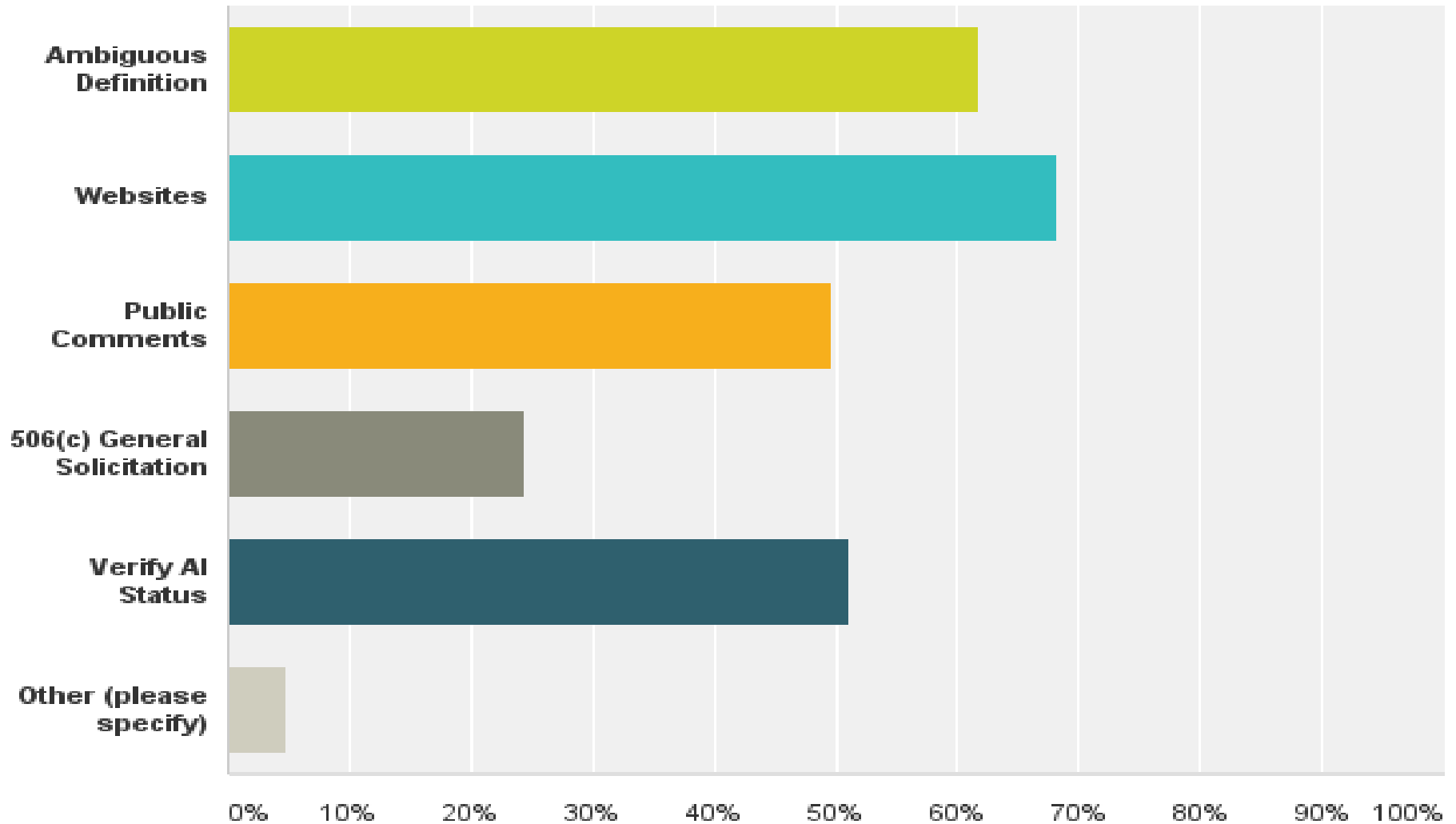


Key Finding #1

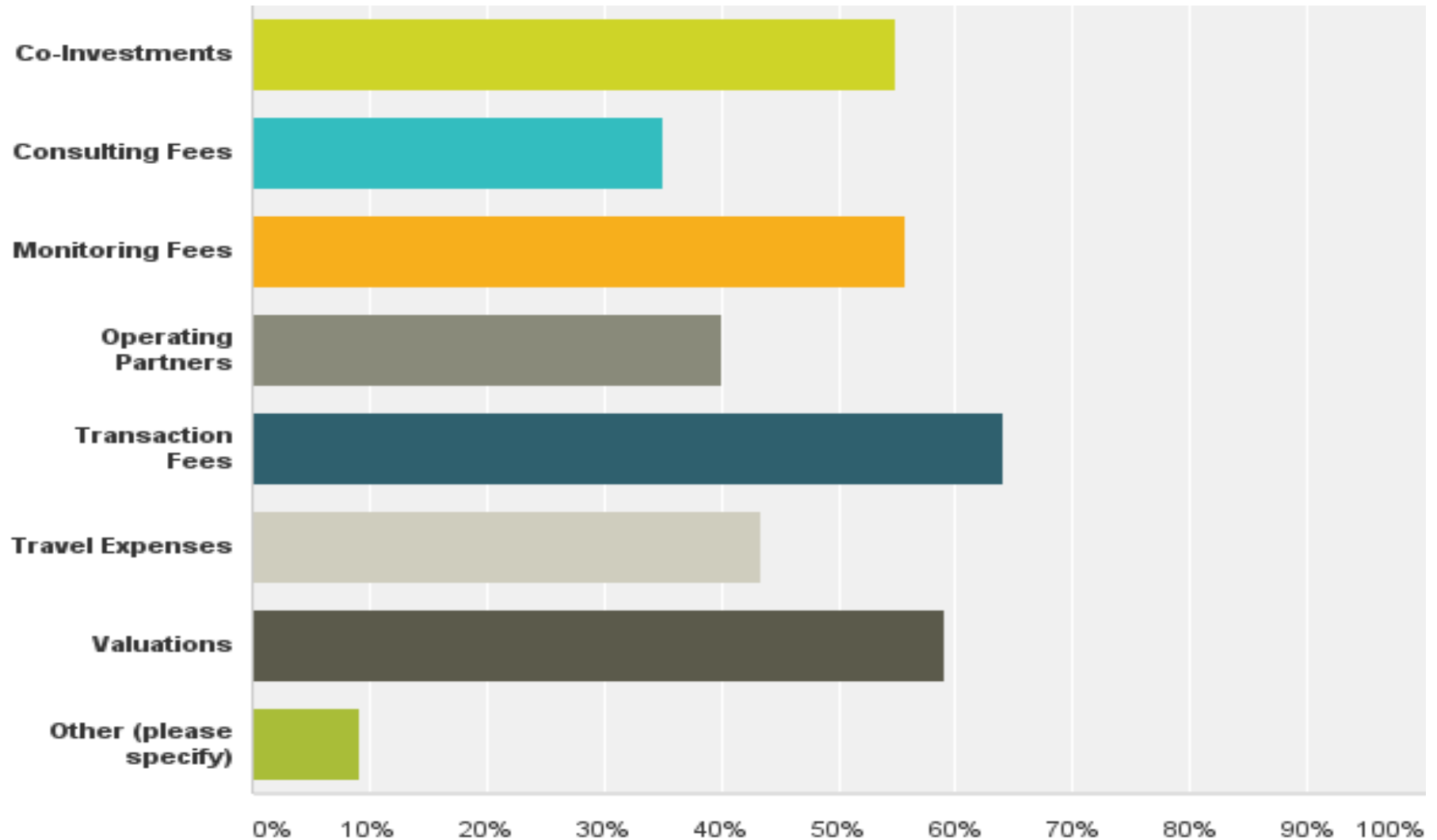
What Regulatory Issues Are You Concerned With?



Are You Concerned With Any of the Following Issues re: General Solicitations?



Are You Concerned With Any of the Following Issues re: Fees/Expenses?



Key Finding #2

SEC Examinations Have Improved Over Time

“It was their first exam and the SEC admitted they knew nothing so the exam was pretty easy, we were just educating them.”

- Anonymous: August, 2012 examination

“Most of the examination consisted of us educating the examiners on the PE industry.”

- Anonymous: Mid-2013 examination

“The SEC staff were surprisingly knowledgeable regarding private equity, so they either had direct experience or meaningful training.”

- Anonymous: August, 2013 examination

“They were eager to learn and they had much more knowledge than I expected.”

- Anonymous: Late-2013 examination

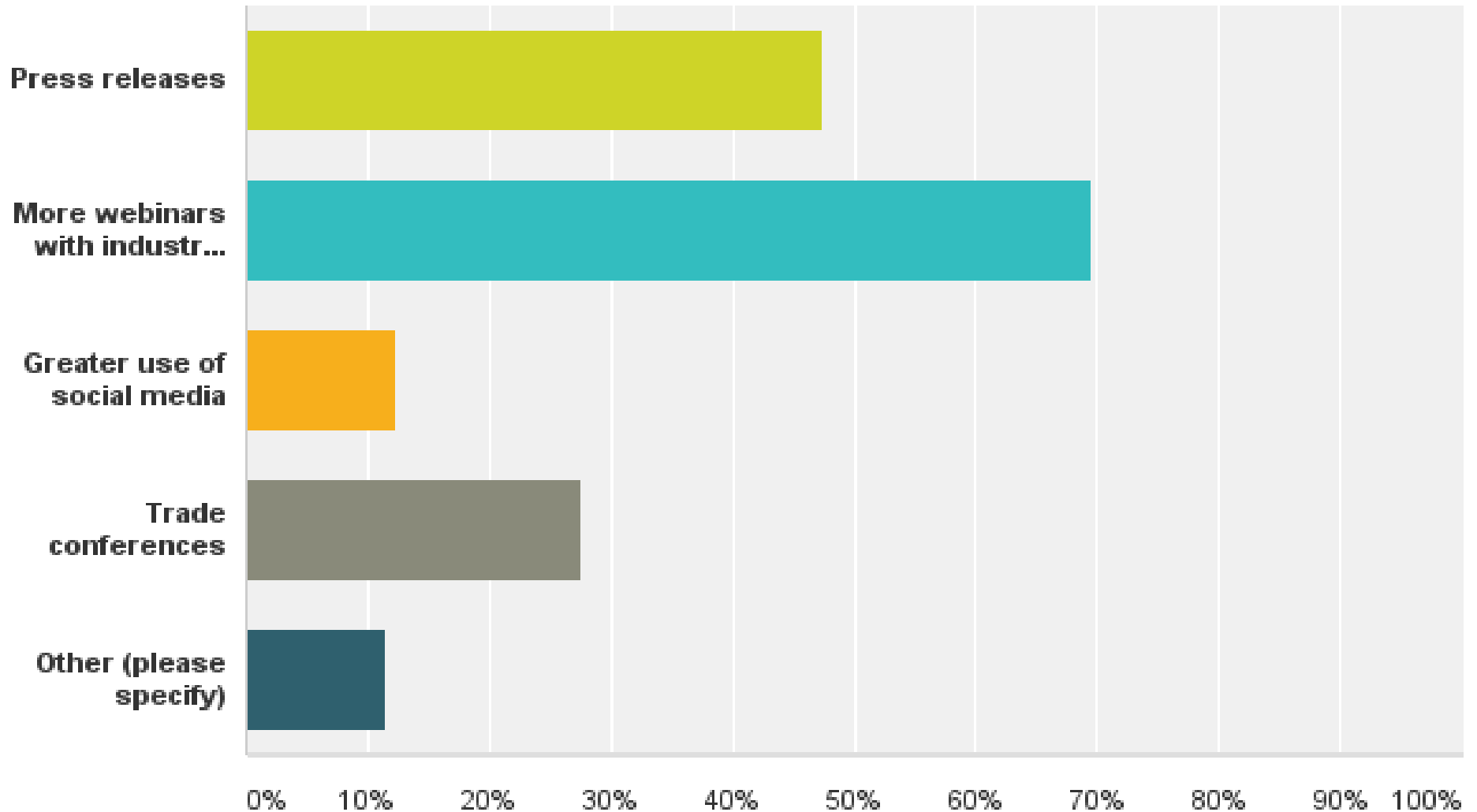
“Very professional and overall fair minded.”

Anonymous: 2014 examination

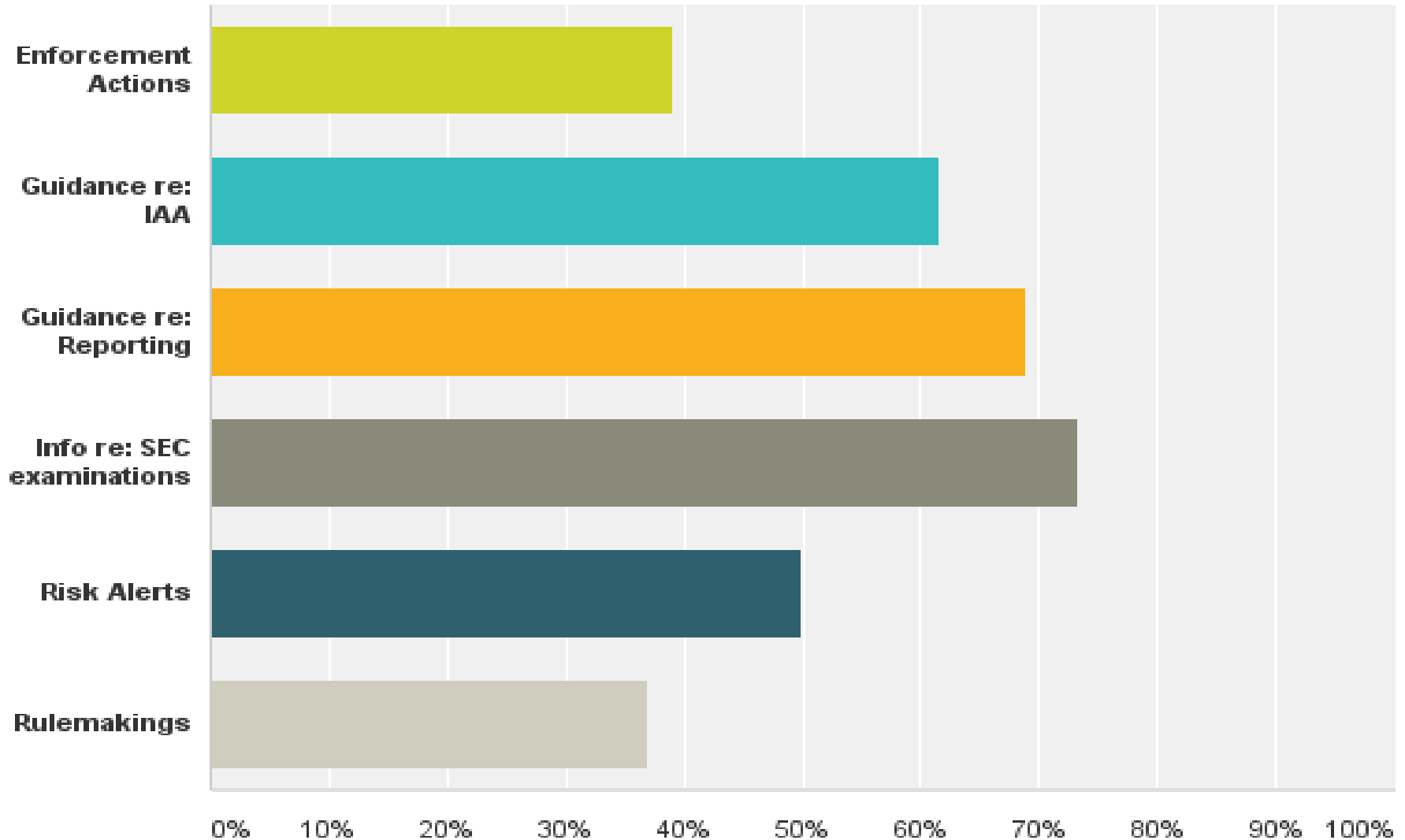
“Both examiners were very reasonable, and treated us politely and with respect.”

Anonymous: August, 2013 examination

How Could the SEC More Effectively Communicate Information?

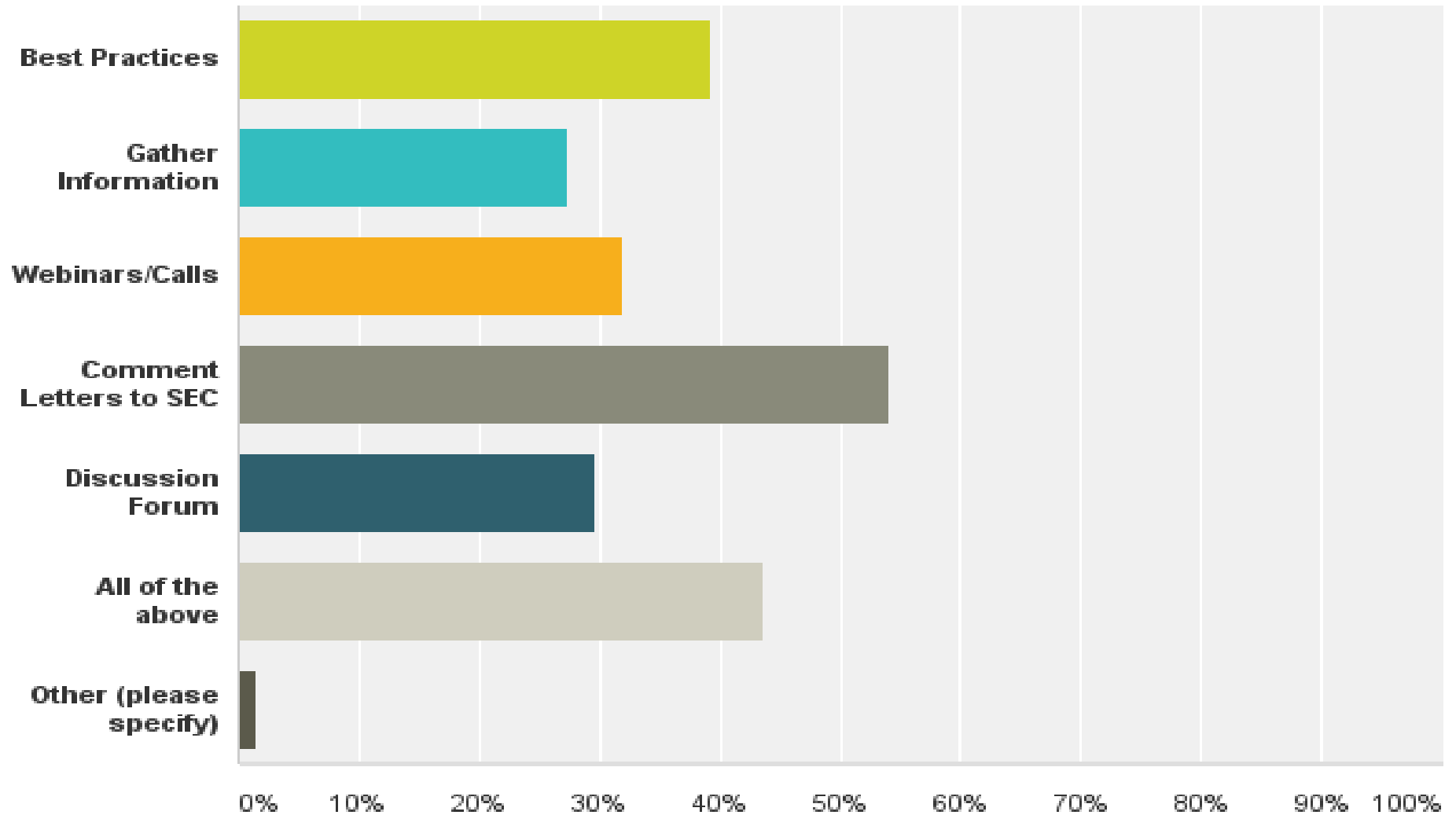


What Types of Information Are You Most Interested In?



- “Direct communications to registrants. They have the email contact info necessary to do this;”
- “Compliance/policy mailings to RIAs;”
- “More CCO outreach programs.”

Where Should The SEC Task Force Focus Its Efforts?



- ACG is moving forward with expanding the Task Force
- Working meeting/conference call on **October 22, 2014 at 2:30 PM EDT** in New York City
 - This is for fund professionals only
 - Limited space available for in-person meeting
 - More information and RSVP at www.middlemarketvoice.org
- In the coming weeks, ACG will announce
 - Task Force co-chairs
 - Membership information
 - Sub-groups
 - Affiliate group for service providers

We Welcome Your Involvement!

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