

Via Electronic Mail

July 17, 2009

Ms. Elizabeth M. Murphy
Federal Advisory Committee Management Officer
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

**RE: Comment letter to SEC Investor Advisory Committee (Release Nos. 33-9049;
34-60260; File No. 265-25)**

Dear Ms. Murphy:

The Investment Adviser Association¹ is pleased to offer these initial comments to the SEC Investor Advisory Committee as it commences its important work.

The Committee's charter is broad and compelling:

1. Advising the Commission on matters of concern to investors in the securities markets;
2. Providing the Commission with investors' perspectives on current, non-enforcement, regulatory issues; and
3. Serving as a source of information and recommendations to the Commission regarding the Commission's regulatory programs from the point of view of investors.

As an initial matter, we wish to offer our services and resources to support the work of the Committee. Our diverse membership spans the full spectrum of SEC-registered investment advisory firms that provide portfolio management and other investment advisory services to all types of individual and institutional investors, including retail and high net worth clients, as well as pension funds, state and local governments, corporations, endowments, foundations, mutual funds, hedge funds, and other institutional investors. As such, the members of our organization have vast and varied experience and expertise as investors who are required to serve the best interests of their clients. Accordingly, we would welcome the opportunity to participate with the Committee as it proceeds with its deliberations.

The agenda for the Committee's first meeting includes "discussion of investor views of possible refinements to the disclosure regime." To the extent this discussion includes disclosure

¹ The Investment Adviser Association (formerly the Investment Counsel Association of America) is a not-for-profit association that represents the interests of SEC-registered investment adviser firms. Founded in 1937, the IAA's membership consists of more than 450 firms that collectively manage in excess of \$7 trillion for a wide variety of individual and institutional investors, including pension plans, trusts, investment companies, endowments, foundations, and corporations. For more information, please visit our web site: www.investmentadviser.org.

by investment advisers, we respectfully suggest that you consider urging the Commission to move expeditiously to adopt amendments to Form ADV, Part 2 in light of the compelling investor protection benefits the new plain English brochure would achieve.

In addition, we urge the Committee to examine several key issues that are the subject of current debate and potential legislative and regulatory action, including:

- Whether an investment adviser's fiduciary duty should be extended to broker-dealers and others who provide investment advice to investors;
- Whether "harmonization" of broker-dealer and investment adviser rules – that in substance treat advisers more like brokers – is in the best interests of investors;
- Whether – and how – SEC resources can be increased or leveraged to provide greater oversight of investment advisers and others who provide investment advice (including whether establishing FINRA or a similar organization as a self-regulatory organization for investment advisers is contrary to the interests of investors and investment advisers).

Each of these issues could have a fundamental effect on investors and thus are "matters of concern to investors" within the Committee's charter. Further, all of the issues are "current" questions that are actively being considered by the Administration, the Congress, individual Commissioners, and various interested parties, including investor and consumer groups. While we certainly can appreciate the long list of potential issues the Committee may address, we believe the above issues should receive high priority consideration given their importance to investors and the likelihood of legislative and regulatory action in the near future.

Attached is the written testimony the IAA submitted to the Senate Banking Committee earlier this year. Our views on the issues outlined above are discussed in the statement and we ask that the statement be made a part of this letter.

Again, we would welcome the opportunity to serve as a resource to the Committee and look forward to working with you on issues that affect investors.

Sincerely,

A handwritten signature in dark ink that reads "David G. Tittsworth". The signature is written in a cursive, slightly slanted style.

DAVID G. TITTSWORTH
Executive Director