

New York State Bar Association
One Elk Street
Albany, NY 12207
518-463-3200

Business Law Section
Committee on Securities Regulation

March 14, 2007

Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-9303

E-mail address: rule-comments@sec.gov

Attention: Nancy M. Morris, Secretary

Re: **File No. S7-25-06**
Prohibition of Fraud by Advisers to Certain Pooled Investment Vehicles;
Accredited Investors in Certain Private Investment Vehicles
Release No. 33-8766; IA-2576

Ladies and Gentlemen:

The Committee on Securities Regulation (the "Committee") of the Business Law Section of the New York State Bar Association appreciates the invitation in Release No. 33-8766; IA-2576 (the "Release") to comment on the Commission's proposed new Rule 509 and Rule 216 (collectively, the "Proposed Rules"). The Proposed Rules would require natural persons to have at least \$2.5 million of "investments" (as defined in the Proposed Rules), in addition to meeting the current definition of "accredited investor" set forth in Rule 501(a) of Regulation D or Rule 215, in order to be eligible to invest in private investment vehicles that rely on Section 3(c)(1) of the Investment Company Act as an exemption from registration as an investment company (the "3(c)(1) Pools").

The Committee is composed of members of the New York State Bar Association, a principal part of whose practice is in securities regulation. The Committee includes lawyers in private practice and in corporation law departments. A draft of this letter was reviewed by certain members of the Committee. The views expressed in this letter are generally consistent with those of the majority of members who reviewed and commented on the letter in draft form. The views set forth in this letter, however, do not necessarily reflect the views of the organizations with which its members are associated, the New York State Bar Association, or its Business Law Section.

We are grateful for the opportunity to provide these comments and for the Commission's attention and consideration. We would be happy to discuss these comments further with the Staff.

Respectfully submitted,

COMMITTEE ON SECURITIES
REGULATION

By: /s/ Jeffrey W. Rubin
Jeffrey W. Rubin
Chair of the Committee

Drafting Committee:

C. Mark Laskay (Chair)
Ellen Lieberman
Thomas McG. Sanford

Copy to:

The Honorable Christopher Cox, Chairman
The Honorable Paul S. Atkins, Commissioner
The Honorable Roel C. Campos, Commissioner
The Honorable Kathleen L. Casey, Commissioner
The Honorable Annette L. Nazareth, Commissioner

Elizabeth G. Osterman, Esq., Assistant Chief Counsel
Tara R. Buckley, Esq., Senior Counsel