

Gillis, Diana L.

Subject: FW: 802.64 - Finance Company

From: Verne, B. Michael

Sent: Wednesday, December 03, 2014 3:01 PM

To: [REDACTED]

Cc: Walsh, Kathryn E.

Subject: RE: 802.64 - Finance Company

Andrew - looking back to the SBP for the 1978 Final Rule 802.64, it appears that the type of entity you are describing was specifically excluded from the exemption:

"Partnerships holding voting securities for investment and investment advisers were rejected because no adequate reasons for affording institutional investor status to such entities were advanced, and because the safeguards characterizing the entities listed in § 802.64(a) do not appear to be present." 43 FR @ p.33504 (July 31, 1978)

From: [REDACTED]

Sent: Wednesday, December 03, 2014 2:45 PM

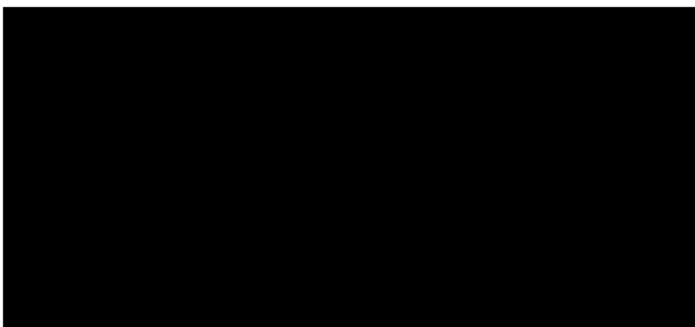
To: Verne, B. Michael

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Mike,

I am at a loss to find anything that expands on what would be considered a "finance company" under 802.64(a)(7). Would a limited partnership fund that primarily invests in companies, directly or, along with co-investors, indirectly through an acquisition vehicle, receiving newly issued voting or nonvoting securities in return for the invested cash be considered a finance company? It seems that an investment of cash for newly issued shares or a corporation could be considered as financing. Any advice or links to prior advice would be greatly appreciated.

Thanks,



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